

TRAINING 2000 LIMITED

England & Wales · Charity number 701770

Details

Status	Registered
Legal form	Charitable company
Company number	02380675
Registered	1989-07-11
Register	View on the Charity Commission register

Contact

Address	University Of Central Lancashire Preston PR1 2HE
Phone	01254 54659
Email	IFisher@uclan.ac.uk
Website	www.training2000.co.uk

Activities

Objects: The objects for which the Company is established are to provide, facilitate and advance the training of persons employed or intending to be employed in industry and/or commerce in the public, private or voluntary sectors.

Activities: The charity delivers training to meet national skills strategies for employers and learners covering Apprenticeship programmes across a number of skill sectors (including engineering, automotive, construction, business administration and dental health) and Study Programmes (including a Military Preparation Programme) and other programmes designed to increase employability skills.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body
- **What:** Education/training
- **Who:** Children/young People, The General Public/mankind

Geography

- Blackburn With Darwen
- Blackpool
- Cumbria
- Derbyshire
- Lancashire
- Manchester City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£6,378,385	£6,726,151	£1,606,651	132
2024-07-31	£6,608,100	£6,816,334	£1,770,417	142
2023-07-31	£6,864,042	£6,716,474	£1,830,819	152
2022-07-31	£6,695,703	£6,980,391	£1,245,245	155
2021-07-31	£6,703,719	£6,626,340	£761,933	153

Trustees

Name	Role	Appointed
Bryan Jones		2023-09-15
OLIVER MCCANN		2013-05-24
Professor Michael Joyston Arokiaraj Fernando		2023-09-15
TIM WEBBER		2013-05-24

TRAINING 2000 LIMITED

England & Wales - Charity number 701770

Accounts



Training 2000 Limited

Annual report & financial statements

Year Ended 31st July 2025

Company Number 02380675

Registered Charity Number 701770

Training 2000 Limited

Annual report & financial statements

Contents

Legal & Administrative Details	- 1 -
Report of the Trustees (incorporating Strategic Report)	- 2 -
Independent Auditor's Report	- 11 -
Statement of Financial Activities	- 15 -
Statement of Financial Position	- 16 -
Cashflow Statement	- 17 -
Notes to the Financial Statements	- 18 -

Training 2000 Limited

Legal & Administrative Details

Trustees:	D Taylor O McCann (Resigned 31 July 2025) T Webber (Resigned 2 May 2025) B Jones M Fernando (Resigned 30 April 2025) G Charles (from 3 October 2025)
Chief Executive Officer:	C Stott
Secretary:	F Winters
Registered Office:	Harris Building Corporation Street Preston PR1 2HE
Principal Office:	Furthergate Business Park Harwood Street Blackburn Lancashire BB1 3BD
Company Number:	02380675
Registered Charity Number:	701770
Banker:	Lloyds Bank PLC PO Box 1000 Fishergate Preston BX1 1LT
Solicitor:	DAC Beachcroft LLP 3 Hardman Street Manchester M3 3HF
Auditor:	KPMG LLP 1 St Peters Square Manchester M2 3AE

Report of the Trustees (incorporating Strategic Report)

The trustees present their report and the audited financial statements for the year ended 31 July 2025 and confirm they comply with the requirements of the Companies Act 2006, the Charities Act 2011, the trust deed and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Our Aims

Our vision is to be Lancashire's primary training provider and our mission is to deliver excellence in learning and develop outstanding talent for UK employers. Our aim is to promote and deliver a wide range of learning provision of outstanding quality with excellent progression opportunities for learners of all ages and backgrounds. We aspire, through public and private partnerships, to provide employer led provision in an excellent learning environment, delivered by highly qualified and experienced staff and high levels of support.

The objects of the Company as set out in its Memorandum of Association are to promote and advance high-quality training of persons employed or intending to be employed in industry and commerce, and to extend such training to members of the public generally.

Training 2000 was established nearly 60 years ago as a charity set up by a consortium of Lancashire businesses. On 28 July 2017 the Charity became part of the University of Lancashire group. The organisation remains an independent charity and its Memorandum of Association and aims remain the same with the University as its sole member company.

We have built a large portfolio of clients throughout the UK by creating and delivering high quality training solutions. We deliver training programmes which address existing and emerging needs both on our own premises and at client sites. Working as a business partner we design bespoke training programmes which assist our learners to succeed in their chosen field. Our work-based learning solutions provide an effective and flexible approach which lessens the impact on resources and allows businesses to concentrate on their day-to-day challenges.

Our ethos is to admit learners from all backgrounds; an individual's economic status, age, gender, ethnicity, race, religion or disability do not form part of our assessment processes. Our organisation is committed to equality of opportunity, safeguarding and promoting the welfare of our learners.

Our Objectives

The trustees are working to a three-year business plan that sets out ambitious targets for growth, focusing on professional and technical training with clear progression pathways to higher education designed to bridge local and national skills gaps. The business plan is underpinned with a strategy to cut costs and drive efficiencies. Our position within the University of Lancashire group gives the Charity the opportunity to align current programmes with degree level programmes and thereby provide greater value for employers and learners, and further work continues in these areas.

Whilst our strategic vision remains unchanged, the business plan is reviewed and refreshed annually to reflect the changing environment in which we operate. The trustees recognise that setting a high-performance culture is critical to success and this is achieved through having a shared vision, values and goals. Annual Corporate Objectives linked to the business plan are agreed each year and all staff are involved in action planning to meet these objectives.

In setting our objectives and planning our activities our trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance.

Report of the Trustees (incorporating Strategic Report) *continued*

Strategic Report

Review of Activities and Achievements

The charity demonstrated strong resilience during the COVID-19 pandemic, performing above sector averages. As restrictions eased, the nationally recognised backlog of learners delayed by limited access to training and assessment had a significant impact on income. This legacy challenge was successfully addressed across 2024/25, and the organisation is transitioning to a steady state of business as usual. While above-average staff turnover since 2022/23 caused notable disruption, stability has now been restored across most areas.

Challenges remain, particularly the absence of any general uplift in apprenticeship funding values since the introduction of the Apprenticeship Levy in 2017. During this period, staff, material, and utility costs have risen significantly, pressures that have been further compounded by the recent increase in National Insurance contributions. The Charity remains firmly focused on consolidating improvements and maintaining growth.

The charity was inspected by Ofsted in May 2025 and judged to be a 'Good' provider. The Executive and the Board are focusing on further improvements highlighted in the report with a view to improving the position further at the next inspection. In particular this includes reviewing the curriculum for learners on the APP course to make sure that it is ambitious and challenging, setting more precise targets for apprentices so that all apprentices know what they need to do to make rapid progress and improving careers information, advice and guidance so that learners know the full range of opportunities available to them.

The charity's senior management team have continued to drive cost out of the business through the reduction of waste, continual review of supplier contracts and increased efficiencies. A strong focus on integration with our parent organisation the University of Lancashire has improved the finance processes and resulted in a reduction in staffing resources within our finance team. Entering into jointly procured contracts has reduced costs in a number of areas including HR, Finance and the charity's Management Information System (MIS). The structure of the business has been revised to create a leaner and more effective management team that offers greater transparency and accountability across all business activities. The structure of the organisation remains under constant review to ensure suitability and value.

We continue to be successful in benchmarking our QHSE management systems with the recognised standards of ISO9001, ISO14001 and ISO45001. Our recertification to the quality standard ISO9001 and ISO14001 is now assured until 2026 and Training 2000 has now successfully migrated its H&S standard OHSAS18001 to the new ISO45001 standard - this is the result of 18 months' work where the organisation has embedded the required changes in the Health and Safety systems in order to achieve this migration. Moving forward we are confident that the three standards described are an appropriate measure of Training 2000's commitment to strong Quality, Health, Safety and Environment Management across the company. The Charity's internal management training programme has also received national recognition winning a Princess Royal Award.

The charity's Business Development Strategy reflects the changes in funding and the requirement to have closer client relationships. As such, the charity has restructured in order to replace its existing Sales Team with Account Managers who are charged with maintaining an ongoing communication with both new and existing clients. This approach served the business well and Training 2000 has continued to grow its portfolio of large employers with organisations including Vision Express, Royal Mail, BAE, Boots, Marks and Spencer, Chubb, the NHS and Rolls Royce accessing both commercial training and Apprenticeship provision. A number of major local businesses have also returned to Training 2000 for their apprentices after a lengthy hiatus.

A key measure of performance is learner achievement rates. The legacy of recent unprecedented events is learners who have been delayed in completing their programmes and, as such, the current achievement rate across all of our Apprenticeship programmes is currently 62.02% for the 2024/25

Report of the Trustees (incorporating Strategic Report) *continued*

contract year. National data was not available for 2024/25 at the time of signing; however, national achievement rates were 60.50% in 2023/24.

The quality of our provision and successes of our apprentices continue to be recognised in various awards including winning The Princess Royal Award for our Management Training Programme and, once again, we have been represented by our learners and staff at World Skills events.

Financial Review

The Charity has continued to focus on delivering apprenticeships and traineeships and a streamlining staff management structure and emphasis on costs has led to a considerable reduction in overheads.

There have continued to be significant operational cost savings driven through continuous review of resources and close scrutiny of expenditure and further facilitated by the centralising and harmonisation of certain functions with our parent entity the University of Lancashire. A further donation from the latter of £1,200,000 (2024: £1,350,000) has provided financial security as we implement our sustainability strategy.

Overall, the Charity returned a deficit of £347,766 (2024: deficit £208,234) before actuarial gains on the pension scheme of £184,000 (2024: £159,000) resulting in a net deficit of £163,766 (2024: deficit £60,403).

Going Concern

Net assets as at 31 July 2025 were £1,746,508 (2024: £2,224,537) excluding the pension scheme liability of £139,857 (2024: £454,120). The position of the Charity within the University of Lancashire group provides financial security and sustainability for the future and facilitates the delivery of the Charity's long-term strategy of delivering higher level skills within the newly reformed Apprenticeship regime. The Charity has obtained a parental guarantee from University of Lancashire to provide financial support for a period of at least 12 months from the approval of the financial statements. As such the trustees believe that the going concern basis of preparation remains appropriate. The Charity has put a strong focus on working with University of Lancashire to maximise mutually beneficial cost savings and growth opportunities going forward.

Reserves Policy

As at the July 2025 year end, the Charity's total reserves (net of the pension scheme liability of £139,857) were £1,606,651 of which £199,507 were designated. Designated funds relate to capital grants which are released in line with the depreciation of the related assets. Other funds of £1,547,001 were represented primarily by property fixed assets.

The trustees have sought to develop a working capital policy which seeks to optimise reserves to place the Charity in a position to be able to absorb future changes in government funding in the training arena without threatening its financial stability and its ability to deliver its charitable objectives. Due to the high level of uncertainty year on year around learner numbers and therefore income generation, as well as challenges with the reliance on government policy on further education funding, the trustees have determined that the Charity will maintain total reserves equivalent to at least 90 days' revenue (based on the latest reported total in audited financial statements). This is intended to enable the Charity to continue to operate in the event that no funding was available for at least 90 days.

Total reserves held at 31 July 2025 were 25% of total revenue (2024: 27%). This is equivalent to 92 days (2024: 98 days) and so the Charity was within policy. The Charity's position within the University of Lancashire group also provides the Charity with financial security and enhances the Charity's ability to offer higher level apprenticeships in line with the new standards in the future and the trustees continue to aspire to build the reserves of the Charity.

Report of the Trustees (incorporating Strategic Report) *continued*

Pension funds

The Board has reviewed its obligations arising from employee pension funds and is satisfied that its liabilities are properly identified, planned and accounted for. The Training 2000 Retirement and Death Benefit Scheme, a defined benefit pension scheme, was closed on 1 November 2006 to new employees and future benefit accrual. The Pension Trustees have secured the agreement of the Charity Board to fund a package of measures to extinguish the pension deficit (note 21) and during a prior year a buy-in transaction was completed with Partnership Life in respect of current pensioners in the scheme. Other measures will be considered in the future to further mitigate the risks associated with the deficit. The Charity also operates and contributes to a defined contribution scheme. With the introduction of Auto-Enrolment in February 2014, all new employees are auto-enrolled into the scheme and have the option to increase their own and the Charity's contributions upon successful completion of their probationary period.

The Future

The trustees recognise the importance of delivering against the 3-year business plan and the objectives set out therein to reach a position of self-sufficiency and future sustainability with its own investment in infrastructure and resources needed to deliver the higher-level skills required by employers now and in the future. The focus for the coming year is to maximise income through educational delivery excellence, customer retention, a fantastic learner experience and investment in business development while continuing to reduce operational costs through ongoing review and integration with University of Lancashire where appropriate. The move to remote delivery for some of our programmes, in response to the COVID-19 pandemic, has proved to have long term benefits for many learners and the business and will therefore continue post pandemic.

Becoming part of the University of Lancashire group has provided stability and investment for the future. Our focus continues to be to deliver high quality, high value training programmes and services that enhance our clients' ability to succeed. As part of the university structure, we have the breadth of programmes from Level 2 through to Level 6/7 that will enhance the skills and education of our learners and meet the shifting needs of employers. The group will be able to provide a focused service for high level skills for employers and provide a diverse range of academic and vocational programmes for our learners.

The core focus remains to continue to "Build a Sustainable Business". The government's Apprenticeship Reform agenda continues to present significant challenges and opportunities regarding programme and associated cashflow management but will also present significant opportunities for us to help our employers in growing their Apprenticeship programmes in line with government and local priorities.

Principal Risks and Uncertainties

The trustees have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial or otherwise. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reassurance that:

- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained, and financial information used within the Charity or for publication is reliable; and the Charity complies with relevant laws and regulations.

Report of the Trustees (incorporating Strategic Report) *continued*

The Company has a committee of the Board - the Governance and Audit Committee - which reviews financial reporting, internal controls, risk management, fraud, internal and external audit, safeguarding and health and safety issues. There is a Risk Register which has an action plan to deal with the strategic risks to which the Company is exposed, including operational and financial risks. There is also an effective intelligence and communication structure and continuous monitoring of the plan. On completion of the previous actuarial valuation at 31 July 2023 the Pension Trustees secured the agreement of the Charity Board to fund a package of measures to extinguish the pension deficit (note 21), including increased annual funding contributions of £169,675 for the year ended 31 July 2025 increasing at 3% per annum thereafter to 31 July 2028. The Pension Trustees will continue to consider other measures to further mitigate the risks associated with the deficit. ensure that action can be taken swiftly if changes need to be made to delivery and development plans.

During the year the trustees, through the offices of the Governance and Audit Committee, have received reports from the SMT relating to risk and control. The reports have enabled the trustees to satisfy themselves that the Charity's risk, fraud, safeguarding and health and safety policies are being implemented, that significant weaknesses of control identified are being promptly addressed and on the overall adequacy and effectiveness of the Charity's system of internal control at the year-end.

The Board of trustees considers the principal risks and uncertainties facing the Charity to be as follows:

Reliance on government funding for income

As in previous years the Charity is heavily reliant on government funding through the DfE. In recent years funding has been reduced on a per learner basis and changes in the education system such as Raising the Participation Age (RPA) have put additional pressure on maintaining the numbers of learners seeking apprenticeships at 16-18 years old. With the introduction of the Employer Levy and the new tendering process for non-levy paying employers, this does present opportunities for the future in terms of growing apprenticeships and making them more affordable to deliver. Proposals within the Governments recent white paper on Further Education suggest flexibilities in the use of Employer Levy funding that may also present opportunities to the Charity.

Defined Benefit Pension Scheme Liability

The Training 2000 Retirement and Death Benefit Scheme deficit is valued at £0.14m under FRS102 at 31st July 2025, a decrease of £0.31m in the year.

Report of the Trustees (incorporating Strategic Report) *continued*

Structure Governance and Management

Governing Document

Training 2000 Limited is a company limited by guarantee, registered in England and Wales. Its governing document is its Articles of Association.

Appointment of Trustees

As set out in the Articles of Association the trustees are appointed by the Company from the sole member. The Trustees comprise the Chair and Vice Chair, who are elected every third year, and up to twelve others. All trustees give of their time freely and no remuneration or expenses was paid to them in the year.

Induction and Training of Trustees

The Company has an induction pack for new trustees with specific emphasis on Company Law and Charity Commission responsibilities. The induction checklist is reviewed regularly and updated as appropriate. Trustees are required to disclose all relevant interests and register them with the Company Secretary and in accordance with the Charity's policy they must withdraw from decisions where a conflict of interest arises.

Organisation

The Trustees administer the Charity. The Board meets at least three times per annum and there are committees for Remuneration and Governance & Audit. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the Charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Board, for operational matters including finance and employment. The Chief Executive is responsible for the leadership and management of the Senior Management Team (SMT) and it is their duty to discharge the day to day operations. They meet on a weekly basis.

Related Parties

On 28 July 2017 Training 2000 Limited became part of the larger University of Lancashire Group Structure. The University is also a Charity and some of the Company's activities and operations are carried out through the now subsidiary Company Training 2000 Limited.

Trustees Liability Insurance

During the year the Charity provided third party liability insurance for its trustees.

Report of the Trustees (incorporating Strategic Report) *continued*

Attendance at Board Meetings

Trustees' and secretary's attendance at Board and Committee meetings, in relation to the number of meetings held, that they were eligible to attend during the year ended 31 July 2025 is set out below:

Board Members	Board Meetings and AGM	Governance & Audit Committee
D Taylor	4/4	N/A
Bryan Jones	4/4	2/2
Michael Fernando (to 30/4/2025)	2/4	N/A
T Webber (to 2/5/2025)	2/4	N/A
O McCann (to 31/7/2025)	4/4	2/2
I Fisher (Co Sec to 30/4/25)	2/4	2/2
Fiona Winters (Co Sec from 1/5/25)	2/4	N/A

The Environment and Corporate Social Responsibility

The Charity recognises the need to develop its business in a sustainable manner. We strive to develop the business to meet the demands of the present without compromising the needs of future generations. The Charity has developed a Corporate Social Responsibility (CSR) report which outlines and documents the environmental, social and economic activities we undertake to ensure that we operate in a safe and sustainable manner. The Charity has maintained the environmental standard ISO14001 since 2008, In March 2025 the business gained re-accreditation for ISO14001, ISO9001 and ISO45001. The feedback we received from the auditor has confirmed that not only have we have we maintained the three ISO certifications that we hold, but that we have also demonstrated our capacity to continually improve This, along with our CSR underlines our commitment to managing our environmental impact.

Employment and Equality and Diversity

The Charity considers that employee involvement is essential to its continuing success and we use a variety of methods to inform, consult and involve employees. We use a range of communication tools which includes bi-monthly all employee briefings, weekly all employee communications, staff newsletters, intranet, employee forum, informal team meetings with the CEO, regular one to ones and team briefings.

During the year (Aug 24 – July 25) the actual number of people employed by the Charity was on average 132 (2024: 142). The annual labour turnover percentage as at the end of July 2025 for the Charity including fixed term contracts and TUPE transfers is 15% (includes 20 employees).

The Charity is committed to achieving equality through diversity and our policies and strategies recognise that all people have the right to their own distinctive and diverse identity. Promoting equal opportunities applies to both our own staff and our learners. The Charity recognises its responsibilities towards disabled persons and does not discriminate against them either in terms of job offers or career prospects.

All new staff members undertake both a departmental and company induction programme where all the Charity policies and procedures are explained. The induction also includes where employees are able to obtain support for their health and wellbeing including highlighting the Employee Assistance Programme which all employees are able to access for a wide range of support including mental health. The employee engagement activities and wellbeing of staff is part of the People Plan to improve the employee experience which includes health and wellbeing. Key members of staff engage with the

Report of the Trustees (incorporating Strategic Report) *continued*

induction programme for new staff members which includes detailed presentations, introductions to other staff members, site familiarisation and the quality and safety procedures.

Pay and Remuneration of Key Management Personnel

Remuneration of the Chief Executive Officer is agreed by the Board, Senior Management Team remuneration is agreed by the CEO.

Health, Safety and Environment

The Board ensures its legal responsibilities for Health, Safety and Environment are met. They require the CEO and senior management team to keep them regularly appraised on the status of all HSE matters.

The Board and CEO, along with the Senior Management Team on site are committed to a strong HSE management system that delivers continual improvement.

During the past year the charity has reviewed and updated its HSE policies and ensured staff are trained on all relevant HSE matters enabling them to operate the business with the objective of providing a healthy, safe and sustainable workplace for all staff and learners.

In addition to regular governance reports from the company HSE Manager throughout the year, the Board, CEO and Senior Management Team receive the Annual Health Safety and Environment Management review detailing HSE performance, accident / incident analysis and legal compliance.

The Charity has a zero RIDDOR target and seeks to minimise the incidence of minor accidents. Through strong Health and Safety management the Charity has seen a steady reduction in minor accidents since 2013. RIDDOR accidents have reduced to a point where the operational areas of the business have sustained just one RIDDOR incident over the last 7 years.

The Charity benchmarks HSE to 2 international standards:

The charity certified to the new international standard in Health and Safety management, ISO45001 in 2021 following a successful transition from the now withdrawn British Standard in Health and Safety, BSOHSAS18001, previously held since 2015.

Since 2009 the charity has continually improved its Environmental performance validating this through certification to the environmental standard ISO14001.

Benchmarking the charity against these standards with annual external auditing ensures the company HSE management systems are robust and continually improving.

Statement of Disclosure to Auditor

So far as the trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware. Additionally, 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 auditor is aware of that information.

Report of the Trustees (incorporating Strategic Report) *continued*

Statement of Trustees' Responsibilities in respect of the Trustees' Annual Report and the financial statements

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 income and expenditure for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Report of the Trustees was approved on 19 January 2026



D Taylor
Chair of the Trustees

Independent Auditor's Report to the Members and Trustees of Training 2000 Limited

Opinion

We have audited the financial statements of Training 2000 Limited ("the charitable company") for the year ended 31 July 2025 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Cashflow Statement, and related notes, including the accounting policies in note 1.

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 UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the charitable company's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related 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 the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charitable company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

Independent Auditor's Report to the Members and Trustees of Training 2000 Limited *(continued)*

Our risk assessment procedures included:

- Enquiring of the Board of Trustees, the Group Audit Committee and Company Secretary as to the charitable company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board of Trustees and Group audit committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not rebut the significant risk of fraudulent revenue recognition due to the historic performance of the entity potentially creating an incentive to misstate revenue.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management, journals posted to revenue that were considered outside of the normal course of business, journals posted to seldom used accounts and journals posted by infrequent users.
- Sample testing of charitable activities income to determine whether it has been recorded accurately and in the correct period.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the trustees (as required by auditing standards) and discussed with the trustees the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The charitable company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related charities and companies legislation). We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the charitable company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws.

Independent Auditor's Report to the Members and Trustees of Training 2000 Limited *(continued)*

Other information

The trustees are responsible for the other information, which comprises Report of the Trustees (incorporating Strategic Report). Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Report of the Trustees (incorporating Strategic Report), which constitutes the strategic report and the trustees' report for the financial year, is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records 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.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 10, 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent Auditor's Report to the Members and Trustees of Training 2000 Limited *(continued)*

The purpose of our audit work and to whom we owe our responsibilities

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



Debra Chamberlain (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 St Peter's Square
Manchester
M2 3AE

19 January 2026

Training 2000 Limited

Statement of Financial Activities

Year Ended 31st July 2025

		Unrestricted Funds	Restricted Funds	Total Funds 2025	Unrestricted Funds	Restricted Funds	Total Funds 2024
	Notes	£	£	£	£	£	£
Income:							
Donations and legacies	3	1,200,000	-	1,200,000	1,350,000	-	1,350,000
Charitable activities	4	5,079,257	-	5,079,257	4,987,264	-	4,987,264
Other trading activities	5	99,128	-	99,128	138,469	132,367	270,836
Total Income		6,378,385	-	6,378,385	6,475,733	132,367	6,608,100
Expenditure on Charitable Activities:							
Provision of training	6	(3,524,643)	(65,303)	(3,589,946)	(3,563,309)	(67,064)	(3,630,373)
Other Charitable Expenditure	6	(3,026,965)	-	(3,026,965)	(3,075,648)	-	(3,075,648)
Other Expenditure	6	(109,240)	-	(109,240)	(110,313)	-	(110,313)
Total Resources Expended	6,7	(6,660,848)	(65,303)	(6,726,151)	(6,749,270)	(67,064)	(6,816,334)
Net income/(expenditure) for the year		(282,463)	(65,303)	(347,766)	(273,538)	65,303	(208,234)
Profit/(loss) on sale of tangible fixed assets	12	-	-	-	(11,168)	-	(11,168)
Actuarial gain on pension scheme	21	184,000	-	184,000	159,000	-	159,000
Net Movement of Funds in Year		(98,463)	(65,303)	(163,766)	(125,706)	65,303	(60,403)
Reconciliation of funds:							
Total funds brought forward		1,705,114	65,303	1,770,417	1,830,819	-	1,830,819
Total Funds Carried Forward		1,606,651	-	1,606,651	1,705,114	65,303	1,770,417

The statement of financial activities includes all gains and losses recognised in the year. The accompanying notes form an integral part of these financial statements.

Training 2000 Limited

Statement of Financial Position Year Ended 31st July 2025

		2025 £	2024 £
Fixed Assets			
Tangible assets	12	2,083,452	2,215,662
Total Fixed Assets		2,083,452	2,215,662
Current Assets			
Debtors	13	817,022	789,732
Cash at bank & in hand	14	1,171	272,363
		818,193	1,062,094
Creditors			
Amounts falling due within one year	15	(1,155,137)	(1,053,219)
Net Current (Liabilities)/Assets		(336,944)	8,875
Total Assets Less Current Liabilities		1,746,508	2,224,537
Creditors: Amounts falling due after more than one year		-	-
Net Assets before Pension Scheme Liability		1,746,508	2,224,537
Pension Scheme Liability	22	(139,857)	(454,120)
Net Assets after Pension Scheme Liability		1,606,651	1,770,417
The Reserves of the Charity			
Unrestricted funds:			
Designated	20	199,507	282,968
Other	19	1,547,001	1,876,266
Unrestricted Funds excluding Pension Liability		1,746,508	2,159,234
Pension Scheme Liability	21	(139,857)	(454,120)
Total Unrestricted Funds		1,606,651	1,705,114
Restricted funds		-	65,303
Total Reserves		1,606,651	1,770,417

The accompanying notes form an integral part of these financial statements.

Approved by the Board and authorised for issue on 19 January 2026



D Taylor
Chair
Company Registration Number: 02380675

Training 2000 Limited

Cashflow Statement

For the Year Ended 31st July 2025

	2025 £	2024 £
Cash used in operating activities		
Net expenditure for the year	(347,766)	(208,234)
Adjustments for:		
(Increase)/decrease in debtors	(27,291)	331,248
Increase/(decrease) in creditors	(29,583)	(78,279)
Depreciation	132,210	156,943
Difference between pension contributions and current service cost	(130,263)	(115,333)
Interest payable	8,113	13,324
Net cash (used in)/from operating activities	(394,580)	99,669
Cash flows from investing activities		
Sale of fixed assets	-	113,000
Net cash from/(used in) investing activities	-	113,000
Cash flows used in financing activities		
Interest paid	(8,113)	(13,324)
Net cash used in financing activities	(8,113)	(13,324)
Increase/(decrease) in cash and cash equivalents in the year	(402,693)	199,345
Cash and cash equivalents at the beginning of the year	272,363	73,017
Total cash and cash equivalents at the end of the year	(130,330)	272,363
Cash and cash equivalents		
Cash in hand	1,171	272,363
Bank overdraft	(131,501)	-
	(130,330)	272,363

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31st July 2025

1. Accounting Policies

The principle accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a. General Information

Training 2000 Limited is a company incorporated in England and Wales under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities is the delivery of a range of training programmes. The company is a private company limited by guarantee.

b. Basis of Accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Companies Act 2006.

Training 2000 Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons. At 31 July 2025 the Charity's total net assets (excluding the pension scheme deficit of £139,857) were £1,746,508. Net current liabilities were £336,944.

The trustees have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides, the company will have sufficient funds, through funding from its ultimate parent, the University of Lancashire, to meet its liabilities as they fall due for that period.

The University of Lancashire has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the trustees acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the trustees are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Further details relating to going concern have been included in the trustees report.

The financial statements are prepared in sterling, which is the functional currency of the entity.

c. Incoming Resources

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

Income from charitable activities, which includes income received under contract where entitlement to grant funding is subject to specific performance conditions, is recognised as earned as the related services are provided and it is probable that the income will be received and the amount can be measured reliably and is

Notes (continued)

not deferred. Income from training represents the provision of services excluding VAT, arising solely in the UK. Income is recognised on a receivable basis.

Income received in advance of activities or provision of other specified service it is deferred until the criteria for income recognition are met.

d. Interest Receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

e. Fund Accounting

Restricted funds are set up to account for situations where the provider has stated that the income must be used for a specific purpose.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Unrestricted funds are the balance of funds and are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity.

f. Resources Expended

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other payments are recognised when a constructive obligation arises that results in the payment being unavoidable.

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

Support costs comprise the costs incurred by the company which are not direct costs of providing training but are incurred by the company in order to fulfil its charitable activities and have been allocated to activity cost categories on a basis that reflects levels of activity and usage. The bases on which support costs have been allocated are set out in note 6.

g. Fixed Assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation is provided at rates calculated to write off the cost of Tangible Fixed Assets over their estimated useful lives. The rates used on a straight line method are:

Leasehold Property	2%	per annum
Property Improvements	10%	per annum
Temporary Buildings	10 - 20%	per annum
Plant & Machinery	10 - 33%	per annum
Advanced Plant & Machinery	5%	per annum
Motor Vehicles	25%	per annum
Fixtures & Fittings	10 - 20%	per annum
Computer Equipment	20 - 100%	per annum

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

h. Government Grants

Furlough and Provider Relief Grants are recognised as income as received. Grants received towards the purchase of fixed assets are credited to the Statement of Financial Activities in full in the year of receipt as restricted funds. When the grant is spent it is transferred to designated funds and it is then transferred to unrestricted funds over the estimated useful life of the asset concerned. Whilst this treatment is not in

Notes (continued)

accordance with FRS102 Charity SORP, the Charity Commission has advised that this treatment is the most appropriate for charities.

i. Assets held for sale

Assets held for sale are measured at the lower of the carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and gains or losses on subsequent re-measurements are included in the statement of financial activities.

j. Stock

Stock is valued at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items.

k. Pension Costs

Contributions payable to the Charity defined benefit pension scheme are assessed in accordance with actuarial advice and based on the most recent valuation of the scheme. These costs are accounted for in accordance with FRS102 Charity SORP.

Contributions payable to the Charity defined contribution pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

l. Operating Lease Rentals

The costs of operating leases are charged to the Statement of Financial Activities as they accrue.

m. Irrecoverable VAT

The majority of the Charity's turnover is exempt from VAT. However, some activities are subject to VAT and give rise to a small amount of VAT recovery. Any irrecoverable VAT is written off in the Statement of Financial Activities.

n. Financial Instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

All financial assets that are individually significant are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

2. Critical estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Notes (continued)

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

- Determination of whether there are indicators of impairment of the company's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- Determination of whether leases entered into by the company as lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- Determination of recoverability of trade debtors. A specific provision is made against certain debts where in the opinion of the trustees the debt is not fully recoverable.

3. Donations and Legacies

	2025 £	2024 £
Donation from University of Lancashire	1,200,000	1,350,000
Other Donations	-	-
	1,200,000	1,350,000

4. Incoming Resources from Charitable Activities

	2025 £	2024 £
Engineering and Automotive Training	3,115,171	2,974,776
Professional, Health & Construction Services	1,611,785	1,650,137
Traineeships	318,128	362,175
Other	34,173	175
	5,079,257	4,987,264

Notes (continued)

5. Other Trading Activities

	2025	2024
	£	£
Catering Income	56,199	60,662
Other	42,929	210,174
	<u>99,128</u>	<u>270,836</u>

6. Charitable Activities - Resources Expended

	2025	2024
	£	£
Employment Costs	2,747,430	2,911,510
Depreciation	85,135	101,681
Course Costs	744,442	770,225
Establishment Costs	298,980	234,858
General Overheads	37,590	36,561
Sundry	386,282	370,679
Direct costs	4,299,859	4,425,515
Ops & Central Recruitment	388,627	328,378
Human Resources	149,309	136,267
Health & Safety	40,110	44,040
Information Technology	148,822	128,828
Facilities & Security	444,069	359,331
Finance	7,775	215,642
Marketing	478,528	440,668
Business Assurance	502,525	478,897
Support Services	266,527	258,768
Support costs	2,426,292	2,390,819
Total Direct & Support Costs	<u>6,726,151</u>	<u>6,816,334</u>

Included within Support Costs are depreciation charges of £45,553 (2024: £55,262)

7. Net Income/(Expenditure) for the Year

Net income/(expenditure) is stated after charging:

	2025	2024
	£	£
Depreciation	132,210	156,943
Auditor's Remuneration		
- for the audit of the Charity's annual accounts	52,500	35,100

Notes (continued)

8. Staff Costs

The average number of persons employed by the Charity during the period was as follows:

	2025 Number	2024 Number
Charitable Activities	85	92
Support	47	50
	132	142

Staff costs comprise:	Direct Employees £	Support Employees £	2025 £	2024 £
Wages & Salaries	2,394,197	1,563,801	3,957,998	4,036,503
Social Security Costs	244,707	153,784	398,491	371,848
Other Pension Costs	89,958	67,158	157,116	184,870
Agency Staff Costs	7,870	-	7,870	36,214
Redundancy Costs	-	17,326	17,326	-
	2,736,732	1,802,069	4,538,801	4,629,435
Benefits in Kind	10,698	4,743	15,441	16,918
	2,747,430	1,806,812	4,554,242	4,646,353

The number of employees whose emoluments exceeded the rate of £60,000 per annum was as follows:

£80,001 - £90,000	1	1
	1	1

These employees are members of the company's group personal pension scheme. Total contributions in the year in respect of these employees were £11,500 (2024: £11,500).

The key management personnel of the Charity comprise the trustees and the Chief Executive Officer. The total employee remuneration and benefits of the key management personnel was £111,454 (2024: £110,947).

9. Interest and Other Finance Costs

	2025 £	2024 £
Bank Interest & Charges	8,113	13,324
Net Charge on Pension Scheme	39,000	49,000
	47,113	62,324

Training 2000 Limited

Notes (continued)

10. Taxation

As the Company is a registered charity, no provision has been made for taxation on the net income for the period.

11. Transfers Between Funds

During the current year £83,461 (2024: £101,060) was transferred from designated funds to other unrestricted funds in respect of the amortisation of capital grants

12. Tangible Assets

	Plant & Machinery	Motor Vehicles	Fixtures & Fittings	New Technology Equipment	Land & Buildings	Total
	£	£	£	£	£	£
Cost at 1 August 2024	1,128,893	15,000	225,270	223,203	6,771,460	8,363,826
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Cost at 31 July 2025	1,128,893	15,000	225,270	223,203	6,771,460	8,363,826
Depreciation at 1 August 2024	746,992	15,000	222,281	223,203	4,940,688	6,148,164
Depreciation charge	35,067	-	1,928	-	95,215	132,210
Disposals	-	-	-	-	-	-
Depreciation at 31 July 2025	782,059	15,000	224,209	223,203	5,035,903	6,280,374
Net Book value – 31 July 2025	346,834	-	1,061	-	1,735,557	2,083,452
Net Book value – 31 July 2024	381,901	-	2,989	-	1,830,772	2,215,662

Net Book Value of Freehold Property as at 31 July 2025

-

Net Book Value of Long Leasehold Property as at 31 July 2025

1,735,557

Net Book Value of Property as at 31 July 2025

1,735,557

Training 2000 Limited

Notes (continued)

13. Debtors

	2025	2024
	£	£
Debtors from Training Fees	789,952	765,100
Less: Reserve for Doubtful Debts	(155,179)	(242,165)
	634,773	522,935
Prepayments & Accrued Income	136,657	107,311
Other Debtors	41,037	113,682
Group Debtors	4,555	45,804
	817,022	789,732

14. Cash at Bank & in Hand

	2025	2024
	£	£
Bank Deposit Accounts	-	270,896
Cash in Hand	1,171	1,467
	1,171	272,363

15. Creditors: Amounts falling due within one year

	2025	2024
	£	£
Trade Creditors	53,449	93,200
Other Taxes & Social Security	128,859	159,642
Deferred Income	157,062	99,840
Accruals	204,549	225,787
Other Creditors	214,769	200,272
Group Creditors	173,788	181,980
Bank Overdraft	131,501	-
Annual Leave Accrual	91,160	92,497
	1,155,137	1,053,219

Notes (continued)

16. Deferred income

Deferred income comprises funding received for activities which straddle the year end.

	2025 £	2024 £
Balance as at 1 August	99,840	178,627
Amount released to incoming resources	(119,761)	(193,333)
Amount deferred in year	176,983	114,546
Balance as at 31 July	157,062	99,840

17. Agency Arrangements

The Charity distributes bursary funds to learners as an agent for the Education and Skills Funding Agency (DfE). In the current financial year the Charity received £30,148 (2024: £26,354) and disbursed £18,931 (2024: £17,270) from the funds. An amount of £127,175 (2024: £115,959) is included in other creditors relating to undistributed funds potentially repayable to the DfE.

18. Financial Instruments

	2025 £	2024 £
Financial assets that are debt instruments measured at amortised cost:		
Cash at Bank and in Hand	1,171	272,363
Trade Debtors (less provision)	634,773	522,935
Total Financial Assets	635,944	795,297
Financial liabilities that are debt instruments measured at amortised cost		
Trade Creditors	53,449	93,200
Accruals	204,549	225,787
Bank Overdraft	131,501	-
Total Financial Liabilities	389,499	318,987

Notes (continued)

19. Reserves

	Designated Funds	Unrestricted Funds	Restricted Funds
	£	£	£
At 1st August 2023	384,028	2,175,244	-
Net incoming resources before transfers	-	(284,706)	65,303
Actuarial gain on pension	-	159,000	-
Less pension adjustments	-	(274,334)	-
Transfer in respect of grant amortisation (note 20)	(101,060)	101,060	-
At 31st July 2024	<u>282,968</u>	<u>1,876,266</u>	<u>65,303</u>
Net incoming resources before transfers	-	(282,463)	(65,303)
Actuarial gain on pension	-	184,000	-
Less pension adjustments	-	(314,263)	-
Transfer in respect of grant amortisation (note 20)	(83,461)	83,461	-
At 31st July 2025	<u>199,507</u>	<u>1,547,001</u>	<u>-</u>

Grants towards the purchase of fixed assets are transferred to designated funds when the asset is purchased. The grants are released in line with depreciation of the assets. Bursary funding received from the Education and Skills Funding Agency has been accounted for under an agency arrangement – see note 17 for further details

Other restricted funds represent funds that the company may use for any purpose so long as it meets the aims and objectives of the company as outlined in the governing document.

20. Designated Funds

	2025 £	2024 £
At 1st August	282,968	384,028
Transfer in respect of grant amortisation on previous capital grants	(83,461)	(101,060)
At 31st July	<u>199,507</u>	<u>282,968</u>

Grants towards the purchase of fixed assets are transferred to designated funds when the asset is purchased. The grants are released in line with the depreciation of the assets.

Notes (continued)

21. Pension Arrangements

The Charity currently operates the following pension schemes:

The Training 2000 Limited Retirement and Death Benefit Scheme ("the Main Scheme") - a defined benefit scheme which has been closed to new members and continuing contributions.

A Group Personal Pension Plan which is a defined contribution scheme.

The Training 2000 Limited Retirement and Death Benefit Scheme

The following calculations as at 31 July 2025 have been provided by the actuaries, First Actuarial LLP, using the projected unit actuarial cost method.

Principal actuarial assumptions used by the actuary were as follows:

	2025	2024
	%	%
Rate of inflation	3.0	3.1
Rate of increase in pensions	2.4	3.1
Discount rate	5.8	5.0
Mortality rates for current and future pensioners	115% of S3PA CMI Model 2023 with a long-term improvement rate of 1.25%pa	115% of S3PA CMI Model 2023 with a long-term improvement rate of 1.25%pa

The amounts recognised in the balance sheet are as follows:

	2025	2024
	£	£
Present value of funded obligations	(4,919,000)	(5,270,000)
Fair value of plan assets	4,779,000	4,816,000
Net pension deficit	(140,000)	(454,000)

Analysis of amounts charged to the Statement of Financial Activities

Other finance costs:

Expected return on pension scheme assets	(237,000)	(230,000)
Interest on pension scheme liabilities	256,000	263,000
Net cost	19,000	33,000
Total charge to resources expended in Statement of Financial Activities	19,000	33,000

Notes (continued)

21. Pension Arrangements *continued*

Analysis of the actuarial gains and losses shown in the Statement of Financial Activities:

	2025 £	2024 £
Actuarial gains/(losses) on assets	(130,000)	145,000
Actuarial gains on liabilities	314,000	14,000
Actuarial gain recognised	184,000	159,000

Changes in the fair value of the defined benefit obligation are as follows:

Opening defined benefit obligation	5,270,000	5,302,000
Interest on pension scheme liabilities	256,000	263,000
Actuarial losses/(gains)	(314,000)	(14,000)
Benefits/transfers paid	(293,000)	(281,000)
Closing defined benefit obligation	4,919,000	5,270,000

Changes in the fair value of plan assets are as follows:

Opening fair value of plan assets	4,816,000	4,574,000
Interest income on plan assets	237,000	230,000
Actuarial gains/(losses)	(130,000)	145,000
Employer contributions	169,000	164,000
Expenses Paid	(20,000)	(16,000)
Benefits/transfers paid	(293,000)	(281,000)
Closing fair value of plan assets	4,779,000	4,816,000

Notes (continued)

21. Pension Arrangements *continued*

The split of assets between investment categories is as follows:

	2025 £	2025 %	2024 £	2024 %
Equities and other assets	2,702,000	56.5	2,659,000	55.2
Cash / Liquidity	250,000	5.3	206,000	4.3
Annuities / annuity policies	1,828,000	38.2	1,951,000	40.5
	4,780,000	100	4,816,000	100

Amounts for current and previous years:

	2025 £	2024 £	2023 £	2022 £	2021 £
Defined benefit obligation	(4,919,000)	(5,270,000)	(5,302,000)	(6,475,000)	(8,234,000)
Plan assets	4,779,000	4,816,000	4,574,000	5,139,000	6,019,000
	(140,000)	(454,000)	(728,000)	(1,336,000)	(2,215,000)

The cumulative amount of actuarial losses recognised since 1 August 2005 are £648,000.

Scheme assets as at 31 July 2025 have been valued at bid price.

Following the closure of the scheme on 1 November 2006 the only future contributions are recovery plan payments made by the employer towards past service costs. Following the conclusion of the scheme actuarial valuation as at 31 July 2023 the trustees agreed to increase deficit funding contributions going forward, with contributions set at £169,675 for the year ended 31 July 2025 and increasing at 3% per annum thereafter (2024: £164,733).

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others regarding the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed Virgin Media Limited's appeal against aspects of that decision. On 2 September 2025, the Government published draft amendments to the Pensions Scheme Bill which would allow affected pension schemes to retrospectively obtain written actuarial confirmation that historical benefit changes met the necessary standards. The Company and the trustees of the Training 2000 Limited Retirement and Death Benefit Scheme have considered the implications of these developments. The defined benefit obligation continues to be calculated based on the benefits currently administered, and in light of the proposed legislative changes, the directors do not expect any additional liabilities to arise as a result of the Virgin Media case.

The Group Personal Pension Plan

In addition to the above the Charity contributes to a Group Personal Pension Plan on behalf of employees. The total pension cost for the Charity in respect of this plan was £157,116 (2024: £184,870). Included in other creditors as at 31 July 2025 is an amount of £26,313 (2024: £29,711) in relation to the pension payments for July 2025.

Notes (continued)

22. Analysis of Net Assets Between Funds

	Designated Funds £	Other Unrestricted Funds £	Restricted Funds £
Funds at 31 July 2025 are represented as follows:			
Tangible assets	199,507	1,883,945	-
Debtors	-	817,022	-
Cash at bank and in hand	-	1,171	-
Creditors falling due within one year	-	(1,155,137)	-
Pension Scheme Liability	-	(139,857)	-
	199,507	1,407,144	-

	Designated Funds £	Other Unrestricted Funds £	Restricted Funds £
Funds at 31 July 2024 were represented as follows:			
Tangible assets	282,968	1,867,391	65,303
Debtors	-	789,732	-
Cash at bank and in hand	-	272,363	-
Creditors falling due within one year	-	(1,053,219)	-
Pension Scheme Liability	-	(454,120)	-
	282,968	1,422,145	65,303

23. Financial Commitments

The Charity had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

Payments due	2025 £	2024 £
Less than one year	80,734	96,524
Between two and five years	266,402	221,215
Over five years	5,141,569	4,072,398
	5,488,705	4,390,138

Notes (continued)

24. Analysis of Changes in Net Debt

	At 1 Aug 2024 £	Cash flow £	At 31 July 2025 £
Cash at bank and in hand	272,363	(402,693)	(130,330)
Total	272,363	(402,693)	(130,330)

25. Related Party Transactions

In accordance with section 33.1a of FRS102, "Related Party Disclosures", the Company is exempt from disclosing details of arrangements with other companies in the University of Lancashire group.

Due to the nature of the Company's operations and the composition of the Board, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board may have an interest. Any transactions involving organisations in which a member of the Board may have an interest are conducted at arms-length. No transactions were identified which were required to be disclosed.

No Board member has received any remuneration/waived payments/expense payments from the company during the year in their capacity as a Board member. (2024 - none).

26. Ultimate parent company and parent undertaking of larger group of which the company is a member

With effect from 28 July 2017 the company has been a subsidiary undertaking of the University of Lancashire Higher Education Corporation incorporated in England and Wales. The ultimate parent company is the University of Lancashire Higher Education Corporation, incorporated in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by the University of Lancashire Higher Education Corporation. The consolidated accounts of this company may be obtained from:

University Chief Finance Officer
University of Lancashire
Harris Building
Preston
PR1 2HE

The University of Lancashire Higher Education Corporation is an exempt charity under the terms of the Charities Act 2011.

TRAINING 2000 LIMITED

England & Wales - Charity number 701770

Accounts

Training 2000 Limited



University of Central Lancashire

Training 2000

Training 2000 Limited

Annual report & financial statements

Year Ended 31st July 2024

Company Number 02380675

Registered Charity Number 701770

Annual report & financial statements

Contents

Legal & Administrative Details	- 1 -
Report of the Trustees (incorporating Strategic Report)	- 2 -
Independent Auditor's Report	- 11 -
Statement of Financial Activities	- 15 -
Statement of Financial Position.....	- 16 -
Cashflow Statement	- 17 -
Notes to the Financial Statements	- 18 -

Training 2000 Limited

Legal & Administrative Details

Trustees:	M Tynan (Chair – resigned 25 October 2023) D Taylor (Chair – from 25 October 2023) E Adia (resigned 13 September 2023) O McCann T Webber M Fernando (from 15 September 2023) B Jones (from 15 September 2023)
Chief Executive Officer:	C Stott
Secretary:	I Fisher
Registered Office:	Harris Building Corporation Street Preston PR1 2HE
Principal Office:	Furthergate Business Park Harwood Street Blackburn Lancashire BB1 3BD
Company Number:	02380675
Registered Charity Number:	701770
Main Bankers:	Lloyds Bank PLC PO Box 1000 Fishergate Preston BX1 1LT
Solicitors:	DAC Beachcroft LLP 3 Hardman Street Manchester M3 3HF
Auditors:	KPMG 1 St Peters Square Manchester M2 3AE

Report of the Trustees (incorporating Strategic Report)

The trustees present their report and the audited financial statements for the year ended 31 July 2024 and confirm they comply with the requirements of the Companies Act 2006, the Charities Act 2011, the trust deed and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Our Aims

Our vision is to be Lancashire's primary training provider and our mission is to deliver excellence in learning and develop outstanding talent for UK employers. Our aim is to promote and deliver a wide range of learning provision of outstanding quality with excellent progression opportunities for learners of all ages and backgrounds. We aspire, through public and private partnerships, to provide employer led provision in an excellent learning environment, delivered by highly qualified and experienced staff and high levels of support.

The objects of the Company as set out in its Memorandum of Association are to promote and advance high-quality training of persons employed or intending to be employed in industry and commerce, and to extend such training to members of the public generally.

Training 2000 was established nearly 60 years ago as a charity set up by a consortium of Lancashire businesses. On the 28th July 2017 the Charity became part of the University of Central Lancashire (UCLan) group. The organisation remains an independent charity and its Memorandum of Association and aims remain the same with the University as its sole member company.

We have built a large portfolio of clients throughout the UK by creating and delivering high quality training solutions. We deliver training programmes which address existing and emerging needs both on our own premises and at client sites. Working as a business partner we design bespoke training programmes which assist our learners to succeed in their chosen field. Our work-based learning solutions provide an effective and flexible approach which lessens the impact on resources and allows businesses to concentrate on their day-to-day challenges.

Our ethos is to admit learners from all backgrounds; an individual's economic status, age, gender, ethnicity, race, religion or disability do not form part of our assessment processes. Our organisation is committed to equality of opportunity, safeguarding and promoting the welfare of our learners.

Our Objectives

The trustees are working to a three-year business plan that sets out ambitious targets for growth, focusing on professional and technical training with clear progression pathways to higher education designed to bridge local and national skills gaps. The business plan is underpinned with a strategy to cut costs and drive efficiencies. Our position within the UCLan group gives the Charity the opportunity to align current programmes with degree level programmes and thereby provide greater value for employers and learners, and further work continues in these areas.

Whilst our strategic vision remains unchanged, the business plan is reviewed and refreshed annually to reflect the changing environment in which we operate. The trustees recognise that setting a high-performance culture is critical to success and this is achieved through having a shared vision, values and goals. Annual Corporate Objectives linked to the business plan are agreed each year and all staff are involved in action planning to meet these objectives.

In setting our objectives and planning our activities our trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance.

Report of the Trustees (incorporating Strategic Report) *continued*

Strategic Report

Review of Activities and Achievements

The charity had demonstrated resilience during the COVID Pandemic, performing better than many in the sector. As the restrictions eased, the nationally recognised challenge of learners who had been delayed due to lack of access to training and assessment generated a significant impact on income. This legacy backlog is continuing to affect the business, particularly on longer programmes such as Engineering. The situation was exacerbated by an increase in staff turnover during 2022 – 2023 as a result of national the cost-of-living crisis and local skills shortages. While this picture has improved, there are areas of the business that continue to experience above average levels of staff turnover. Notably, there has been no generic uplift in apprenticeship funding values since the inception of the Apprenticeship Levy in 2017, while staff, materials and utilities have all seen marked increases in costs over the same period.

Despite the challenges highlighted, some good progress has been made. This is particularly evident through the impact of additional resource assigned to address delayed learners which has driven a 58% increase in income from learner completions. This work has also considerably reduced the historic backlog and furthermore, the trajectory indicates that a business-as-usual state will be achieved in 24/25. The Charity remains firmly focused on consolidating improvements and maintaining growth.

The charity has made demonstrable progress in addressing improvements identified within the Ofsted inspection of March 2020 whereby it was judged to be a 'GOOD' provider. The Executive and the Board are focusing on retaining this status and are implementing actions designed to improve the connectivity between operational areas, improving the learners experience and ensuring a consistent approach to teaching and learning across the organisation.

The charity's senior management team have continued to drive cost out of the business through the reduction of waste, continual review of supplier contracts and increased efficiencies. A strong focus on integration with our parent organisation UCLan has improved the finance processes and resulted in a reduction in staffing resources within our finance team. Entering into jointly procured contracts has reduced costs in a number of areas including HR, Finance and the charity's Management Information System (MIS). The structure of the business has been revised to create a leaner and more effective management team that offers greater transparency and accountability across all business activities. The structure of the organisation remains under constant review to ensure suitability and value.

We continue to be successful in benchmarking our QHSE management systems with the recognised standards of ISO9001, ISO14001 and ISO45001. Our recertification to the quality standard ISO9001 and ISO14001 is now assured until 2024 and Training 2000 has now successfully migrated its H&S standard OHSAS18001 to the new ISO45001 standard - this is the result of 18 months' work where the organisation has embedded the required changes in the Health and Safety systems in order to achieve this migration. Moving forward we are confident that the three standards described are an appropriate measure of Training 2000's commitment to strong Quality, Health, Safety and Environment Management across the company. The Charity's internal management training programme has also received national recognition winning a Princess Royal Award.

The charity's Business Development Strategy reflects the changes in funding and the requirement to have closer client relationships. As such, the charity has restructured in order to replace its existing Sales Team with Account Managers who are charged with maintaining an ongoing communication with both new and existing clients. This approach served the business well and Training 2000 has continued to grow its portfolio of large employers with organisations including Vision Express, Royal Mail, BAE, Boots, Marks and Spencer, Chubb, the NHS and Rolls Royce accessing both commercial training and Apprenticeship provision. A number of major local businesses have also returned to Training 2000 for their apprentices after a lengthy hiatus.

A key measure of performance is learner achievement rates. The legacy of recent unprecedented events is learners who have been delayed in completing their programmes and, as such, the current achievement rate across all of our Apprenticeship programmes is currently 61.3% for the

Report of the Trustees (incorporating Strategic Report) *continued*

2022/23 contract year. National data was not available for 2023/24 at the time of signing; however, national achievement rates were 55.3% in 2022/23.

The quality of our provision and successes of our apprentices continue to be recognised in various awards including winning The Princess Royal Award for our Management Training Programme and, once again, we have been represented by our learners and staff at World Skills events.

Financial Review

The Charity has continued to focus on delivering apprenticeships and traineeships and a streamlining staff management structure and emphasis on costs has led to a considerable reduction in overheads.

There have continued to be significant operational cost savings driven through continuous review of resources and close scrutiny of expenditure and further facilitated by the centralising and harmonisation of certain functions with our parent entity UCLan. A further donation from the latter of £1,350,000 (2023: £843,084) has provided financial security as we implement our sustainability strategy.

Overall, the Charity returned a deficit of £208,234 (2023: surplus £147,568) before actuarial gains on the pension scheme of £159,000 (2023: £499,000) and losses on disposal of fixed assets of £11,168 (2023: £60,994) resulting in a net deficit of £60,403 (2023: surplus £585,574).

Going Concern

Net assets as at 31 July 2024 were £2,224,537 excluding the pension scheme deficit of £454,120. The position of the Charity within the UCLan group provides financial security and sustainability for the future and facilitates the delivery of the Charity's long-term strategy of delivering higher level skills within the newly reformed Apprenticeship regime. The Charity has obtained a parental guarantee from UCLan to provide financial support for a period of at least 12 months from the approval of the financial statements. As such the trustees believe that the going concern basis of preparation remains appropriate. The Charity has put a strong focus on working with UCLan to maximise mutually beneficial cost savings and growth opportunities going forward.

Reserves Policy

As at the July 2024 year end, the Charity's total reserves (net of the pension scheme liability of £454,120) were £1,770,417 of which £282,968 were designated. Designated funds relate to capital grants which are released in line with the depreciation of the related assets. Other funds of £1,876,266 were represented primarily by property fixed assets.

The trustees have sought to develop a working capital policy which seeks to optimise reserves to place the Charity in a position to be able to absorb future changes in government funding in the training arena without threatening its financial stability and its ability to deliver its charitable objectives. Due to the high level of uncertainty year on year around learner numbers and therefore income generation, as well as challenges with the reliance on government policy on further education funding, the trustees have determined that the Charity will maintain total reserves equivalent to at least 90 days' revenue (based on the latest reported total in audited financial statements). This is intended to enable the Charity to continue to operate in the event that no funding was available for at least 90 days.

Total reserves held at 31 July 2024 were 28% of total revenue (2023: 33%). This is equivalent to 105 days (2023: 119 days) and so the Charity was within policy. The Charity's position within the UCLan group also provides the Charity with financial security and enhances the Charity's ability to offer higher level apprenticeships in line with the new standards in the future and the trustees continue to aspire to build the reserves of the Charity.

Report of the Trustees (incorporating Strategic Report) *continued*

Pension funds

The Board has reviewed its obligations arising from employee pension funds and is satisfied that its liabilities are properly identified, planned and accounted for. The Training 2000 Retirement and Death Benefit Scheme, a defined benefit pension scheme, was closed on 1 November 2006 to new employees and future benefit accrual. The Pension Trustees have secured the agreement of the Charity Board to fund a package of measures to extinguish the pension deficit (note 21) and during a prior year a buy-in transaction was completed with Partnership Life in respect of current pensioners in the scheme. Other measures will be considered in the future to further mitigate the risks associated with the deficit. The Charity also operates and contributes to a defined contribution scheme. With the introduction of Auto-Enrolment in February 2014, all new employees are auto-enrolled into the scheme and have the option to increase their own and the Charity's contributions upon successful completion of their probationary period.

The Future

The trustees recognise the importance of delivering against the 3 year business plan and the objectives set out therein to reach a position of self-sufficiency and future sustainability with its own investment in infrastructure and resources needed to deliver the higher level skills required by employers now and in the future. The legacy of the global pandemic and the well documented national skills crisis have set this plan back; however, the strategies within the plan remain relevant. The focus for the coming year is to maximise income through educational delivery excellence, customer retention, a fantastic learner experience and investment in business development while continuing to reduce operational costs through ongoing review and integration with UCLan where appropriate. The move to remote delivery for some of our programmes, in response to the COVID-19 pandemic, has proved to have long term benefits for some learners and the business and will therefore continue post pandemic.

Becoming part of the UCLan group has provided stability and investment for the future. Our focus continues to be to deliver high quality, high value training programmes and services that enhance our clients' ability to succeed. As part of the university structure, we have the breadth of programmes from Level 2 through to Level 6/7 that will enhance the skills and education of our learners and meet the shifting needs of employers. The group will be able to provide a focused service for high level skills for employers and provide a diverse range of academic and vocational programmes for our learners.

The core focus remains to continue to "Build a Sustainable Business". The government's Apprenticeship Reform agenda continues to present significant challenges and opportunities regarding programme and associated cashflow management but will also present significant opportunities for us to help our employers in growing their Apprenticeship programmes in line with government and local priorities. The relationship with UCLan will see the development of new income streams and a broader product range. This strategy has manifested itself in new provision including Management, Social Prescribing and Optical Assistant all of which offer clear progression routes to UCLan degree programmes and therefore added value to the group. While the programmes are in their infancy, 80% of Healthcare Apprentices have progressed to UCLan and we now have our first progressions from the Optical programme.

Principal Risks and Uncertainties

The trustees have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial or otherwise. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reassurance that:

- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained, and financial information used within the Charity or for publication is reliable; and the Charity complies with relevant laws and regulations.

Report of the Trustees (incorporating Strategic Report) *continued*

The Company has a committee of the Board - the Governance and Audit Committee - which reviews financial reporting, internal controls, risk management, fraud, internal and external audit, safeguarding and health and safety issues. There is a Risk Register which has an action plan to deal with the strategic risks to which the Company is exposed, including operational and financial risks. There is also an effective intelligence and communication structure and continuous monitoring of the plan. On completion of the previous actuarial valuation at 31st July 2020 the Pension Trustees secured the agreement of the Charity Board to fund a package of measures to extinguish the pension deficit (note 21), including increased annual funding contributions of £155,277 plus 3% annual inflation (applied 1 August each year) from 1 October 2021 to 31 July 2031. The Pension Trustees will continue to consider other measures to further mitigate the risks associated with the deficit. ensure that action can be taken swiftly if changes need to be made to delivery and development plans.

During the year the trustees, through the offices of the Governance and Audit Committee, have received reports from the SMT relating to risk and control. The reports have enabled the trustees to satisfy themselves that the Charity's risk, fraud, safeguarding and health and safety policies are being implemented, that significant weaknesses of control identified are being promptly addressed and on the overall adequacy and effectiveness of the Charity's system of internal control at the year-end.

The Board of trustees considers the principal risks and uncertainties facing the Charity to be as follows:

Reliance on government funding for income

As in previous years the Charity is heavily reliant on government funding through the DfE. In recent years funding has been reduced on a per learner basis and changes in the education system such as Raising the Participation Age (RPA) have put additional pressure on maintaining the numbers of learners seeking apprenticeships at 16-18 years old. With the introduction of the Employer Levy and the new tendering process for non-levy paying employers, this does present opportunities for the future in terms of growing apprenticeships and making them more affordable to deliver.

Defined Benefit Pension Scheme Liability

The Training 2000 Retirement and Death Benefit Scheme deficit is valued at £0.45m under FRS102 at 31st July 2024, a decrease of £0.27m in the year.

Report of the Trustees (incorporating Strategic Report) *continued*

Structure Governance and Management

Governing Document

Training 2000 Limited is a company limited by guarantee, registered in England and Wales. Its governing document is its Articles of Association.

Appointment of Trustees

As set out in the Articles of Association the trustees are appointed by the Company from the sole member. The Trustees comprise the Chair and Vice Chair, who are elected every third year, and up to twelve others. All trustees give of their time freely and no remuneration or expenses was paid to them in the year.

Induction and Training of Trustees

The Company has an induction pack for new trustees with specific emphasis on Company Law and Charity Commission responsibilities. The induction checklist is reviewed regularly and updated as appropriate. Trustees are required to disclose all relevant interests and register them with the Company Secretary and in accordance with the Charity's policy they must withdraw from decisions where a conflict of interest arises.

Organisation

The Trustees administer the Charity. The Board meets at least three times per annum and there are committees for Remuneration and Governance & Audit. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the Charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Board, for operational matters including finance and employment. The Chief Executive is responsible for the leadership and management of the Senior Management Team (SMT) and it is their duty to discharge the day to day operations. They meet on a weekly basis.

Related Parties

On 28 July 2017 Training 2000 Limited became part of the larger University of Central Lancashire Group Structure. The University is also a Charity and some of the Company's activities and operations are carried out through the now subsidiary Company Training 2000 Limited.

Trustees Liability Insurance

During the year the Charity provided third party liability insurance for its trustees.

Report of the Trustees (incorporating Strategic Report) *continued*

Attendance at Board Meetings

Trustees' and secretary's attendance at Board and Committee meetings, in relation to the number of meetings held, that they were eligible to attend during the year ended 31 July 2024 is set out below:

Board Members	Board Meetings and AGM	Governance & Audit Committee
D Taylor	3/3	0
Bryan Jones	3/3	3/3
Michael Fernando	3/3	0/0
T Webber	3/3	N/A
O McCann	3/3	3/3
I Fisher (Co Sec)	3/3	3/3
E Adia	0/3	0/3
M Tynan	0/3	0/3

The Environment and Corporate Social Responsibility

The Charity recognises the need to develop its business in a sustainable manner. We strive to develop the business to meet the demands of the present without compromising the needs of future generations. The Charity has developed a Corporate Social Responsibility (CSR) report which outlines and documents the environmental, social and economic activities we undertake to ensure that we operate in a safe and sustainable manner. The Charity has maintained the environmental standard ISO14001 since 2008, In March 2024 the business gained re-accreditation for ISO14001, ISO9001 and ISO45001. The feedback we received from the auditors has confirmed that not only have we have we maintained the three ISO certifications that we hold, but that we have also demonstrated our capacity to continually improve This, along with our CSR underlines our commitment to managing our environmental impact.

Employment and Equality and Diversity

The Charity considers that employee involvement is essential to its continuing success and we use a variety of methods to inform, consult and involve employees. We use a range of communication tools which includes bi-monthly all employee briefings, weekly all employee communications, staff newsletters, intranet, employee forum, informal team meetings with the CEO, regular one to ones and team briefings.

During the year (Aug 23 – July 24) the actual number of people employed by the Charity was on average 142 (2023: 152.42). The annual labour turnover percentage as at the end of July 2024 for the Charity including fixed term contracts and TUPE transfers is 23% (includes 33 employees).

The Charity is committed to achieving equality through diversity and our policies and strategies recognise that all people have the right to their own distinctive and diverse identity. Promoting equal opportunities applies to both our own staff and our learners. The Charity recognises its responsibilities towards disabled persons and does not discriminate against them either in terms of job offers or career prospects.

All new staff members undertake both a departmental and company induction programme where all the Charity policies and procedures are explained. The induction also includes where employees are able to obtain support for their health and wellbeing including highlighting the Employee Assistance Programme which all employees are able to access for a wide range of support including mental health. The employee engagement activities and wellbeing of staff is part of the People Plan to improve the employee experience which includes health and wellbeing. Key members of staff engage with the

Report of the Trustees (incorporating Strategic Report) *continued*

induction programme for new staff members which includes detailed presentations, introductions to other staff members, site familiarisation and the quality and safety procedures.

Pay and Remuneration of Key Management Personnel

Remuneration of the Chief Executive Officer is agreed by the Board, SMT remuneration is agreed by the CEO.

Health, Safety and Environment

The Board ensures its legal responsibilities for Health, Safety and Environment are met. They require the CEO and senior management team to keep them regularly appraised on the status of all HSE matters.

The Board and CEO, along with the Senior Management Team on site are committed to a strong HSE management system that delivers continual improvement.

During the past year the charity has reviewed and updated its HSE policies and ensured staff are trained on all relevant HSE matters enabling them to operate the business with the objective of providing a healthy, safe and sustainable workplace for all staff and learners.

In addition to regular governance reports from the company HSE Manager throughout the year, the Board, CEO and Senior Management team receive the Annual Health Safety and Environment Management review detailing HSE performance, accident / incident analysis and legal compliance.

The charity has a zero RIDDOR target and seeks to minimise the incidence of minor accidents. Through strong Health and Safety management the Charity has seen a steady reduction in minor accidents since 2013. RIDDOR accidents have reduced to a point where the operational areas of the business have sustained just one RIDDOR incident over the last six years.

The Charity benchmarks HSE to 2 international standards:

The charity certified to the new international standard in Health and Safety management, ISO45001 in 2021 following a successful transition from the now withdrawn British Standard in Health and Safety, BSOHSAS18001, previously held since 2015.

Since 2009 the charity has continually improved its Environmental performance validating this through certification to the environmental standard ISO14001.

Benchmarking the charity against these standards with annual external auditing ensures the company HSE management systems are robust and continually improving.

Statement of Disclosure to Auditors

So far as the trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware. Additionally, 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 auditor is aware of that information.

Report of the Trustees (incorporating Strategic Report) *continued*

Statement of Trustees' Responsibilities in respect of the Trustees' Annual Report and the financial statements

The Trustees are responsible for the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

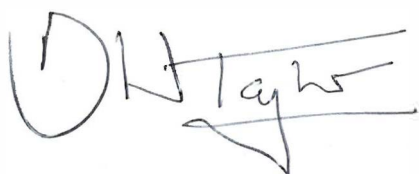
Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Report of the Trustees was approved on 5 December 2024

A handwritten signature in blue ink, appearing to read 'D Taylor', with a large circular flourish on the left and a horizontal line extending to the right.

D Taylor
Chair of the Trustees

Independent Auditor's Report to the Members and Trustees of Training 2000 Limited

Opinion

We have audited the financial statements of Training 2000 Limited ("the charitable company") for the year ended 31 July 2024 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Cash Flow Statement, and related notes, including the accounting policies in note 1.

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 UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the charitable company's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related 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 the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charitable company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the Board of Trustees, the charitable company's Governance and Audit Committee, the Group Audit Committee and Company Secretary as to the charitable company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.

Independent Auditor's Report to the Members and Trustees of Training 2000 Limited *(continued)*

- Reading Board of Trustees and Group audit committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not rebut the significant risk of fraudulent revenue recognition due to the historic performance of the entity potentially creating an incentive to misstate revenue.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management, journals posted to cash and income that were considered outside of the normal course of business, journals posted to seldom used accounts and journals posted by infrequent users; and
- Sample testing of income to check whether it has been recorded accurately and in the correct period.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the trustees (as required by auditing standards) and discussed with the trustees the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the charitable company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related charities and companies legislation). We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the charitable company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws.

Independent Auditor's Report to the Members and Trustees of Training 2000 Limited *(continued)*

Other Information

The trustees are responsible for the other information, which comprises the Report of the Trustees (incorporating Strategic Report). Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Report of the Trustees (incorporating Strategic Report), which constitutes the strategic report and the trustees' report for the financial year, is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records 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.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 10, 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent Auditor's Report to the Members and Trustees of Training 2000 Limited *(continued)*

The purpose of our audit work and to whom we owe our responsibilities

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



Timothy Cutler (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

18 December 2024

Statement of Financial Activities

Year Ended 31st July 2024

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Income:							
Donations and legacies	3	1,350,000	-	1,350,000	843,084	-	843,084
Charitable activities	4	4,987,264	-	4,987,264	5,929,338	-	5,929,338
Other trading activities	5	138,469	132,367	270,836	91,620	-	91,620
Total Income		6,475,733	132,367	6,608,100	6,864,042	-	6,864,042
Expenditure on Charitable Activities:							
Provision of training	6	(3,563,309)	(67,064)	(3,630,373)	(3,691,328)	-	(3,691,328)
Other Charitable Expenditure	6	(3,075,648)	-	(3,075,648)	(2,918,445)	-	(2,918,445)
Other Expenditure	6	(110,313)	-	(110,313)	(106,701)	-	(106,701)
Total Resources Expended	6,7	(6,749,270)	(67,064)	(6,816,334)	(6,716,474)	-	(6,716,474)
Net income/(expenditure) for the year		(273,538)	65,303	(208,234)	147,568	-	147,568
Profit/(loss) on sale of tangible fixed assets	12	(11,168)	-	(11,168)	(60,994)	-	(60,994)
Actuarial gain on pension scheme	21	159,000	-	159,000	499,000	-	499,000
Net Movement of Funds in Year		(125,706)	65,303	(60,403)	585,574	-	585,574
Reconciliation of funds:							
Total funds brought forward		1,830,819	-	1,830,819	1,245,245	-	1,245,245
Total Funds Carried Forward		1,705,113	65,303	1,770,417	1,830,819	-	1,830,819

The statement of financial activities includes all gains and losses recognised in the year. The accompanying notes form an integral part of these financial statements.

Training 2000 Limited

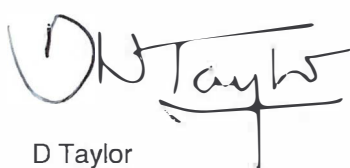
Statement of Financial Position

Year Ended 31st July 2024

		2024 £	2023 £
Fixed Assets			
Tangible assets	12	2,215,662	2,496,773
Total Fixed Assets		<u>2,215,662</u>	<u>2,496,773</u>
Current Assets			
Debtors	13	789,732	1,120,980
Cash at bank & in hand	14	272,363	73,017
		<u>1,062,094</u>	<u>1,193,997</u>
Creditors			
Amounts falling due within one year	15	(1,053,219)	(1,131,498)
Net Current (Liabilities)/Assets		<u>8,875</u>	<u>62,499</u>
Total Assets Less Current Liabilities		<u>2,224,537</u>	<u>2,559,272</u>
Creditors: Amounts falling due after more than one year		<u>-</u>	<u>-</u>
Net Assets before Pension Scheme Liability		<u>2,224,537</u>	<u>2,559,272</u>
Pension Scheme Liability	22	(454,120)	(728,453)
Net Assets after Pension Scheme Liability		<u>1,770,417</u>	<u>1,830,819</u>
The Reserves of the Charity			
Unrestricted funds:			
Designated	20	282,968	384,028
Other	19	1,876,266	2,175,244
Unrestricted Funds excluding Pension Liability		<u>2,159,234</u>	<u>2,559,272</u>
Pension Scheme Liability	21	(454,120)	(728,453)
Total Unrestricted Funds		<u>1,705,113</u>	<u>1,830,819</u>
Restricted funds		<u>65,303</u>	<u>-</u>
Total Reserves		<u>1,770,417</u>	<u>1,830,819</u>

The accompanying notes form an integral part of these financial statements.

Approved by the Board and authorised for issue on 5 December 2024.



D Taylor
Chair

Company Registration Number: 02380675

Training 2000 Limited

Cashflow Statement

For the Year Ended 31st July 2024

	2024 £	2023 £
Cash used in operating activities		
Net expenditure for the year	(208,234)	147,568
Adjustments for:		
(Increase)/decrease in debtors	331,248	(298,192)
Increase/(decrease) in creditors	(78,279)	(88,053)
Depreciation	156,943	224,332
Difference between pension contributions and current service cost	(115,333)	(108,546)
Interest payable	13,324	11,707
Net cash (used in)/from operating activities	99,669	(111,184)
Cash flows from investing activities		
Purchase of fixed assets	-	-
Sale of fixed assets	113,000	2,250
Net cash from/(used in) investing activities	113,000	2,250
Cash flows used in financing activities		
Interest paid	(13,324)	(11,707)
Net cash used in financing activities	(13,324)	(11,707)
Increase/(decrease) in cash and cash equivalents in the year	199,345	(120,641)
Cash and cash equivalents at the beginning of the year	73,017	193,658
Total cash and cash equivalents at the end of the year	272,363	73,017
Cash and cash equivalents		
Cash in hand	272,363	73,017
Bank overdraft	-	-
	272,363	73,017

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31st July 2024

1. Accounting Policies

The principle accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a. General Information

Training 2000 Limited is a company incorporated in England and Wales under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities is the delivery of a range of training programmes. The company is a private company limited by guarantee.

b. Basis of Accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Companies Act 2006.

Training 2000 Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons. At 31 July 2024 the Charity's total net assets (excluding the pension scheme deficit of £454,120) were £2,224,537. Net current assets were £8,875.

The trustees have prepared cash flow forecasts for a period of 18 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides, the company will have sufficient funds, through funding from its ultimate parent, the University of Central Lancashire, to meet its liabilities as they fall due for that period.

The University of Central Lancashire has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the trustees acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the trustees are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Further details relating to going concern have been included in the trustees report.

The financial statements are prepared in sterling, which is the functional currency of the entity.

c. Incoming Resources

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

Income from charitable activities, which includes income received under contract where entitlement to grant funding is subject to specific performance conditions, is recognised as earned as the related services are provided and it is probable that the income will be received and the amount can be

Notes (continued)

measured reliably and is not deferred. Income from training represents the provision of services excluding VAT, arising solely in the UK. Income is recognised on a receivable basis.

Income received in advance of activities or provision of other specified service it is deferred until the criteria for income recognition are met.

d. Interest Receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

e. Fund Accounting

Restricted funds are set up to account for situations where the provider has stated that the income must be used for a specific purpose.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Unrestricted funds are the balance of funds and are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity.

f. Resources Expended

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other payments are recognised when a constructive obligation arises that results in the payment being unavoidable.

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

Support costs comprise the costs incurred by the company which are not direct costs of providing training but are incurred by the company in order to fulfil its charitable activities and have been allocated to activity cost categories on a basis that reflects levels of activity and usage. The bases on which support costs have been allocated are set out in note 6.

g. Fixed Assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation is provided at rates calculated to write off the cost of Tangible Fixed Assets over their estimated useful lives. The rates used on a straight line method are:

Leasehold Property	2%	per annum
Property Improvements	10%	per annum
Temporary Buildings	10 - 20%	per annum
Plant & Machinery	10 - 33%	per annum
Advanced Plant & Machinery	5%	per annum
Motor Vehicles	25%	per annum
Fixtures & Fittings	10 - 20%	per annum
Computer Equipment	20 - 100%	per annum

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

h. Government Grants

Furlough and Provider Relief Grants are recognised as income as received. Grants received towards the purchase of fixed assets are credited to the Statement of Financial Activities in full in the year of receipt as restricted funds. When the grant is spent it is transferred to designated funds and it is then transferred to unrestricted funds over the estimated useful life of the asset concerned. Whilst

Notes (continued)

this treatment is not in accordance with FRS102 Charity SORP, the Charity Commission has advised that this treatment is the most appropriate for charities.

i. Assets held for sale

Assets held for sale are measured at the lower of the carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and gains or losses on subsequent re-measurements are included in the statement of financial activities.

j. Stock

Stock is valued at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items.

k. Pension Costs

Contributions payable to the Charity defined benefit pension scheme are assessed in accordance with actuarial advice and based on the most recent valuation of the scheme. These costs are accounted for in accordance with FRS102 Charity SORP.

Contributions payable to the Charity defined contribution pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

l. Operating Lease Rentals

The costs of operating leases are charged to the Statement of Financial Activities as they accrue.

m. Irrecoverable VAT

The majority of the Charity's turnover is exempt from VAT. However, some activities are subject to VAT and give rise to a small amount of VAT recovery. Any irrecoverable VAT is written off in the Statement of Financial Activities.

n. Financial Instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

All financial assets that are individually significant are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

2. Critical estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Notes (continued)

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

- Determination of whether there are indicators of impairment of the company's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- Determination of whether leases entered into by the company as lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- Determination of recoverability of trade debtors. A specific provision is made against certain debts where in the opinion of the trustees the debt is not fully recoverable.

3. Donations and Legacies

	2024 £	2023 £
Donation from UCLan	1,350,000	843,084
Other Donations	-	-
	1,350,000	843,084

4. Incoming Resources from Charitable Activities

	2024 £	2023 £
Engineering and Automotive Training	2,974,776	3,910,301
Professional, Health & Construction Services	1,650,137	1,615,535
Traineeships	362,175	407,740
Other	175	(4,238)
	4,987,264	5,929,338

Notes (continued)

5. Other Trading Activities

	2024	2023
	£	£
Catering Income	60,662	60,805
Other	210,174	30,815
	270,836	91,620

6. Charitable Activities - Resources Expended

	2024	2023
	£	£
Employment Costs	2,911,510	3,001,325
Depreciation	101,681	146,111
Course Costs	770,225	901,165
Establishment Costs	234,858	194,976
General Overheads	36,561	26,773
Sundry	370,679	203,086
Direct costs	4,425,515	4,473,436
Ops & Central Recruitment	328,378	274,742
Human Resources	136,267	141,589
Health & Safety	44,040	40,304
Information Technology	128,828	178,824
Facilities & Security	359,331	328,007
Finance	215,642	122,162
Marketing	440,668	412,125
Business Assurance	478,897	481,381
Support Services	258,768	263,904
Support costs	2,390,819	2,243,038
Total Direct & Support Costs	6,816,334	6,716,474

Included within Support Costs are depreciation charges of £55,262 (2023: £78,221)

7. Net Income/(Expenditure) for the Year

Net income/(expenditure) is stated after charging:

	2024	2023
	£	£
Depreciation	156,943	224,332
Auditors Remuneration		
- for the audit of the Charity's annual accounts	35,100	33,500

Notes (continued)

8. Staff Costs

The average number of persons employed by the Charity during the period was as follows:

	2024 Number	2023 Number
Charitable Activities	92	99
Support	50	53
	142	152

Staff costs comprise:	Direct Employees £	Support Employees £	2024 £	2023 £
Wages & Salaries	2,529,673	1,506,830	4,036,503	4,065,107
Social Security Costs	235,534	136,316	371,848	379,844
Other Pension Costs	110,090	74,780	184,870	186,096
Agency Staff Costs	36,214	-	36,214	33,101
Redundancy Costs	-	-	-	10,849
	2,911,511	1,717,924	4,629,435	4,674,997
Benefits in Kind	8,617	8,301	16,918	14,642
	2,920,128	1,726,225	4,646,353	4,689,639

The number of employees whose emoluments exceeded the rate of £60,000 per annum was as follows:

£80,001 - £90,000	1	1
	1	1

These employees are members of the company's group personal pension scheme. Total contributions in the year in respect of these employees were £11,500 (2023: £10,952).

The key management personnel of the Charity comprise the trustees and the Chief Executive Officer. The total employee remuneration and benefits of the key management personnel was £110,947 (2023: £106,100).

9. Interest and Other Finance Costs

	2024 £	2023 £
Bank Interest & Charges	13,324	11,707
Mortgage Interest	-	-
Net Charge on Pension Scheme	49,000	51,000
	62,324	62,707

10. Taxation

As the Company is a registered charity, no provision has been made for taxation on the net income for the period.

11. Transfers Between Funds

During the current year £101,060 (2023: £303,108) was transferred from designated funds to other unrestricted funds in respect of the amortisation of capital grants

12. Tangible Assets

	Plant & Machinery	Motor Vehicles	Fixtures & Fittings	New Technology Equipment	Land & Buildings	Total
	£	£	£	£	£	£
Cost at 1 August 2023	1,414,063	15,000	225,270	223,203	6,771,460	8,648,996
Additions	0	0	0	0	0	0
Disposals	(285,170)	0	0	0	0	(285,170)
	1,128,892	15,000	225,270	223,203	6,771,460	8,363,826
Cost at 31 July 2024						
Depreciation at 1 August 2023	862,368	14,340	220,344	215,022	4,840,149	6,152,223
Depreciation charge	45,625	660	1,937	8,182	100,539	156,943
Disposals	(161,002)	0	0	0	0	(161,002)
Depreciation at 31 July 2024	746,991	15,000	222,281	223,203	4,940,688	6,148,164
Net Book value – 31 July 2024	381,901	0	2,988	0	1,830,772	2,215,662
Net Book value – 31 July 2023	551,695	660	4,926	8,181	1,931,311	2,496,773

Net Book Value of Freehold Property as at 31 July 2024

Net Book Value of Long Leasehold Property as at 31 July 2024

-
1,830,772

1,830,772

Net Book Value of Property as at 31 July 2024

Notes (continued)

13. Debtors

	2024	2023
	£	£
Debtors from Training Fees	765,100	1,094,863
Less: Reserve for Doubtful Debts	(242,165)	(108,076)
	522,935	986,787
Prepayments & Accrued Income	107,311	106,878
Other Debtors	113,682	4,687
Group Debtors	45,804	22,628
	789,732	1,120,980

14. Cash at Bank & in Hand

	2024	2023
	£	£
Bank Deposit Accounts	270,896	72,412
Cash in Hand	1,467	605
	272,363	73,017

15. Creditors: Amounts falling due within one year

	2024	2023
	£	£
Trade Creditors	93,200	68,646
Other Taxes & Social Security	159,642	128,147
Deferred Income	99,840	178,627
Accruals	225,787	269,869
Other Creditors	200,272	196,555
Group Creditors	181,980	170,093
Annual Leave Accrual	92,497	119,561
	1,053,219	1,131,498

Notes (continued)

16. Deferred income

Deferred income comprises funding received for activities which straddle the year end.

	2024 £	2023 £
Balance as at 1 August	178,627	168,501
Amount released to incoming resources	(193,333)	(220,125)
Amount deferred in year	114,546	230,251
	<u>99,840</u>	<u>178,627</u>
Balance as at 31 July	<u>99,840</u>	<u>178,627</u>

17. Agency Arrangements

The Charity distributes bursary funds to learners as an agent for the Education and Skills Funding Agency (DfE). In the current financial year the Charity received £26,354 (2023: £25,664) and disbursed £17,270 (2023: £20,802) from the funds. An amount of £115,959 (2023: £106,875) is included in other creditors relating to undistributed funds potentially repayable to the DfE.

18. Financial Instruments

	2024 £	2023 £
Financial assets that are debt instruments measured at amortised cost:		
Cash at Bank and in Hand	272,363	73,017
Trade Debtors (less provision)	522,935	986,787
Total Financial Assets	<u>795,297</u>	<u>1,059,804</u>
Financial liabilities that are debt instruments measured at amortised cost		
Trade Creditors	(93,200)	(68,646)
Accruals	(225,787)	(269,869)
Total Financial Liabilities	<u>(318,987)</u>	<u>(338,515)</u>

Notes (continued)**19. Reserves**

	Designated Funds	Unrestricted Funds	Restricted Funds
	£	£	£
At 1st August 2022	687,136	1,894,109	-
Net incoming resources before transfers	-	86,574	-
Actuarial gain on pension	-	499,000	-
Less pension adjustments	-	(607,547)	-
Transfer in respect of grant amortisation (note 20)	<u>(303,108)</u>	<u>303,108</u>	
At 31st July 2023	<u>384,028</u>	<u>2,175,244</u>	<u>-</u>
Net incoming resources before transfers		(284,706)	65,303
Actuarial gain on pension		159,000	
Less pension adjustments		(274,334)	
Transfer in respect of grant amortisation (note 20)	<u>(101,060)</u>	<u>101,060</u>	
At 31st July 2024	<u>282,968</u>	<u>1,876,267</u>	<u>65,303</u>

Grants towards the purchase of fixed assets are transferred to designated funds when the asset is purchased. The grants are released in line with depreciation of the assets. From 1 August 2019 bursary funding received from the Education and Skills Funding Agency has been accounted for under an agency arrangement – see note 17 for further details

Other restricted funds represent funds that the company may use for any purpose so long as it meets the aims and objectives of the company as outlined in the governing document.

20. Designated Funds

	2024 £	2023 £
At 1st August	384,028	687,136
Transfer in respect of grant amortisation on previous capital grants	(101,060)	(303,108)
At 31st July	<u>282,968</u>	<u>384,028</u>

Grants towards the purchase of fixed assets are transferred to designated funds when the asset is purchased. The grants are released in line with the depreciation of the assets.

Notes (continued)

21. Pension Arrangements

The Charity currently operates the following pension schemes:

The Training 2000 Limited Retirement and Death Benefit Scheme ("the Main Scheme") - a defined benefit scheme which has been closed to new members and continuing contributions.

A Group Personal Pension Plan which is a defined contribution scheme.

The Training 2000 Limited Retirement and Death Benefit Scheme

The following calculations as at 31 July 2024 have been provided by the actuaries, First Actuarial LLP, using the projected unit actuarial cost method.

Principal actuarial assumptions used by the actuary were as follows:

	2024 %	2023 %
Rate of inflation	3.1	3.1
Rate of increase in pensions	3.1	3.1
Discount rate	5.0	5.1
Mortality rates for current and future pensioners	115% of S3PA CMI Model 2023 with a long-term improvement rate of 1.25%pa	115% of S3PA CMI Model 2022 with a long-term improvement rate of 1.25%pa

The amounts recognised in the balance sheet are as follows:

	2024 £	2023 £
Present value of funded obligations	(5,270,000)	(5,302,000)
Fair value of plan assets	4,816,000	4,574,000
Net pension deficit	(454,000)	(728,000)

Analysis of amounts charged to the Statement of Financial Activities

Other finance costs:

Expected return on pension scheme assets	(230,000)	(173,000)
Interest on pension scheme liabilities	263,000	216,000
Net cost	33,000	43,000
Total charge to resources expended in Statement of Financial Activities	33,000	43,000

Notes (continued)

21. Pension Arrangements *continued*

Analysis of the actuarial gains and losses shown in the Statement of Financial Activities:

	2024	2023
	£	£
Actuarial gains/(losses) on assets	145,000	(641,000)
Actuarial gains on liabilities	14,000	1,140,000
Actuarial gain recognised	159,000	499,000
Changes in the fair value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	5,302,000	6,475,000
Interest on pension scheme liabilities	263,000	216,000
Actuarial losses/(gains)	(14,000)	(1,140,000)
Benefits/transfers paid	(281,000)	(249,000)
Closing defined benefit obligation	5,270,000	5,302,000

Changes in the fair value of plan assets are as follows:

Opening fair value of plan assets	4,574,000	5,139,000
Interest income on plan assets	230,000	173,000
Actuarial gains/(losses)	145,000	(641,000)
Employer contributions	164,000	160,000
Expenses Paid	(16,000)	(8,000)
Benefits/transfers paid	(281,000)	(249,000)
Closing fair value of plan assets	4,816,000	4,574,000

Notes (continued)

21. Pension Arrangements *continued*

The split of assets between investment categories is as follows:

	2024 £	2024 %	2023 £	2023 %
Equities and other assets	2,659,000	55.2	2,339,000	51.1
Cash / Liquidity	206,000	4.3	156,000	3.4
Annuities / annuity policies	1,951,000	40.5	2,079,000	45.5
	4,816,000	100	4,574,000	100

Amounts for current and previous years:

	2024 £	2023 £	2022 £	2021 £	2020 £
Defined benefit obligation	(5,270,000)	(5,302,000)	(6,475,000)	(8,234,000)	(8,437,000)
Plan assets	4,816,000	4,574,000	5,139,000	6,019,000	5,687,000
	(454,000)	(728,000)	(1,336,000)	(2,215,000)	(2,750,000)

The cumulative amount of actuarial losses recognised since 1 August 2005 are £832,000.

Scheme assets as at 31 July 2024 have been valued at bid price.

Following the closure of the scheme on 1 November 2006 the only future contributions are recovery plan payments made by the employer towards past service costs. Following the conclusion of the scheme actuarial valuation as at 31 July 2021 the trustees agreed to increase deficit funding contributions going forward, with contributions set at £164,733 for the year ended 31 July 2024 and increasing at 3% per annum thereafter (2023: £159,935).

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Ltd against aspects of the June 2023 decision. The conclusions reached by the court in this case may have implications for other UK defined benefit plans. The Company and pension trustees are currently considering the implications of the case for the Training 2000 Limited Retirement and Death Benefit Scheme. The defined benefit obligation has been calculated on the basis of the pension benefits currently being administered, and at this stage the directors do not consider it necessary to make any adjustments as a result of the Virgin Media case.

The Group Personal Pension Plan

In addition to the above the Charity contributes to a Group Personal Pension Plan on behalf of employees. The total pension cost for the Charity in respect of this plan was £184,870 (2023: £186,096). Included in other creditors as at 31 July 2024 is an amount of £29,711 (2023: £83,770) in relation to the pension payments for July 2024.

Notes (continued)

22. Analysis of Net Assets Between Funds

	Designated Funds £	Other Unrestricted Funds £	Restricted Funds £
Funds at 31 July 2024 are represented as follows:			
Tangible assets	282,968	1,867,391	65,303
Debtors		789,732	
Cash at bank and in hand		272,363	
Creditors falling due within one year		(1,053,219)	
Pension Scheme Liability		(454,120)	
	282,968	1,422,145	65,303
	Designated Funds £	Other Unrestricted Funds £	Restricted Funds £
Funds at 31 July 2023 were represented as follows:			
Tangible assets	384,028	2,112,745	-
Debtors	-	1,120,980	-
Cash at bank and in hand	-	73,017	-
Creditors falling due within one year	-	(1,131,498)	-
Pension Scheme Liability	-	(728,453)	-
	384,028	1,446,791	-

23. Financial Commitments

The Charity had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

Payments due	2024 £	2023 £
Less than one year	96,524	109,541
Between two and five years	221,215	312,784
Over five years	4,072,398	4,419,788
	4,390,138	4,842,113

Notes (continued)

24. Analysis of Changes in Net Debt

	At 1 Aug 2023 £	Cash flow £	At 31 July 2024 £
Cash at bank and in hand	73,017	199,345	272,363
Total	73,017	199,345	272,363

25. Related Party Transactions

In accordance with section 33.1a of FRS102, "Related Party Disclosures", the Company is exempt from disclosing details of arrangements with other companies in the University of Central Lancashire group.

Due to the nature of the Company's operations and the composition of the Board, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board may have an interest. Any transactions involving organisations in which a member of the Board may have an interest are conducted at arms-length. No transactions were identified which were required to be disclosed.

No Board member has received any remuneration/waived payments/expense payments from the company during the year in their capacity as a Board member. (2023 - none).

26. Ultimate parent company and parent undertaking of larger group of which the company is a member

With effect from 28 July 2017 the company has been a subsidiary undertaking of the University of Central Lancashire Higher Education Corporation incorporated in England and Wales. The ultimate parent company is the University of Central Lancashire Higher Education Corporation, incorporated in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by the University of Central Lancashire Higher Education Corporation. The consolidated accounts of this company may be obtained from:

University Chief Finance Officer
University of Central Lancashire
Harris Building
Preston
PR1 2HE

The University of Central Lancashire Higher Education Corporation is an exempt charity under the terms of the Charities Act 2011.

TRAINING 2000 LIMITED

England & Wales - Charity number 701770

Accounts

Training 2000 Limited



University of Central Lancashire

Training 2000

Training 2000 Limited

Annual report & financial statements

Year Ended 31st July 2023

Company Number 02380675

Registered Charity Number 701770

Training 2000 Limited

Annual report & financial statements

Contents

Legal & Administrative Details	- 1 -
Report of the Trustees (incorporating Strategic Report)	- 2 -
Independent Auditor's Report	- 11 -
Statement of Financial Activities	- 15 -
Statement of Financial Position.....	- 16 -
Cashflow Statement	- 17 -
Notes to the Financial Statements	- 18 -

Training 2000 Limited

Legal & Administrative Details

Trustees:	M Tynan (Chair – resigned 25 October 2023) D Taylor (Chair – from 25 October 2023) E Adia (resigned 13 September 2023) O McCann T Webber I Allison (resigned 24 July 2023) M Fernando (from 15 September 2023) B Jones (from 15 September 2023)
Chief Executive Officer:	C Stott
Secretary:	I Fisher
Registered Office:	Harris Building Corporation Street Preston PR1 2HE
Principal Office:	Furthergate Business Park Harwood Street Blackburn Lancashire BB1 3BD
Company Number:	02380675
Registered Charity Number:	701770
Main Bankers:	Lloyds Bank PLC PO Box 1000 Fishergate Preston BX1 1LT
Solicitors:	DAC Beachcroft LLP 3 Hardman Street Manchester M3 3HF
Auditors:	KPMG 1 St Peters Square Manchester M2 3AE

Training 2000 Limited

Report of the Trustees (incorporating Strategic Report)

The trustees present their report and the audited financial statements for the year ended 31 July 2023 and confirm they comply with the requirements of the Companies Act 2006, the Charities Act 2011, the trust deed and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Our Aims

Our vision is to be Lancashire's number one training provider and our mission is to deliver learning excellence, creating outstanding talent for the UK.

Our aim is to promote and deliver a wide range of learning provision of outstanding quality with excellent progression opportunities for learners of all ages and backgrounds. We aspire, through public and private partnerships, to provide employer led provision in an excellent learning environment, delivered by highly qualified and experienced staff and high levels of support.

The objects of the Company as set out in its Memorandum of Association are to promote and advance high-quality training of persons employed or intending to be employed in industry and commerce, and to extend such training to members of the public generally.

Training 2000 was established over 50 years ago as a charity set up by a consortium of Lancashire businesses. On the 28th July 2017 the Charity became part of the University of Central Lancashire (UCLan) group. The organisation remains an independent charity and its Memorandum of Association and aims remain the same with the University as its sole member company.

We have built a large portfolio of clients throughout the UK by creating and delivering high quality training solutions. We deliver training both on our own premises and at client sites. Working as a business partner we design bespoke training programmes which assist our learners to succeed in their chosen field. Our work-based learning solutions provide an effective and flexible approach which lessens the impact on resources and allows businesses to concentrate on their day-to-day challenges.

Our ethos is to admit learners from all backgrounds; an individual's economic status, age, gender, ethnicity, race, religion or disability do not form part of our assessment processes. Our organisation is committed to equality of opportunity, safeguarding and promoting the welfare of our learners.

Our Objectives

The trustees are working to a five-year business plan that sets out ambitious targets for growth, focusing on professional and technical training with clear progression pathways to higher education designed to bridge local and national skills gaps. The business plan is underpinned with a strategy to cut costs and drive efficiencies. Our position within the UCLan group gives the Charity the opportunity to align current programmes with degree level programmes and thereby provide greater value for employers and learners, and further work continues in these areas.

Whilst our strategic vision remains unchanged, the business plan is reviewed and refreshed annually to reflect the changing environment in which we operate. The trustees recognise that setting a high-performance culture is critical to success and this is achieved through having a shared vision, values and goals. Annual Corporate Objectives linked to the business plan are agreed each year and communicated to all staff.

In setting our objectives and planning our activities our trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance.

Report of the Trustees (incorporating Strategic Report) *continued*

Strategic Report

Review of Activities and Achievements

The Charity performed well throughout the height of COVID-19 pandemic and the subsequent lockdowns. While both commercial and apprenticeship income were impacted; it was to a lesser degree than many competitors experienced and was offset by cost savings generated through operational improvements and reduced use of on-site facilities. As lockdown eased, the nationally recognised challenge of learners who had been delayed due to lack of access to training and assessment generated a more significant impact on income. This legacy is continuing to affect the business, particularly on longer programmes such as Engineering which have felt the impact over a prolonged period. This situation was exacerbated by an increase in staff turnover during 2022 – 2023 as a result of national the cost-of-living crisis. Despite this challenge, resource assigned to support the recovery was increased driving a 45% uplift in income from learners completing their course, and the Charity remains focused on consolidating improvements and maintaining growth.

The charity has made demonstrable progress in addressing improvements identified within the Ofsted inspection of March 2020 whereby it was judged to be a 'GOOD' provider. The Executive and the Board are focusing on retaining this status and are implementing actions designed to improve the connectivity between operational areas, improving the learners experience and ensuring a consistent approach to teaching and learning across the organisation.

The charity's senior management team have continued to drive cost out of the business through the reduction of waste, continual review of supplier contracts and increased efficiencies. A strong focus on integration with our parent organisation UCLan has improved the finance processes and resulted in a reduction in staffing resources within our finance team. Entering into jointly procured contracts has reduced costs in a number of areas including HR, Finance and the charity's Management Information System (MIS). The structure of the business has been revised to create a leaner and more effective management team that offers greater transparency and accountability across all business activities. The structure of the organisation remains under constant review to ensure suitability and value.

We continue to be successful in benchmarking our QHSE management systems with the recognised standards of ISO9001, ISO14001 and ISO45001. Our recertification to the quality standard ISO9001 and ISO14001 is now assured until 2024 and Training 2000 has now successfully migrated its H&S standard OHSAS18001 to the new ISO45001 standard - this is the result of 18 months' work where the organisation has embedded the required changes in the Health and Safety systems in order to achieve this migration. Moving forward we are confident that the three standards described are an appropriate measure of Training 2000's commitment to strong Quality, Health, Safety and Environment Management across the company. The Charity's internal management training programme has also received national recognition winning a Princess Royal Award.

The charity's Business Development Strategy reflects the changes in funding and the requirement to have closer client relationships. As such, the charity has restructured in order to replace its existing Sales Team with Account Managers who are charged with maintaining an ongoing communication with both new and existing clients. This approach served the business well and Training 2000 has continued to grow its portfolio of large employers with organisations including Vision Express, Royal Mail, BAE, Boots, Chubb, the NHS and Rolls Royce accessing both commercial training and Apprenticeship provision. A number of major local businesses have also returned to Training 2000 for their apprentices after a lengthy hiatus.

A key measure of performance is learner achievement rates. The legacy of the crisis is the learners who have been delayed in completing their programmes and, as such, the current achievement rate across all of our Apprenticeship programmes is currently 61.2% for the 2022/23 contract year. National data was not available for 2022/23 at the time of signing; however, national achievement rates were 53.4% in 2021/22.

Report of the Trustees (incorporating Strategic Report) *continued*

The quality of our provision and successes of our apprentices continue to be recognised in various awards including winning The Princess Royal Award for our Management Training Programme and, once again, we have been represented by our learners and staff at World Skills events.

Financial Review

The Charity has continued to focus on delivering apprenticeships and traineeships and a streamlining staff management structure and emphasis on costs has led to a considerable reduction in overheads.

There have continued to be significant operational cost savings driven through continuous review of resources and close scrutiny of expenditure and further facilitated by the centralising and harmonisation of certain functions with our parent entity UCLan. A further donation from the latter of £843,084 (2022: £900,000) has provided financial security as we implement our sustainability strategy.

Overall, the Charity returned a surplus of £147,568 (2022: deficit £284,688) before actuarial gains on the pension scheme of £499,000 (2022: £768,000) and losses on disposal of fixed assets of £60,994 (2022: nil) resulting in a net surplus of £585,574 (2022: £483,312).

Going Concern

Net assets as at 31 July 2023 were £2,559,272 excluding the pension scheme deficit of £728,453. The position of the Charity within the UCLan group provides financial security and sustainability for the future and facilitates the delivery of the Charity's long-term strategy of delivering higher level skills within the newly reformed Apprenticeship regime. The Charity has obtained a parental guarantee from UCLan to provide financial support for a period of at least 12 months from the approval of the financial statements. As such the trustees believe that the going concern basis of preparation remains appropriate. The Charity has put a strong focus on working with UCLan to maximise mutually beneficial cost savings and growth opportunities going forward.

Reserves Policy

As at the July 2023 year end, the Charity's total reserves (net of the pension scheme liability of £728,453) were £1,830,819 of which £384,028 were designated. Designated funds relate to capital grants which are released in line with the depreciation of the related assets. Other funds of £2,175,244 were represented primarily by property fixed assets.

The trustees have sought to develop a working capital policy which seeks to optimise reserves to place the Charity in a position to be able to absorb future changes in government funding in the training arena without threatening its financial stability and its ability to deliver its charitable objectives. Due to the high level of uncertainty year on year around learner numbers and therefore income generation, as well as challenges with the reliance on government policy on further education funding, the trustees have determined that the Charity will maintain total reserves equivalent to at least 90 days' revenue (based on the latest reported total in audited financial statements). This is intended to enable the Charity to continue to operate in the event that no funding was available for at least 90 days.

Total reserves held at 31 July 2023 were 33% of total revenue (2022: 28%). This is equivalent to 119 days (2022: 103 days) and so the Charity was within policy. The Charity's position within the UCLan group also provides the Charity with financial security and enhances the Charity's ability to offer higher level apprenticeships in line with the new standards in the future and the trustees continue to aspire to build the reserves of the Charity.

Report of the Trustees (incorporating Strategic Report) *continued*

Pension funds

The Board has reviewed its obligations arising from employee pension funds and is satisfied that its liabilities are properly identified, planned and accounted for. The Training 2000 Retirement and Death Benefit Scheme, a defined benefit pension scheme, was closed on 1 November 2006 to new employees and future benefit accrual. The Pension Trustees have secured the agreement of the Charity Board to fund a package of measures to extinguish the pension deficit (note 21) and during a prior year a buy-in transaction was completed with Partnership Life in respect of current pensioners in the scheme. Other measures will be considered in the future to further mitigate the risks associated with the deficit. The Charity also operates and contributes to a defined contribution scheme. With the introduction of Auto-Enrolment in February 2014, all new employees are auto-enrolled into the scheme and have the option to increase their own and the Charity's contributions upon successful completion of their probationary period.

The Future

The trustees recognise the importance of delivering against the 5 year business plan and the objectives set out therein to reach a position of self-sufficiency and future sustainability with its own investment in infrastructure and resources needed to deliver the higher level skills required by employers now and in the future. The impact of the global pandemic has set this plan back; however, the strategies within the plan remain relevant. The focus for the coming year is to maximise income through educational delivery excellence, customer retention, a fantastic learner experience and investment in business development while continuing to reduce operational costs through ongoing review and integration with UCLan where appropriate. The move to remote delivery for some of our programmes, in response to the COVID-19 pandemic, has proved to have long term benefits for some learners and the business and will therefore continue post pandemic.

Becoming part of the UCLan group has provided stability and investment for the future. Our focus continues to be to deliver high quality, high value training programmes and services that enhance our clients' ability to succeed. As part of the university structure we have the breadth of programmes from Level 2 through to Level 6/7 that will enhance the skills and education of our learners and employers. The group will be able to provide a focused service for high level skills for employers and provide a diverse range of academic and vocational programmes for our learners.

The core focus remains to continue to "Build a Sustainable Business". The government's Apprenticeship Reform agenda continues to present significant challenges and opportunities regarding programme and associated cashflow management but will also present significant opportunities for us to help our employers in growing their Apprenticeship programmes in line with government and local priorities. The relationship with UCLan will see the development of new income streams and a broader product range. This strategy has manifested itself in new provision including Management, Social Prescribing and Optical Assistant all of which offer clear progression routes to UCLan degree programmes and therefore added value to the group. While the programmes are in their infancy, 80% of Healthcare Apprentices have progressed to UCLan. All new apprenticeship provision is delivered through the new and more valuable apprenticeship standards.

Principal Risks and Uncertainties

The trustees have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial or otherwise. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reassurance that:

- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained, and financial information used within the Charity or for publication is reliable; and the Charity complies with relevant laws and regulations.

Report of the Trustees (incorporating Strategic Report) *continued*

The Company has a committee of the Board - the Governance and Audit Committee - which reviews financial reporting, internal controls, risk management, fraud, internal and external audit, safeguarding and health and safety issues. There is a Risk Register which has an action plan to deal with the strategic risks to which the Company is exposed, including operational and financial risks. An effective intelligence and communication structure and continuous monitoring of the plan. On completion of the latest actuarial valuation at 31st July 2020 the Pension Trustees secured the agreement of the Charity Board to fund a package of measures to extinguish the pension deficit (note 21), including increased annual funding contributions of £155,277 plus 3% annual inflation (applied 1 August each year) from 1 October 2021 to 31 July 2031. The Pension Trustees will continue to consider other measures to further mitigate the risks associated with the deficit. ensure that action can be taken swiftly if changes need to be made to delivery and development plans.

During the year the trustees, through the offices of the Governance and Audit Committee, have received reports from the SMT relating to risk and control. The reports have enabled the trustees to satisfy themselves that the Charity's risk, fraud, safeguarding and health and safety policies are being implemented, that significant weaknesses of control identified are being promptly addressed and on the overall adequacy and effectiveness of the Charity's system of internal control at the year-end.

The Board of trustees considers the principal risks and uncertainties facing the Charity to be as follows:

Reliance on government funding for income

As in previous years the Charity is heavily reliant on government funding through the ESFA. In recent years funding has been reduced on a per learner basis and changes in the education system such as Raising the Participation Age (RPA) have put additional pressure on maintaining the numbers of learners seeking apprenticeships at 16-18 years old. With the introduction of the employer levy and the new tendering process for non-levy paying employers, this does present opportunities for the future in terms of growing apprenticeships and making them more affordable to deliver.

Defined Benefit Pension Scheme Liability

The Training 2000 Retirement and Death Benefit Scheme deficit is valued at £0.73m under FRS102 at 31st July 2023, a decrease of £0.61m in the year.

Training 2000 Limited

Report of the Trustees (incorporating Strategic Report) *continued*

Structure Governance and Management

Governing Document

Training 2000 Limited is a company limited by guarantee, registered in England and Wales. Its governing document is its Articles of Association.

Appointment of Trustees

As set out in the Articles of Association the trustees are appointed by the Company from the sole member. The Trustees comprise the Chair and Vice Chair, who are elected every third year, and up to twelve others. All trustees give of their time freely and no remuneration or expenses was paid to them in the year.

Induction and Training of Trustees

The Company has an induction pack for new trustees with specific emphasis on Company Law and Charity Commission responsibilities. The induction checklist is reviewed regularly and updated as appropriate. Trustees are required to disclose all relevant interests and register them with the Company Secretary and in accordance with the Charity's policy they must withdraw from decisions where a conflict of interest arises.

Organisation

The Trustees administer the Charity. The Board meets at least three times per annum and there are committees for Remuneration and Governance & Audit. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the Charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Board, for operational matters including finance and employment. The Chief Executive is responsible for the leadership and management of the Senior Management Team (SMT) and it is their duty to discharge the day to day operations. They meet on a weekly basis.

Related Parties

On 28 July 2017 Training 2000 Limited became part of the larger University of Central Lancashire Group Structure. The University is also a Charity and some of the Company's activities and operations are carried out through the now subsidiary Company Training 2000 Limited.

Trustees Liability Insurance

During the year the Charity provided third party liability insurance for its trustees.

Attendance at Board Meetings

Trustees' and secretary's attendance at Board and Committee meetings, in relation to the number of meetings held, that they were eligible to attend during the year ended 31 July 2023 is set out below:

Board Members	Board Meetings and AGM	Governance & Audit Committee
M Tynan	1/1	N/A
I Allison	1/1	0/0
T Webber	1/1	N/A
O McCann	1/1	0/0
E Adia	1/1	N/A
I Fisher (Co Sec)	1/1	0/0

Report of the Trustees (incorporating Strategic Report) *continued*

The Environment and Corporate Social Responsibility

The Charity recognises the need to develop its business in a sustainable manner. We strive to develop the business to meet the demands of the present without compromising the needs of future generations. The Charity has developed a Corporate Social Responsibility (CSR) report which outlines and documents the environmental, social and economic activities we undertake to ensure that we operate in a safe and sustainable manner. The Charity has maintained the environmental standard ISO14001 since 2008. In March 2023 the business gained re-accreditation for ISO14001, ISO9001 and ISO45001. The feedback we received from the auditors has confirmed that not only have we maintained the three ISO certifications that we hold, but that we have also demonstrated our capacity to continually improve. This, along with our CSR underlines our commitment to managing our environmental impact.

Employment and Equality and Diversity

The Charity considers that employee involvement is essential to its continuing success and we use a variety of methods to inform, consult and involve employees. We use a range of communication tools which includes bi-monthly all employee briefings, weekly all employee communications, staff newsletters, intranet, employee forum, informal team meetings with the CEO, regular one to ones and team briefings.

During the year (Aug 22 – July 23) the actual number of people employed by the Charity was on average 152.42 (2022: 154.50). The annual labour turnover percentage as at the end of July 2023 for the Charity including fixed term contracts and TUPE transfers is 30.03% (includes 45 employees (2022: 28.48% includes 44 employees)

The Charity is committed to achieving equality through diversity and our policies and strategies recognise that all people have the right to their own distinctive and diverse identity. Promoting equal opportunities applies to both our own staff and our learners. The Charity recognises its responsibilities towards disabled persons and does not discriminate against them either in terms of job offers or career prospects.

All new staff members undertake both a departmental and company induction programme where all the Charity policies and procedures are explained. The induction also includes where employees are able to obtain support for their health and wellbeing including highlighting the Employee Assistance Programme which all employees are able to access for a wide range of support including mental health. The employee engagement activities and wellbeing of staff is part of the People Plan to improve the employee experience which includes health and wellbeing. Key members of staff engage with the induction programme for new staff members which includes detailed presentations, introductions to other staff members, site familiarisation and the quality and safety procedures.

Pay and Remuneration of Key Management Personnel

Remuneration of the Chief Executive Officer is agreed by the Board, SMT remuneration is agreed by the CEO.

Health, Safety and Environment

The Board ensures its legal responsibilities for Health, Safety and Environment are met. They require the CEO and senior management team to keep them regularly appraised on the status of all HSE matters.

The Board and CEO, along with the Senior Management Team on site are committed to a strong HSE management system that delivers continual improvement.

Report of the Trustees (incorporating Strategic Report) *continued*

During the past year the charity has reviewed and updated its HSE policies and ensured staff are trained on all relevant HSE matters enabling them to operate the business with the objective of providing a healthy, safe and sustainable workplace for all staff and learners.

In addition to regular governance reports from the company HSE Manager throughout the year, the Board, CEO and Senior Management team receive the Annual Health Safety and Environment Management review detailing HSE performance, accident / incident analysis and legal compliance.

The charity has a zero RIDDOR target and seeks to minimise the incidence of minor accidents. Through strong Health and Safety management the Charity has seen a steady reduction in minor accidents since 2013. RIDDOR accidents have reduced to a point where the operational areas of the business have not sustained a RIDDOR incident for over 4 years.

The Charity benchmarks HSE to 2 international standards:

The charity certified to the new international standard in Health and Safety management, ISO45001 in 2021 following a successful transition from the now withdrawn British Standard in Health and Safety, BSOHSAS18001, previously held since 2015.

Since 2009 the charity has continually improved its Environmental performance validating this through certification to the environmental standard ISO14001.

Benchmarking the charity against these standards with annual external auditing ensures the company HSE management systems are not just robust but are continually improving.

Statement of Disclosure to Auditors

So far as the trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware. Additionally, 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 auditor is aware of that information.

Statement of Trustees' Responsibilities in respect of the Trustees' Annual Report and the financial statements

The Trustees are responsible for the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 excess of income over expenditure for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and

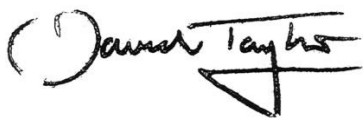
Report of the Trustees (incorporating Strategic Report) *continued*

- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Report of the Trustees was approved on 18 January 2024

A handwritten signature in black ink, appearing to read 'David Taylor', with a stylized flourish at the end.

D Taylor
Chair of the Trustees

Independent Auditor's Report to the Members and Trustees of Training 2000 Limited

Opinion

We have audited the financial statements of Training 2000 Limited ("the charitable company") for the year ended 31 July 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Cash Flow Statement, and related notes, including the accounting policies in note 1.

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 UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the charitable company's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related 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 the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charitable company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the Board of Trustees, the charitable company's Governance and Audit Committee, the Group Audit Committee and Company Secretary as to the charitable company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.

Independent Auditor's Report to the Members and Trustees of Training 2000 Limited *(continued)*

- Reading Board of Trustees and Group audit committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not rebut the significant risk of fraudulent revenue recognition due to the change in management prior to preparation of the accounts and the historic performance of the entity potentially creating an incentive to misstate revenue.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management and journals posted to cash and income that were considered outside of the normal course of business; and
- Sample testing of income to check whether it has been recorded accurately and in the correct period.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the trustees (as required by auditing standards) and discussed with the trustees the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the charitable company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related charities and companies legislation). We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the charitable company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws.

Independent Auditor's Report to the Members and Trustees of Training 2000 Limited *(continued)*

Other Information

The trustees are responsible for the other information, which comprises the Report of the Trustees (incorporating Strategic Report). Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Report of the Trustees (incorporating Strategic Report), which constitutes the strategic report and the trustees' report for the financial year, is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records 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.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 9, 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent Auditor's Report to the Members and Trustees of Training 2000 Limited *(continued)*

The purpose of our audit work and to whom we owe our responsibilities

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



Debra Chamberlain
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

22 January 2024

Training 2000 Limited

Statement of Financial Activities

Year Ended 31st July 2023

		Unrestricted Funds	Restricted Funds	Total Funds 2023	Unrestricted Funds	Restricted Funds	Total Funds 2022
	Notes	£	£	£	£	£	£
Income:							
Donations and legacies	3	843,084	-	843,084	900,833	-	900,833
Charitable activities	4	5,929,338	-	5,929,338	5,731,991	-	5,731,991
Other trading activities	5	91,620	-	91,620	62,879	-	62,879
Total Income		6,864,042		6,864,042	6,695,703	-	6,695,703
Expenditure on Charitable Activities:							
Provision of training	6	(3,691,328)	-	(3,691,328)	(3,920,748)	-	(3,920,748)
Other Charitable Expenditure	6	(2,918,445)	-	(2,918,445)	(2,954,656)	-	(2,954,656)
Other Expenditure	6	(106,701)	-	(106,701)	(104,987)	-	(104,987)
Total Resources Expended	6,7	(6,716,474)	-	(6,716,474)	(6,980,391)	-	(6,980,391)
Net income/(expenditure) for the year		147,568	-	147,568	(284,688)	-	(284,688)
Profit/(loss) on sale of tangible fixed assets	12	(60,994)	-	(60,994)	-	-	-
Actuarial gain on pension scheme	21	499,000	-	499,000	768,000	-	768,000
Net Movement of Funds in Year		585,574	-	585,574	483,312	-	483,312
Reconciliation of funds:							
Total funds brought forward		1,245,245	-	1,245,245	761,933	-	761,933
Total Funds Carried Forward		1,830,819	-	1,830,819	1,245,245	-	1,245,245

The statement of financial activities includes all gains and losses recognised in the year. The accompanying notes form an integral part of these financial statements.

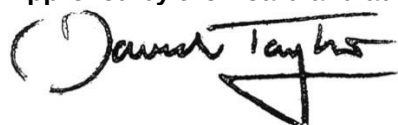
Training 2000 Limited

Statement of Financial Position Year Ended 31st July 2023

		2023 £	2022 £
Fixed Assets			
Tangible assets	12	2,496,773	2,784,350
Total Fixed Assets		2,496,773	2,784,350
Current Assets			
Debtors	13	1,120,980	822,788
Cash at bank & in hand	14	73,017	193,658
		1,193,997	1,016,446
Creditors			
Amounts falling due within one year	15	(1,131,498)	(1,219,551)
Net Current (Liabilities)/Assets		62,499	(203,105)
Total Assets Less Current Liabilities		2,559,272	2,581,245
Creditors: Amounts falling due after more than one year		-	-
Net Assets before Pension Scheme Liability		2,559,272	2,581,245
Pension Scheme Liability	22	(728,453)	(1,336,000)
Net Assets after Pension Scheme Liability		1,830,819	1,245,245
The Reserves of the Charity			
Unrestricted funds:			
Designated	20	384,028	687,136
Other	19	2,175,244	1,894,109
Unrestricted Funds excluding Pension Liability		2,559,272	2,581,245
Pension Scheme Liability	21	(728,453)	(1,336,000)
Total Unrestricted Funds		1,830,819	1,245,245
Restricted funds		-	-
Total Reserves		1,830,819	1,245,245

The accompanying notes form an integral part of these financial statements.

Approved by the Board and authorised for issue on 18 January 2024



D Taylor
Chair
Company Registration Number: 02380675

Training 2000 Limited

Cashflow Statement

For the Year Ended 31st July 2023

	2023 £	2022 £
Cash used in operating activities		
Net expenditure for the year	147,568	(284,688)
Adjustments for:		
(Increase)/decrease in debtors	(298,192)	(55,267)
Increase/(decrease) in creditors	(88,053)	274,504
Depreciation	224,332	273,182
Difference between pension contributions and current service cost	(108,546)	(155,000)
Interest payable	11,707	44,000
Net cash (used in)/from operating activities	(111,184)	96,731
Cash flows from investing activities		
Purchase of fixed assets	-	(60,145)
Sale of fixed assets	2,250	-
Net cash from/(used in) investing activities	2,250	(60,145)
Cash flows used in financing activities		
Interest paid	(11,707)	-
Net cash used in financing activities	(11,707)	-
Increase/(decrease) in cash and cash equivalents in the year	(120,641)	36,586
Cash and cash equivalents at the beginning of the year	193,658	157,072
Total cash and cash equivalents at the end of the year	73,017	193,658
Cash and cash equivalents		
Cash in hand	73,017	193,658
Bank overdraft	-	-
	73,017	193,658

The accompanying notes form an integral part of these financial statements

Notes to the Financial Statements

For the Year Ended 31st July 2023

1. Accounting Policies

The principle accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a. General Information

Training 2000 Limited is a company incorporated in England and Wales under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities is the delivery of a range of training programmes. The company is a private company limited by guarantee.

b. Basis of Accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Companies Act 2006.

Training 2000 Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons. At 31 July 2023 the Charity's total net assets (excluding the pension scheme deficit of £728,453) were £2,559,272. Net current assets were £62,499.

The trustees have prepared cash flow forecasts for a period of 18 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides, the company will have sufficient funds, through funding from its ultimate parent, the University of Central Lancashire, to meet its liabilities as they fall due for that period.

The University of Central Lancashire has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the trustees acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the trustees are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Further details relating to going concern have been included in the trustees report.

The financial statements are prepared in sterling, which is the functional currency of the entity.

c. Incoming Resources

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

Income from charitable activities, which includes income received under contract where entitlement to grant funding is subject to specific performance conditions, is recognised as earned as the related services are provided and it is probable that the income will be received and the amount can be

Notes (continued)

measured reliably and is not deferred. Income from training represents the provision of services excluding VAT, arising solely in the UK. Income is recognised on a receivable basis.

Income received in advance of activities or provision of other specified service it is deferred until the criteria for income recognition are met.

d. Interest Receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

e. Fund Accounting

Restricted funds are set up to account for situations where the provider has stated that the income must be used for a specific purpose.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Unrestricted funds are the balance of funds and are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity.

f. Resources Expended

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other payments are recognised when a constructive obligation arises that results in the payment being unavoidable.

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

Support costs comprise the costs incurred by the company which are not direct costs of providing training but are incurred by the company in order to fulfil its charitable activities and have been allocated to activity cost categories on a basis that reflects levels of activity and usage. The bases on which support costs have been allocated are set out in note 7.

g. Fixed Assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation is provided at rates calculated to write off the cost of Tangible Fixed Assets over their estimated useful lives. The rates used on a straight line method are:

Leasehold Property	2%	per annum
Property Improvements	10%	per annum
Temporary Buildings	10 - 20%	per annum
Plant & Machinery	10 - 33%	per annum
Advanced Plant & Machinery	5%	per annum
Motor Vehicles	25%	per annum
Fixtures & Fittings	10 - 20%	per annum
Computer Equipment	20 - 100%	per annum

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

h. Government Grants

Furlough and Provider Relief Grants are recognised as income as received. Grants received towards the purchase of fixed assets are credited to the Statement of Financial Activities in full in the year of receipt as restricted funds. When the grant is spent it is transferred to designated funds and it is then transferred to unrestricted funds over the estimated useful life of the asset concerned. Whilst

Notes (continued)

this treatment is not in accordance with FRS102 Charity SORP, the Charity Commission has advised that this treatment is the most appropriate for charities.

i. Assets held for sale

Assets held for sale are measured at the lower of the carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and gains or losses on subsequent re-measurements are included in the statement of financial activities.

j. Stock

Stock is valued at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items.

k. Pension Costs

Contributions payable to the Charity defined benefit pension scheme are assessed in accordance with actuarial advice and based on the most recent valuation of the scheme. These costs are accounted for in accordance with FRS102 Charity SORP.

Contributions payable to the Charity defined contribution pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

l. Operating Lease Rentals

The costs of operating leases are charged to the Statement of Financial Activities as they accrue.

m. Irrecoverable VAT

The majority of the Charity's turnover is exempt from VAT. However, some activities are subject to VAT and give rise to a small amount of VAT recovery. Any irrecoverable VAT is written off in the Statement of Financial Activities.

n. Financial Instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

All financial assets that are individually significant are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

2. Critical estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Notes (continued)

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

- Determination of whether there are indicators of impairment of the company's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- Determination of whether leases entered into by the company as lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- Determination of recoverability of trade debtors. A specific provision is made against certain debts where in the opinion of the trustees the debt is not fully recoverable.

3. Donations and Legacies

	2023 £	2022 £
Donation from UCLan	843,084	900,000
Other Donations	-	833
	843,084	900,833

4. Incoming Resources from Charitable Activities

	2023 £	2022 £
Engineering and Automotive Training	3,910,301	3,735,117
Professional, Health & Construction Services	1,615,535	1,608,039
Traineeships	407,740	366,321
Other	(4,238)	22,514
	5,929,338	5,731,991

Notes (continued)

5. Other Trading Activities

	2023	2022
	£	£
Catering Income	60,805	59,117
Other	30,815	3,762
	<u>91,620</u>	<u>62,879</u>

6. Charitable Activities - Resources Expended

	2023	2022
	£	£
Employment Costs	3,001,325	3,189,309
Depreciation	146,111	258,434
Course Costs	901,165	655,433
Establishment Costs	194,976	334,993
General Overheads	26,773	54,518
Sundry	203,086	400,867
Direct costs	4,473,436	4,893,554
Ops & Central Recruitment	274,742	100,734
Human Resources	141,589	131,468
Health & Safety	40,304	62,382
Information Technology	178,824	167,817
Facilities & Security	328,007	450,238
Finance	122,162	150,993
Marketing	412,125	405,338
Business Assurance	481,381	358,679
Support Services	263,904	259,188
Support costs	2,243,038	2,086,837
Total Direct & Support Costs	<u>6,716,474</u>	<u>6,980,391</u>

Included within Support Costs are depreciation charges of £78,221 (2022: £14,749)

7. Net Income/(Expenditure) for the Year

Net income/(expenditure) is stated after charging:

	2023	2022
	£	£
Depreciation	224,332	273,183
Auditors Remuneration		
- for the audit of the Charity's annual accounts	33,500	25,750

Notes (continued)

8. Staff Costs

The average number of persons employed by the Charity during the period was as follows:

	2023 Number	2022 Number
Charitable Activities	99	94
Support	53	61
	152	155

Staff costs comprise:	Direct Employees £	Support Employees £	2023 £	2022 £
Wages & Salaries	2,595,859	1,469,248	4,065,107	4,168,764
Social Security Costs	246,407	133,437	379,844	377,769
Other Pension Costs	115,567	70,529	186,096	177,468
Agency Staff Costs	33,101	-	33,101	110,291
Redundancy Costs	10,849	-	10,849	27,405
	3,001,783	1,673,214	4,674,997	4,861,697
Benefits in Kind	7,131	7,511	14,642	15,991
	3,008,914	1,680,725	4,689,639	4,877,688

The number of employees whose emoluments exceeded the rate of £60,000 per annum was as follows:

£80,001 - £90,000	1	1
	1	1

These employees are members of the company's group personal pension scheme. Total contributions in the year in respect of these employees were £10,952 (2022: £10,952).

The key management personnel of the Charity comprise the trustees and the Chief Executive Officer. The total employee remuneration and benefits of the key management personnel was £106,100 (2022: £106,198).

9. Interest and Other Finance Costs

	2023 £	2022 £
Bank Interest & Charges	11,707	13,602
Mortgage Interest	-	-
Net Charge on Pension Scheme	51,000	44,000
	62,707	57,602

Training 2000 Limited

Notes (continued)

10. Taxation

As the Company is a registered charity, no provision has been made for taxation on the net income for the period.

11. Transfers Between Funds

During the current year £303,108 (2022: £0) was transferred from designated funds to other unrestricted funds in respect of the amortisation of capital grants

12. Tangible Assets

	Plant & Machinery	Motor Vehicles	Fixtures & Fittings	New Technology Equipment	Land & Buildings	Total
	£	£	£	£	£	£
Cost at 1 August 2022	1,644,513	70,009	315,782	329,405	6,798,176	9,157,885
Additions	-	-	-	-	-	-
Disposals	(230,450)	(55,009)	(90,512)	(106,202)	(26,716)	(508,889)
	1,414,063	15,000	225,270	223,203	6,771,460	8,648,996
Cost at 31 July 2023						
Depreciation at 1 August 2022	1,011,689	63,775	276,524	283,331	4,738,216	6,373,535
Depreciation charge	59,210	4,436	10,110	32,353	118,223	224,332
Disposals	(208,531)	(53,871)	(66,290)	(100,662)	(16,290)	(445,644)
Depreciation at 31 July 2023	862,368	14,340	220,344	215,022	4,840,149	6,152,223
Net Book value – 31 July 2023	551,695	660	4,926	8,181	1,931,311	2,496,773
Net Book value – 31 July 2022	632,824	6,234	39,258	46,074	2,059,960	2,784,350

Net Book Value of Freehold Property as at 31 July 2023

-

Net Book Value of Long Leasehold Property as at 31 July 2023

1,931,311

Net Book Value of Property as at 31 July 2023

1,931,311

Notes (continued)

13. Debtors

	2023	2022
	£	£
Debtors from Training Fees	1,094,863	732,636
Less: Reserve for Doubtful Debts	(108,076)	(80,572)
	986,787	652,064
Prepayments & Accrued Income	106,878	132,521
Other Debtors	4,687	15,337
Group Debtors	22,628	22,866
	<u>1,120,980</u>	<u>822,788</u>

14. Cash at Bank & in Hand

	2023	2022
	£	£
Bank Deposit Accounts	72,412	193,213
Cash in Hand	605	445
	<u>73,017</u>	<u>193,658</u>

15. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade Creditors	68,646	458,667
Other Taxes & Social Security	128,147	166,415
Deferred Income	178,627	168,501
Accruals	269,869	133,603
Other Creditors	196,555	164,643
Group Creditors	170,093	-
Annual Leave Accrual	119,561	127,722
	<u>1,131,498</u>	<u>1,219,551</u>

Notes (continued)

16. Deferred income

Deferred income comprises funding received for activities which straddle the year end.

	2023	2022
	£	£
Balance as at 1 August	168,501	115,604
Amount released to incoming resources	(220,125)	(112,477)
Amount deferred in year	230,251	165,374
	178,627	168,501

17. Agency Arrangements

The Charity distributes bursary funds to learners as an agent for the Education and Skills Funding Agency (ESFA). In the current financial year the Charity received £25,664 (2022: £27,327) and disbursed £20,802 (2022: 27,820) from the funds. An amount of £106,875 (2022: £102,013) is included in other creditors relating to undistributed funds potentially repayable to the ESFA.

18. Financial Instruments

	2023	2022
	£	£
Financial assets that are debt instruments measured at amortised cost:		
Cash at Bank and in Hand	73,017	193,658
Trade Debtors (less provision)	986,787	652,064
Total Financial Assets	1,059,804	845,722
Financial liabilities that are debt instruments measured at amortised cost		
Trade Creditors	(68,646)	(458,667)
Accruals	(269,869)	(261,325)
Total Financial Liabilities	(338,515)	(719,992)

Notes (continued)

19. Reserves

	Designated Funds	Unrestricted Funds	Restricted Funds
	£	£	£
At 1st August 2021	687,136	2,289,797	-
Net incoming resources before transfers	-	(284,688)	-
Actuarial gain on pension	-	768,000	-
Less pension adjustments	-	(879,000)	-
At 31st July 2022	687,136	1,894,109	-
Net incoming resources before transfers	-	86,574	-
Actuarial gain on pension	-	499,000	-
Less pension adjustments	-	(607,547)	-
Transfer in respect of grant amortisation (note 20)	(303,108)	303,108	-
At 31st July 2023	384,028	2,175,244	-

Grants towards the purchase of fixed assets are transferred to designated funds when the asset is purchased. The grants are released in line with depreciation of the assets. From 1 August 2019 bursary funding received from the Education and Skills Funding Agency has been accounted for under an agency arrangement – see note 17 for further details

Other restricted funds represent funds that the company may use for any purpose so long as it meets the aims and objectives of the company as outlined in the governing document.

20. Designated Funds

	2023 £	2022 £
At 1st August	687,136	687,136
Transfer in respect of grant amortisation on previous capital grants	(303,108)	-
At 31st July	384,028	687,136

Grants towards the purchase of fixed assets are transferred to designated funds when the asset is purchased. The grants are released in line with the depreciation of the assets. Included in 'Transfer in respect of grant amortisation on previous capital grants' are £100,988 and £101,060 relating to years ended 31 July 2021 and 31 July 2022 respectively which were not released in the prior years. As the Trustees do not consider the effect on the prior period financial statements to be material, this has been corrected in the current period.

Notes (continued)

21. Pension Arrangements

The Charity currently operates the following pension schemes:

The Training 2000 Limited Retirement and Death Benefit Scheme ("the Main Scheme") - a defined benefit scheme which has been closed to new members and continuing contributions.

A Group Personal Pension Plan which is a defined contribution scheme.

The Training 2000 Limited Retirement and Death Benefit Scheme

The following calculations as at 31 July 2023 have been provided by the actuaries, First Actuarial LLP, using the projected unit actuarial cost method.

Principal actuarial assumptions used by the actuary were as follows:

	2023	2022
	%	%
Rate of inflation	3.1	3.2
Rate of increase in pensions	3.1	3.1
Discount rate	5.1	3.4
Mortality rates for current and future pensioners	115% of S3PA CMI Model 2022 with a long-term improvement rate of 1.25%pa	115% of S3PA CMI Model 2021 with a long-term improvement rate of 1.25%pa

The amounts recognised in the balance sheet are as follows:

	2023	2022
	£	£
Present value of funded obligations	(5,302,000)	(6,475,000)
Fair value of plan assets	4,574,000	5,139,000
Net pension deficit	(728,000)	(1,336,000)

Analysis of amounts charged to the Statement of Financial Activities

Other finance costs:

Expected return on pension scheme assets	(173,000)	(89,000)
Interest on pension scheme liabilities	216,000	121,000
Net cost	43,000	32,000
Total charge to resources expended in Statement of Financial Activities	43,000	32,000

Notes (continued)

21. Pension Arrangements *continued*

Analysis of the actuarial gains and losses shown in the Statement of Financial Activities:

	2023	2022
	£	£
Actuarial gains/(losses) on assets	(641,000)	(789,000)
Actuarial gains on liabilities	1,140,000	1,557,000
Actuarial gain recognised	499,000	768,000

Changes in the fair value of the defined benefit obligation are as follows:

Opening defined benefit obligation	6,475,000	8,234,000
Interest on pension scheme liabilities	216,000	121,000
Actuarial losses/(gains)	(1,140,000)	(1,557,000)
Benefits/transfers paid	(249,000)	(323,000)
Closing defined benefit obligation	5,302,000	6,475,000

Changes in the fair value of plan assets are as follows:

Opening fair value of plan assets	5,139,000	6,019,000
Interest income on plan assets	173,000	89,000
Actuarial gains/(losses)	(641,000)	(789,000)
Employer contributions	160,000	155,000
Expenses Paid	(8,000)	(12,000)
Benefits/transfers paid	(249,000)	(323,000)
Closing fair value of plan assets	4,574,000	5,139,000

Notes (continued)

21. Pension Arrangements *continued*

The split of assets between investment categories is as follows:

	2023 £	2023 %	2022 £	2022 %
Equities and other assets	2,339,000	51.1	1,403,000	27.3
Cash / Liquidity	156,000	3.4	167,000	3.3
Annuities / annuity policies	2,079,000	45.5	3,569,000	69.4
	4,574,000	100	5,139,000	100

Amounts for current and previous years:

	2023 £	2022 £	2021 £	2020 £	2019 £
Defined benefit obligation	(5,302,000)	(6,475,000)	(8,234,000)	(8,437,000)	(7,769,000)
Plan assets	4,574,000	5,139,000	6,019,000	5,687,000	5,381,000
	(728,000)	(1,336,000)	(2,215,000)	(2,750,000)	(2,388,000)

The cumulative amount of actuarial losses recognised since 1 August 2005 are £991,000.

Scheme assets as at 31 July 2023 have been valued at bid price.

Following the closure of the scheme on 1 November 2006 the only future contributions are recovery plan payments made by the employer towards past service costs. Following the conclusion of the scheme actuarial valuation as at 31 July 2021 the trustees agreed to increase deficit funding contributions going forward, with contributions set at £164,733 for the year ended 31 July 2024 and increasing at 3% per annum thereafter (2023: £159,935).

The Group Personal Pension Plan

In addition to the above the Charity contributes to a Group Personal Pension Plan on behalf of employees. The total pension cost for the Charity in respect of this plan was £186,096 (2022: £177,468). Included in other creditors as at 31 July 2023 is an amount of £83,770 (2022: £30,264) in relation to the pension payments for July 2023.

Notes (continued)

22. Analysis of Net Assets Between Funds

	Designated Funds £	Other Unrestricted Funds £	Restricted Funds £
Funds at 31 July 2023 are represented as follows:			
Tangible assets	384,028	2,112,745	-
Debtors	-	1,120,980	-
Cash at bank and in hand	-	73,017	-
Creditors falling due within one year	-	(1,131,498)	-
Pension Scheme Liability	-	(728,453)	-
	384,028	1,446,791	-
	Designated Funds £	Other Unrestricted Funds £	Restricted Funds £
Funds at 31 July 2022 were represented as follows:			
Tangible assets	687,136	2,097,214	-
Debtors	-	822,788	-
Cash at bank and in hand	-	193,658	-
Creditors falling due within one year	-	(1,219,551)	-
Pension Scheme Liability	-	(1,336,000)	-
	687,136	558,109	-

23. Financial Commitments

The Charity had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

Payments due	2023 £	2022 £
Less than one year	109,541	116,720
Between two and five years	312,784	274,025
Over five years	4,419,788	4,145,190
	4,842,113	4,535,935

Notes (continued)

24. Analysis of Changes in Net Debt

	At 1 Aug 2022 £	Cash flow £	At 31 July 2023 £
Cash at bank and in hand	193,658	(120,641)	73,017
Total	193,658	(120,641)	73,017

25. Related Party Transactions

In accordance with section 33.1a of FRS102, "Related Party Disclosures", the Company is exempt from disclosing details of arrangements with other companies in the University of Central Lancashire group.

Due to the nature of the Company's operations and the composition of the Board, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board may have an interest. Any transactions involving organisations in which a member of the Board may have an interest are conducted at arms-length. No transactions were identified which were required to be disclosed.

No Board member has received any remuneration/waived payments/expense payments from the company during the year in their capacity as a Board member. (2022 - none).

26. Ultimate parent company and parent undertaking of larger group of which the company is a member

With effect from 28 July 2017 the company has been a subsidiary undertaking of the University of Central Lancashire Higher Education Corporation incorporated in England and Wales. The ultimate parent company is the University of Central Lancashire Higher Education Corporation, incorporated in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by the University of Central Lancashire Higher Education Corporation. The consolidated accounts of this company may be obtained from:

University Chief Finance Officer
University of Central Lancashire
Harris Building
Preston
PR1 2HE

The University of Central Lancashire Higher Education Corporation is an exempt charity under the terms of the Charities Act 2011.

TRAINING 2000 LIMITED

England & Wales - Charity number 701770

Accounts

Training 2000 Limited



Training 2000 Limited

Annual report & financial statements

Year Ended 31st July 2022

Company Number 02380675

Registered Charity Number 701770

Training 2000 Limited

Annual report & financial statements

Contents

Legal & Administrative Details	- 1 -
Report of the Trustees (incorporating Strategic Report).....	- 2 -
Independent Auditor's Report	- 11 -
Statement of Financial Activities	- 14 -
Statement of Financial Position.....	- 15 -
Cashflow Statement	- 16 -
Notes to the Financial Statements	- 17 -

Training 2000 Limited

Legal & Administrative Details

Trustees:	M Tynan(Chair) E Adia O McCann T Webber I Allison
Chief Executive Officer:	C Stott
Secretary:	I Fisher
Registered Office:	Harris Building Corporation Street Preston PR1 2HE
Principal Office:	Furthergate Business Park Harwood Street Blackburn Lancashire BB1 3BD
Company Number:	02380675
Registered Charity Number:	701770
Main Bankers:	Barclays Bank PLC PO Box 229 Navigation Way Preston PR2 2XY
Solicitors:	DAC Beachcroft LLP 3 Hardman Street Manchester M3 3HF
Auditors:	KPMG 1 St Peters Square Manchester M2 3AE

Report of the Trustees (incorporating Strategic Report)

The trustees present their report and the audited financial statements for the year ended 31 July 2022 and confirm they comply with the requirements of the Companies Act 2006, the Charities Act 2011, the trust deed and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Our Aims

Our vision is to be Lancashire's number one training provider and our mission is to deliver learning excellence, creating outstanding talent for the UK.

Our aim is to promote and deliver a wide range of learning provision of outstanding quality with excellent progression opportunities for learners of all ages and backgrounds. We aspire, through public and private partnerships, to provide employer led provision in an excellent learning environment, delivered by highly qualified and experienced staff and high levels of support.

The objects of the Company as set out in its Memorandum of Association are to promote and advance high-quality training of persons employed or intending to be employed in industry and commerce, and to extend such training to members of the public generally.

Training 2000 was established over 50 years ago as a charity set up by a consortium of Lancashire businesses. On the 28th July 2017 the Charity became part of the University of Central Lancashire (UCLan) group. The organisation remains an independent charity and its Memorandum of Association and aims remain the same with the University as its sole member company.

We have built a large portfolio of clients throughout the UK by creating and delivering high quality training solutions. We deliver training both on our own premises and at client sites. Working as a business partner we design bespoke training programmes which assist our learners to succeed in their chosen field. Our work-based learning solutions provide an effective and flexible approach which lessens the impact on resources and allows businesses to concentrate on their day-to-day challenges.

Our ethos is to admit learners from all backgrounds; an individual's economic status, age, gender, ethnicity, race, religion or disability do not form part of our assessment processes. Our organisation is committed to equality of opportunity, safeguarding and promoting the welfare of our learners.

Our Objectives

The trustees are working to a five-year business plan that sets out ambitious targets for growth, focusing on professional and technical training with clear progression pathways to higher education designed to bridge local and national skills gaps. The business plan is underpinned with a strategy to cut costs and drive efficiencies. Our merger with UCLan has created the opportunity to align current programmes with degree level programmes and thereby provide greater value for employers and learners, and there is further work ongoing in these areas.

Whilst our strategic vision remains unchanged, the business plan is reviewed and refreshed annually to reflect the changing environment in which we operate. The trustees recognise that setting a high-performance culture is critical to success and this is achieved through having a shared vision, values and goals. Annual Corporate Objectives linked to the business plan are agreed each year and communicated to all staff.

In setting our objectives and planning our activities our trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance.

Report of the Trustees (incorporating Strategic Report) *continued*

Strategic Report

Review of Activities and Achievements

The Charity performed through the height of COVID-19 and the subsequent lockdowns. While both commercial and apprenticeship income were impacted; it was to a lesser degree than many competitors experienced and was offset by cost savings generated through operational improvements and reduced use of on-site facilities. As lockdown eased, the nationally recognised challenge of learners who had been delayed due to lack of access to training and assessment generated a more significant impact on income. Additional resource was put in place to support the recovery and further funding was received from UCLan to ensure that the business continued to maintain an ESFA Health Score of Satisfactory. The Charity continues to focus on growth and as such the business development strategy has been revised and the department restructured to create a new more customer focused approach which is providing tangible returns.

The charity has maintained progress in addressing improvements identified within the Ofsted inspection of March 2020 whereby it was judged to be a 'GOOD' provider. The Executive and the Board are focusing on the drive to "OUTSTANDING" and are implementing actions designed to improve the connectivity between operational areas and ensure a consistent approach to teaching and learning across the organisation.

The charity's senior management team have continued to drive cost out of the business through the reduction of waste, continual review of supplier contracts and increased efficiencies. A strong focus on integration with our parent organisation UCLan has improved the finance processes and resulted in a reduction in staffing resources within our finance team. Entering into jointly procured contracts has reduced costs in a number of areas including HR, Finance and the charity's Management Information System (MIS). The structure of the business has been revised to create a leaner and more effective management team that offers greater transparency and accountability across all business activities. The structure of the organisation remains under constant review to ensure suitability and value.

We continue to be successful in benchmarking our QHSE management systems with the recognised standards of ISO9001, ISO14001 and ISO45001. Our recertification to the quality standard ISO9001 and ISO14001 is now assured until 2024 and Training 2000 has now successfully migrated its H&S standard OHSAS18001 to the new ISO45001 standard - this is the result of 18 months' work where the organisation has embedded the required changes in the Health and Safety systems in order to achieve this migration. Moving forward we are confident that the three standards described are an appropriate measure of Training 2000's commitment to strong Quality, Health, Safety and Environment Management across the company. The Charity's internal management training programme has also received national recognition winning a Princess Royal Award.

The charity's new Business Development Strategy reflects the changes in funding and the requirement to have closer client relationships. As such, the charity has restructured in order to replace its existing Sales Team with Account Managers who are charged with maintaining an ongoing communication with both new and existing clients. This approach served the business well throughout the pandemic with Account Managers ensuring that communication lines with clients were kept open, providing a firm platform for recovery in 22/23. Training 2000 has also continued to grow its portfolio of large employers with organisations including Bentley, Royal Mail, BAE, Boots, Chubb, the NHS and Rolls Royce accessing commercial training and Apprenticeship provision. A number of major local businesses have also returned to Training 2000 for their apprentices after a lengthy hiatus.

A key measure of performance is learner achievement rates. The legacy of the crisis is the learners who have been delayed in completing their programmes and, as such, the current achievement rate across all of our Apprenticeship programmes is currently 61.1% for the 2021/22 contract year. The national average for 2020/21 was 57.7%. Whilst our result remains above national averages, the national achievement rate for 2021/22 is not available at the date of signing.

Report of the Trustees (incorporating Strategic Report) *continued*

The quality of our provision and successes of our apprentices continue to be recognised in various awards including winning The Princess Royal Award for our Management Training Programme and, once again, we have been represented by our learners and staff at World Skills events.

Financial Review

The 2021/22 financial year has seen emerging challenges as a result of the legacy of the COVID-19 crisis, and financial performance has been hampered by lagged income associated with delayed training and assessment.

The Charity has continued to focus on delivering apprenticeships and traineeships and a streamlining staff management structure and emphasis on costs has led to a considerable reduction in overheads.

There have also been significant operational cost savings facilitated by the centralising and harmonisation of certain functions with our parent entity UCLan. A further donation from the latter of £900,000 (2021: £700,000) has provided financial security as we implement our sustainability strategy.

Overall, the Charity returned a deficit of £284,688 (2021: surplus £77,379) before actuarial gains on the pension scheme of £768,000 (2021: £424,000) resulting in a net surplus of £483,312 (2021: surplus £501,379).

Going Concern

Net assets as at 31 July 2022 were £2,581,245 excluding the pension scheme deficit of £1,336,000. The successful merger with UCLan provides financial security and sustainability for the future and will facilitate the delivery of the Charity's long-term strategy of delivering higher level skills within the newly reformed Apprenticeship regime. The Charity has obtained a parental guarantee from UCLan to provide financial support for a period of at least 12 months from the approval of the financial statements. As such the trustees believe that the going concern basis of preparation remains appropriate. The Charity will have put a strong focus on working with UCLan to maximise mutually beneficial cost savings and growth opportunities going forward.

Reserves Policy

As at the July 2022 year end, the Charity's total reserves (net of the pension scheme liability of £1,336,000) were £1,245,245 of which £687,136 were designated. Designated funds relate to capital grants which are released in line with the depreciation of the related assets. Other funds of £1,894,109 were represented primarily by property fixed assets.

The trustees have sought to develop a reserves policy which seeks to place the Charity in a position to be able to absorb future changes in government funding in the training arena without threatening its financial stability and its ability to deliver its charitable objectives. Due to the high level of uncertainty year on year around learner numbers and therefore income generation, as well as challenges with the reliance on government policy on further education funding, the trustees have sought in the past to achieve investments at £1m to provide the capital to ensure that continuous delivery to learners in line with its charitable objectives is achieved if income levels reduce.

In recent times this has proved difficult as a result of funding reductions. Despite the implementation of significant cost savings the Charity has suffered trading losses and during recent years investments had been liquidated to fund working capital requirements and therefore performance against the policy has been weak.

However, the merger with UCLan has provided the Charity with financial security and will enhance the Charity's ability to offer higher level apprenticeships in line with the new standards in the future and the trustees continue to aspire to build the reserves of the Charity.

Report of the Trustees (incorporating Strategic Report) *continued*

Pension funds

The Board has reviewed its obligations arising from employee pension funds and is satisfied that its liabilities are properly identified, planned and accounted for. The Training 2000 Retirement and Death Benefit Scheme, a defined benefit pension scheme, was closed on 1 November 2006 to new employees and future benefit accrual. The Pension Trustees have secured the agreement of the Charity Board to fund a package of measures to extinguish the pension deficit (note 24) and during a prior year a buy-in transaction was completed with Partnership Life in respect of current pensioners in the scheme. Other measures will be considered in the future to further mitigate the risks associated with the deficit. The Charity also operates and contributes to a defined contribution scheme. With the introduction of Auto-Enrolment in February 2014, all new employees are auto-enrolled into the scheme and have the option to increase their own and the Charity's contributions upon successful completion of their probationary period.

The Future

Following the merger with UCLan the trustees recognise the importance of delivering against the 5 year business plan and the objectives set out therein to reach a position of self-sufficiency and future sustainability with its own investment in infrastructure and resources needed to deliver the higher level skills required by employers now and in the future. The impact of the global pandemic has set this plan back; however, the strategies within the plan remain relevant. The focus for the coming year is to maximise income through educational delivery excellence, customer retention, a fantastic learner experience and investment in business development while continuing to reduce operational costs through ongoing review and integration with UCLan where appropriate. The move to remote delivery for some of our programmes, in response to the COVID-19 pandemic, has proved to have long term benefits for some learners and the business and will therefore continue post pandemic.

Becoming part of the UCLan group has provided stability and investment for the future. Our focus continues to be to deliver high quality, high value training programmes and services that enhance our clients' ability to succeed. As part of the university structure we have the breadth of programmes from Level 2 up to Level 6/7 that will enhance the skills and education of our learners and employers. The group will be able to provide a focused service for high level skills for employers and provide a diverse range of academic and vocational programmes for our learners.

The key focus remains to continue to "Build a Sustainable Business". The government's Apprenticeship Reform agenda continues to present significant challenges and opportunities regarding programme and cashflow management but will also present significant opportunities for us to help our employers in growing their Apprenticeship programmes in line with government and local priorities. The relationship with UCLan will see the development of new income streams and a broader product range. This strategy has manifested itself in new provision including Management, Senior Healthcare Worker and Optical Assistant all of which offer clear progression routes to UCLan degree programmes and added value to the group. While the programme is in its' infancy, 80% of of the Healthcare Apprentices have progressed to UCLan. All new apprenticeship provision is delivered through the new and more valuable apprenticeship standards.

Principal Risks and Uncertainties

The trustees have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial or otherwise. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reassurance that:

- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained, and financial information used within the Charity or for publication is reliable; and the Charity complies with relevant laws and regulations.

Report of the Trustees (incorporating Strategic Report) *continued*

The Company has a committee of the Board - the Governance and Audit Committee - which meets at least twice a year to review financial reporting, internal controls, risk management, fraud, internal and external audit, safeguarding and health and safety issues. There is a Risk Register which has an action plan to deal with the strategic risks to which the Company is exposed, including operational and financial risks. An effective intelligence and communication structure and continuous monitoring of the plan. On completion of the latest actuarial valuation at 31st July 2020 the Pension Trustees secured the agreement of the Charity Board to fund a package of measures to extinguish the pension deficit (note 24), including increased annual funding contributions of £155,277 plus 3% annual inflation (applied 1 August each year) from 1 October 2021 to 31 July 2031. The Pension Trustees will continue to consider other measures to further mitigate the risks associated with the deficit. ensure that action can be taken swiftly if changes need to be made to delivery and development plans.

During the year the trustees through the offices of the Governance and Audit Committee, have received reports from the SMT and from the external auditors relating to risk and control. The reports have enabled the trustees to satisfy themselves that the Charity's risk, fraud, safeguarding and health and safety policies are being implemented, that significant weaknesses of control identified are being promptly addressed and on the overall adequacy and effectiveness of the Charity's system of internal control at the year-end.

The Board of trustees considers the principal risks and uncertainties facing the Charity to be as follows:

Reliance on government funding for income

As in previous years the Charity is heavily reliant on government funding through the ESFA. In recent years funding has been reduced on a per learner basis and changes in the education system such as Raising the Participation Age (RPA) have put additional pressure on maintaining the numbers of learners seeking apprenticeships at 16-18 years old. With the introduction of the employer levy and the new tendering process for non-levy paying employers, this does present opportunities for the future in terms of growing apprenticeships and making them more affordable to deliver.

Defined Benefit Pension Scheme Liability

The Training 2000 Retirement and Death Benefit Scheme deficit is valued at £1.34m under FRS102 at 31st July 2022, an increase of £0.9m in the year.

Report of the Trustees (incorporating Strategic Report) *continued*

Structure Governance and Management

Governing Document

Training 2000 Limited is a company limited by guarantee, registered in England and Wales. Its governing document is its Articles of Association.

Appointment of Trustees

As set out in the Articles of Association the trustees are appointed by the Company from the sole member. The Trustees comprise the Chair and Vice Chair, who are elected every third year, and up to twelve others. All trustees give of their time freely and no remuneration or expenses was paid to them in the year.

Induction and Training of Trustees

The Company has an induction pack for new trustees with specific emphasis on Company Law and Charity Commission responsibilities. The induction checklist is reviewed regularly and updated as appropriate. Trustees are required to disclose all relevant interests and register them with the Company Secretary and in accordance with the Charity's policy they must withdraw from decisions where a conflict of interest arises.

Organisation

The Trustees administer the Charity. The Board meets at least three times per annum and there are committees for Remuneration and Governance & Audit. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the Charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Board, for operational matters including finance and employment. The Chief Executive is responsible for the leadership and management of the Senior Management Team (SMT) and it is their duty to discharge the day to day operations. They meet on a weekly basis.

Related Parties

On 28 July 2017 Training 2000 Limited became part of the larger University of Central Lancashire Group Structure. The University is also a Charity and some of the Company's activities and operations are carried out through the now subsidiary Company Training 2000 Limited.

Trustees Liability Insurance

During the year the Charity provided third party liability insurance for its trustees.

Attendance at Board Meetings

Trustees' and secretary's attendance at Board and Committee meetings, in relation to the number of meetings held, that they were eligible to attend during the year ended 31 July 2022 is set out below:

Board Members	Board Meetings and AGM	Governance & Audit Committee
M Tynan	1/3	N/A
I Allison	3/3	2/2
T Webber	1/3	N/A
O McCann	3/3	2/2
E Adia	2/3	N/A
I Fisher (Co Sec)	3/3	2/2

Report of the Trustees (incorporating Strategic Report) *continued*

The Environment and Corporate Social Responsibility

The Charity recognises the need to develop its business in a sustainable manner. We strive to develop the business to meet the demands of the present without compromising the needs of future generations. The Charity has developed a Corporate Social Responsibility (CSR) report which outlines and documents the environmental, social and economic activities we undertake to ensure that we operate in a safe and sustainable manner. The Charity has maintained the environmental standard ISO14001 since 2008. In March 2022 the business gained re-accreditation for ISO14001, ISO9001 and ISO45001. The feedback we received from the auditors has confirmed that not only have we maintained the three ISO certifications that we hold, but that we have also demonstrated our capacity to continually improve. This, along with our CSR underlines our commitment to managing our environmental impact.

Employment and Equality and Diversity

The Charity considers that employee involvement is essential to its continuing success and we use a variety of methods to inform, consult and involve employees. We use a range of communication tools which includes bi-monthly all employee briefings, weekly all employee communications, staff newsletters, intranet, employee forum, informal team meetings with the CEO, regular one to ones and team briefings. Additionally in 2020 the Charity completed a full staff survey in order to improve employee engagement levels and improve the employee experience. This exercise will be repeated in 2023.

During the year (Aug 21 – July 22) the actual number of people employed by the Charity was on average 157.33 (2021: 154). The annual labour turnover percentage as at the end of July 2022 for the Charity including fixed term contracts and TUPE is 27.96% (2021: 27.96% includes fixed term contract and TUPE transfers of approximately 44 employees) (2021: 16.88% which includes fixed term contracts and TUPE transfers of approx. 45 employees).

The Charity is committed to achieving equality through diversity and our policies and strategies recognise that all people have the right to their own distinctive and diverse identity. Promoting equal opportunities applies to both our own staff and our learners. The Charity recognises its responsibilities towards disabled persons and does not discriminate against them either in terms of job offers or career prospects.

All new staff members undertake both a departmental and company induction programme where all the Charity policies and procedures are explained. The induction also includes where employees are able to obtain support for their health and wellbeing including highlighting the Employee Assistance Programme which all employees are able to access for a wide range of support including mental health. The employee engagement activities and wellbeing of staff is part of the People Plan to improve the employee experience which includes health and wellbeing. Key members of staff engage with the induction programme for new staff members which includes detailed presentations, introductions to other staff members, site familiarisation and the quality and safety procedures.

Pay and Remuneration of Key Management Personnel

Remuneration of the Chief Executive Officer is agreed by the Board, SMT remuneration is agreed by the CEO.

Health, Safety and Environment

The Board ensures its legal responsibilities for Health, Safety and Environment are met. They require the CEO and senior management team to keep them regularly appraised on the status of all HSE matters.

The Board and CEO, along with the Senior Management Team on site are committed to a strong HSE management system that delivers continual improvement.

Report of the Trustees (incorporating Strategic Report) *continued*

During the past year the charity has reviewed and updated its HSE policies and ensured staff are trained on all relevant HSE matters enabling them to operate the business with the objective of providing a healthy, safe and sustainable workplace for all staff and learners.

In addition to regular governance reports from the company HSE Manager throughout the year, the Board, CEO and Senior Management team receive the Annual Health Safety and Environment Management review detailing HSE performance, accident / incident analysis and legal compliance.

The charity has a zero RIDDOR target and seeks to minimise the incidence of minor accidents. Through strong Health and Safety management the Charity has seen a steady reduction in minor accidents since 2013. RIDDOR accidents have reduced to a point where the operational areas of the business have not sustained a RIDDOR incident for over 4 years.

The Charity benchmarks HSE to 2 international standards:

The charity certified to the new international standard in Health and Safety management, ISO45001 in 2021 following a successful transition from the now withdrawn British Standard in Health and Safety, BSOHSAS18001, previously held since 2015.

Since 2009 the charity has continually improved its Environmental performance validating this through certification to the environmental standard ISO14001.

Benchmarking the charity against these standards with annual external auditing ensures the company HSE management systems are not just robust but are continually improving.

Statement of Disclosure to Auditors

So far as the trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware. Additionally, 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 auditor is aware of that information.

Statement of Trustees' Responsibilities

The trustees (who are also directors of Training 2000 Limited for the purposes of company law) are responsible for preparing the Report of the Trustees (including Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

Report of the Trustees (incorporating Strategic Report) *continued*

The trustees are responsible for keeping proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities Act 2011. 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The trustees confirm that the financial statements comply with current statutory requirement and with the requirements of its governing document.

The Report of the Trustees was approved on 9 February 2023.

A handwritten signature in black ink, appearing to read 'M Tynan', with a stylized, cursive script.

M Tynan
Chair of the Trustees

Independent Auditor's Report to the Members and Trustees of Training 2000 Limited

Year Ended 31st July 2022

Opinion

We have audited the financial statements of Training 2000 Limited ("the charitable company") for the year ended 31 July 2022 which comprise the Statement of Financial Activities, the Statement of Finance Position, the Statement of Changes in Reserves and related notes, including the accounting policies in note 1.

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 UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the charitable company's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related 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 the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charitable company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the Group Audit Committee and Company Secretary as to the charitable company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.

Training 2000 Limited

- Reading Board and Group audit committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because due to the nature and scope of the company's activities, there are no perceived pressures or incentives on management to commit fraudulent financial reporting through inappropriate revenue recognition.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. This included out of balance journals and journals posted to cash and turnover that were considered outside of the normal course of business.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the trustees (as required by auditing standards) and discussed with the trustees the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the charitable company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related charities and companies legislation) and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the charitable company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Trustees' Annual Report

The trustees are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the Trustees' Annual Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

Training 2000 Limited

- we have not identified material misstatements in the Trustees' Annual Report;
- in our opinion the information given in the Trustees' Annual Report for the financial year, is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records 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.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 9, 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charitable company's trustees, 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 trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Timothy Cutler (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St. Peter's Square
Manchester
M2 3AE

10 February 2023

Training 2000 Limited

Statement of Financial Activities

Year Ended 31st July 2022

		Unrestricted Funds	Restricted Funds	Total Funds 2022	Unrestricted Funds	Restricted Funds	Total Funds 2021
	Notes	£	£	£	£	£	£
Income:							
Donations and legacies	3	900,833	-	900,833	700,000	-	700,000
Charitable activities	4	5,731,991	-	5,731,991	5,766,929	-	5,766,929
Other trading activities	5	62,879	-	62,879	236,790	-	236,790
Investment income		-	-	-	-	-	-
Total Income		6,695,703	-	6,695,703	6,703,719	-	6,703,719
Expenditure on Charitable Activities:							
Provision of training		-	-	-	-	-	-
Other Expenditure:	6	(6,980,391)		(6,980,391)	(6,626,340)		(6,626,340)
Total Resources Expended		(6,980,391)	-	(6,980,391)	(6,626,340)	-	(6,626,340)
Net expenditure for the year		(284,688)	-	(284,688)	77,379	-	77,379
Actuarial gain on pension scheme	21	768,000	-	768,000	424,000	-	424,000
Net Movement of Funds in Year		483,312	-	483,312	501,379	-	501,379
Reconciliation of funds:							
Total funds brought forward		761,933	-	761,933	260,555	-	260,555
Total Funds Carried Forward		1,245,245	-	1,245,245	761,933	-	761,933

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

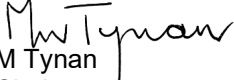
Training 2000 Limited

Statement of Financial Position

Year Ended 31st July 2022

		2022 £	2021 £
Fixed Assets			
Tangible assets	12	2,784,350	2,997,388
Total Fixed Assets		2,784,350	2,997,388
Current Assets			
Debtors	13	822,788	767,521
Cash at bank & in hand	14	193,658	157,072
		1,016,446	924,593
Creditors			
Amounts falling due within one year	15	(1,219,551)	(945,047)
Net Current (Liabilities)/Assets		(203,105)	(20,454)
Total Assets Less Current Liabilities		2,581,245	2,976,933
Creditors: Amounts falling due after more than one year		-	-
Net Assets before Pension Scheme Liability		2,581,245	2,976,933
Pension Scheme Liability	22	(1,336,000)	(2,215,000)
Net Assets after Pension Scheme Liability		1,245,245	761,933
The Reserves of the Charity			
Unrestricted funds:			
Designated	20	687,136	687,136
Other	19	1,894,109	2,289,797
Unrestricted Funds excluding Pension Liability		2,581,245	2,976,933
Pension Scheme Liability	21	(1,336,000)	(2,215,000)
Total Unrestricted Funds		1,245,245	761,933
Restricted funds		-	-
Total Reserves		1,245,245	761,933

Approved by the Board and authorised for issue on 9 February 2023


M Tynan
Chair

Company Registration Number: 02380675

Training 2000 Limited

Cashflow Statement

For the Year Ended 31st July 2022

	2022 £	2021 £
Cash used in operating activities		
Net expenditure for the year	(284,688)	77,379
Adjustments for:		
Decrease in stock	-	-
(Increase)/decrease in debtors	(55,267)	(227,673)
Increase/(decrease) in creditors	274,504	17,585
Depreciation	273,182	308,352
Impairment of assets held for sale	-	-
Profit on disposal of assets	-	(6,758)
Investment income	-	-
Difference between pension contributions and current service cost	(155,000)	(150,000)
Past service cost in respect of guaranteed minimum pension equalisation	-	-
Interest payable	44,000	45,347
Net cash (used in)/from operating activities	96,731	64,231
Cash flows from investing activities		
Purchase of fixed assets	(60,145)	(87,311)
Sale of fixed assets	-	42,692
Investment income	-	-
Net cash from/(used in) investing activities	(50,145)	(44,619)
Cash flows used in financing activities		
Bank loan repayments	-	-
Interest paid	-	(6,347)
Net cash used in financing activities	-	(6,347)
Increase/(decrease) in cash and cash equivalents in the year	36,586	13,265
Cash and cash equivalents at the beginning of the year	157,072	143,806
Total cash and cash equivalents at the end of the year	193,658	157,072
Cash and cash equivalents		
Cash in hand	193,658	157,072
Bank overdraft	-	-
	193,658	157,072

Notes to the Financial Statements

For the Year Ended 31st July 2022

1. Accounting Policies

The principle accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a. General Information

Training 2000 Limited is a company incorporated in England and Wales under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities is the delivery of a range of training programmes. The company is a private company limited by guarantee.

b. Basis of Accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Companies Act 2006.

Training 2000 Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons. At 31 July 2022 the Charity's total net assets (excluding the pension scheme deficit of £1,336,000) were £2,581,245. Net current liabilities were £203,105.

The trustees have prepared cash flow forecasts for a period of 18 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides, the company will have sufficient funds, through funding from its ultimate parent, the University of Central Lancashire, to meet its liabilities as they fall due for that period.

The University of Central Lancashire has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the trustees acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the trustees are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Further details relating to going concern have been included in the trustees report.

The financial statements are prepared in sterling, which is the functional currency of the entity.

c. Incoming Resources

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

Income from charitable activities, which includes income received under contract where entitlement to grant funding is subject to specific performance conditions, is recognised as earned as the related services are provided and it is probable that the income will be received and the amount can be

Notes (continued)

measured reliably and is not deferred. Income from training represents the provision of services excluding VAT, arising solely in the UK. Income is recognised on a receivable basis.

Income received in advance of activities or provision of other specified service it is deferred until the criteria for income recognition are met.

d. Interest Receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

e. Fund Accounting

Restricted funds are set up to account for situations where the provider has stated that the income must be used for a specific purpose.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Unrestricted funds are the balance of funds and are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity.

f. Resources Expended

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other payments are recognised when a constructive obligation arises that results in the payment being unavoidable.

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

Support costs comprise the costs incurred by the company which are not direct costs of providing training but are incurred by the company in order to fulfil its charitable activities and have been allocated to activity cost categories on a basis that reflects levels of activity and usage. The bases on which support costs have been allocated are set out in note 7.

g. Fixed Assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation is provided at rates calculated to write off the cost of Tangible Fixed Assets over their estimated useful lives. The rates used on a straight line method are:

Leasehold Property	2%	per annum
Property Improvements	10%	per annum
Temporary Buildings	10 - 20%	per annum
Plant & Machinery	10 - 33%	per annum
Advanced Plant & Machinery	5%	per annum
Motor Vehicles	25%	per annum
Fixtures & Fittings	10 - 20%	per annum
Computer Equipment	20 - 100%	per annum

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

h. Government Grants

Furlough and Provider Relief Grants are recognised as income as received. Grants received towards the purchase of fixed assets are credited to the Statement of Financial Activities in full in the year of receipt as restricted funds. When the grant is spent it is transferred to designated funds and it is then transferred to unrestricted funds over the estimated useful life of the asset concerned. Whilst

Notes (continued)

this treatment is not in accordance with FRS102 Charity SORP, the Charity Commission has advised that this treatment is the most appropriate for charities.

i. Assets held for sale

Assets held for sale are measured at the lower of the carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and gains or losses on subsequent re-measurements are included in the statement of financial activities.

j. Stock

Stock is valued at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items.

k. Pension Costs

Contributions payable to the Charity defined benefit pension scheme are assessed in accordance with actuarial advice and based on the most recent valuation of the scheme. These costs are accounted for in accordance with FRS102 Charity SORP.

Contributions payable to the Charity defined contribution pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

l. Operating Lease Rentals

The costs of operating leases are charged to the Statement of Financial Activities as they accrue.

m. Irrecoverable VAT

The majority of the Charity's turnover is exempt from VAT. However, some activities are subject to VAT and give rise to a small amount of VAT recovery. Any irrecoverable VAT is written off in the Statement of Financial Activities.

n. Financial Instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

All financial assets that are individually significant are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

2. Critical estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Notes (continued)

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

- Determination of whether there are indicators of impairment of the company's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- Determination of whether leases entered into by the company as lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- Determination of recoverability of trade debtors. A specific provision is made against certain debts where in the opinion of the trustees the debt is not fully recoverable.

3. Donations and Legacies

	2022 £	2021 £
Donation from UCLan	900,000	700,000
Other Donations	833	-
	<u>900,833</u>	<u>700,000</u>

4. Incoming Resources from Charitable Activities

	2022 £	2021 £
Engineering and Automotive Training	3,735,117	3,780,919
Professional, Health & Construction Services	1,608,039	1,550,439
Traineeships	366,321	417,070
Other	22,514	18,501
	<u>5,731,991</u>	<u>5,766,929</u>

Notes (continued)

5. Other Trading Activities

	2022 £	2021 £
Profit on Disposal of Tangible Fixed Assets	-	6,758
Room Hire	-	3,679
COVID Relief & Furlough Funding	-	171,689
Other	62,879	54,664
	<u>62,879</u>	<u>236,790</u>

6. Charitable Activities - Resources Expended

	2022 £	2021 £
Employment Costs	3,189,309	3,188,732
Depreciation	258,434	293,928
Course Costs	655,433	451,514
Establishment Costs	334,993	280,089
General Overheads	54,518	3,998
Sundry	400,867	302,098
Direct costs	<u>4,893,554</u>	<u>4,520,358</u>
Ops & Central Recruitment	101,734	170,277
Human Resources	131,468	167,509
Health & Safety	62,382	64,534
Information Technology	167,817	168,145
Facilities & Security	450,238	402,574
Finance	150,993	113,631
Marketing	405,338	372,860
Business Assurance	358,679	353,250
Support Services	259,188	293,202
Support costs	<u>2,086,837</u>	<u>2,105,982</u>
Total Direct & Support Costs	<u><u>6,980,391</u></u>	<u><u>6,626,340</u></u>

Included within Support Costs are depreciation charges of £14,749 (2021: £14,665)

7. Net Incoming resources

	2022 £	2021 £
Depreciation	<u>273,183</u>	308,352
Impairment of assets held for sale	-	-
Operating Lease Payments	-	34,354
Auditors Remuneration		
- for the audit of the Charity's annual accounts	<u>25,750</u>	<u>25,000</u>

Notes (continued)

8. Staff Costs

The average number of persons employed by the Charity during the period was as follows:

	2022 Number	2021 Number
Charitable Activities	94	97
Support	61	56
	155	153

Staff costs comprise:	Direct Employees £	Support Employees £	2022 £	2021 £
Wages & Salaries	2,679,066	1,489,698	4,168,764	4,196,756
Social Security Costs	249,879	127,890	377,769	364,566
Other Pension Costs	123,024	54,444	177,468	173,966
Agency Staff Costs	110,291	-	110,291	197,365
Redundancy Costs	27,049	356	27,405	4,038
	3,189,309	1,672,388	4,861,697	4,936,691
Benefits in Kind	8,414	7,577	15,991	16,217
	3,197,623	1,680,065	4,877,688	4,952,908

The number of employees whose emoluments exceeded the rate of £60,000 per annum was as follows:

£80,001 - £90,000	1	1
	1	1

These employees are members of the company's group personal pension scheme. Total contributions in the year in respect of these employees were £10,952 (2021: £10,952).

The key management personnel of the Charity comprise the trustees and the Chief Executive Officer. The total employee remuneration and benefits of the key management personnel was £106,918 (2020: £105,915).

9. Interest and Other Finance Costs

	2022 £	2021 £
Bank Interest & Charges	13,602	6,347
Mortgage Interest	-	-
Net Charge on Pension Scheme	44,000	39,000
	57,602	45,347

Training 2000 Limited

Notes (continued)

10. Taxation

As the Company is a registered charity, no provision has been made for taxation on the net income for the period.

11. Transfers Between Funds

During the current year £0 (2021: £0) was transferred from designated funds to other unrestricted funds in respect of the amortisation of capital grants

12. Tangible Assets

	Plant & Machinery	Motor Vehicles	Fixtures & Fittings	New Technology Equipment	Land & Buildings	Total
	£	£	£	£	£	£
Cost at 1 August 2021	1,639,713	70,009	291,966	317,677	6,778,375	9,097,740
Additions	4,800	-	23,816	11,728	19,801	60,145
Disposals	-	-	-	-	-	-
	1,644,513	70,009	315,782	329,405	6,798,176	9,157,885
Cost at 31 July 2022						
Depreciation at 1 August 2021	941,892	55,464	263,121	249,144	4,590,731	6,100,352
Depreciation charge	69,797	8,311	13,403	34,187	147,485	273,183
Disposals	-	-	-	-	-	-
Depreciation at 31 July 2022	1,011,689	63,775	276,524	283,331	4,738,216	6,373,535
Net Book value – 31 July 2022	632,824	6,234	39,258	46,074	2,059,960	2,784,350
Net Book value – 31 July 2021	697,821	14,545	28,845	68,533	2,187,644	2,997,388

Net Book Value of Freehold Property as at 31 July 2022	-
Net Book Value of Long Leasehold Property as at 31 July 2022	2,059,960

Net Book Value of Property as at 31 July 2022	2,059,960
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Notes (continued)

13. Debtors

	2022	2021
	£	£
Debtors from Training Fees	732,636	690,405
Less: Reserve for Doubtful Debts	(80,572)	(51,482)
	652,064	638,923
Prepayments & Accrued Income	132,521	120,306
Other Debtors	15,337	1,989
Group Debtors	22,866	6,304
	822,788	767,521

14. Cash at Bank & in Hand

	2022	2021
	£	£
Bank Deposit Accounts	193,213	156,274
Cash in Hand	445	798
	193,658	157,072

15. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade Creditors	458,667	323,993
Other Taxes & Social Security	166,415	177,600
Deferred Income	168,501	115,606
Accruals	133,603	187,615
Other Creditors	164,643	18,192
Group Creditors	-	-
Annual Leave Accrual	127,722	122,041
	1,219,551	945,047

Notes (continued)

16. Deferred income

Deferred income comprises funding received for activities which straddle the year end.

	2022	2021
	£	£
Balance as at 1 August	115,604	162,124
Amount released to incoming resources	(112,477)	(106,706)
Amount deferred in year	165,374	60,186
	<u>168,501</u>	<u>115,604</u>
Balance as at 31 July	<u>168,501</u>	<u>115,604</u>

17. Agency Arrangements

The Charity distributes bursary funds to learners as an agent for the Education and Skills Funding Agency (ESFA). In the current financial year the Charity received £27,327 and disbursed £27,820 from the funds. An amount of £76,137 is included in other creditors relating to undistributed funds potentially repayable to the ESFA.

18. Financial Instruments

	2022	2021
	£	£
Financial assets that are debt instruments measured at amortised cost:		
Cash at Bank and in Hand	193,658	157,072
Trade Debtors (less provision)	652,063	638,923
Total Financial Assets	<u>845,721</u>	<u>795,995</u>
Financial liabilities that are debt instruments measured at amortised cost		
Trade Creditors	(458,667)	(323,993)
Accruals	(261,325)	(309,657)
Total Financial Liabilities	<u>(719,992)</u>	<u>(633,650)</u>

Notes (continued)

19. Reserves

	Designated Funds	Unrestricted Funds	Restricted Funds
	£	£	£
At 1st August 2021	687,136	2,323,418	-
Net incoming resources before transfers	-	77,379	-
Actuarial gain on pension	-	424,000	-
Less pension adjustments	-	(535,000)	-
Transfer in respect of capital purchases (note 20)	-	-	-
Transfer in respect of grant amortisation (note 20)	-	-	-
At 31st July 2021	<u>687,136</u>	<u>2,289,797</u>	<u>-</u>
Net incoming resources before transfers	-	(284,688)	-
Actuarial gain on pension	-	768,000	-
Less pension adjustments	-	(879,000)	-
At 31st July 2022	<u>687,136</u>	<u>1,894,109</u>	<u>-</u>

Grants towards the purchase of fixed assets are transferred to designated funds when the asset is purchased. The grants are released in line with depreciation of the assets. From 1 August 2019 bursary funding received from the Education and Skills Funding Agency has been accounted for under an agency arrangement – see note 17 for further details

Other restricted funds represent funds that the company may use for any purpose so long as it meets the aims and objectives of the company as outlined in the governing document.

20. Designated Funds

	2022 £	2021 £
At 1st August	687,136	687,136
Transfer in respect of restricted capital grants expended	-	-
Transfer in respect of grant amortisation on previous capital grants	-	-
At 31st July	<u>687,136</u>	<u>687,136</u>

Grants towards the purchase of fixed assets are transferred to designated funds when the asset is purchased. The grants are released in line with the depreciation of the assets.

Notes (continued)

21. Pension Arrangements

The Charity currently operates the following pension schemes:

The Training 2000 Limited Retirement and Death Benefit Scheme ("the Main Scheme") - a defined benefit scheme which has been closed to new members and continuing contributions.

A Group Personal Pension Plan which is a defined contribution scheme.

The Training 2000 Limited Retirement and Death Benefit Scheme

The following calculations as at 31 July 2022 have been provided by the actuaries, First Actuarial LLP, using the projected unit actuarial cost method.

Principal actuarial assumptions used by the actuary were as follows:

	2022 %	2021 %
Rate of inflation	3.2	3.3
Rate of increase in pensions	3.1	3.2
Discount rate	3.4	1.5
Mortality rates for current and future pensioners	115% SP3A model 2021 with a long term rate of improvement of 1.25% pa	115% S2PA CMI model 2020 with a long term rate of improvement of 1.25% pa

The amounts recognised in the balance sheet are as follows:

	2022 £	2021 £
Present value of funded obligations	(6,475,000)	(8,234,000)
Fair value of plan assets	5,139,000	6,019,000
Net pension deficit	(1,336,000)	(2,215,000)

Analysis of amounts charged to the Statement of Financial Activities

Other finance costs:

Expected return on pension scheme assets	(89,000)	(73,000)
Interest on pension scheme liabilities	121,000	108,000
Net cost	32,000	35,000
Total charge to resources expended in Statement of Financial Activities	32,000	35,000

Notes (continued)

21. Pension Arrangements *continued*

Analysis of the actuarial gains and losses shown in the Statement of Financial Activities:

	2022	2021
	£	£
Actuarial gains/(losses) on assets	(789,000)	343,000
Actuarial gains on liabilities	1,557,000	81,000
Actuarial gain recognised	768,000	424,000
Changes in the fair value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	8,234,000	8,437,000
Interest on pension scheme liabilities	121,000	108,000
Past service cost	-	-
Actuarial losses/(gains)	(1,557,000)	(81,000)
Benefits/transfers paid	(323,000)	(230,000)
Closing defined benefit obligation	6,475,000	8,234,000

Changes in the fair value of plan assets are as follows:

Opening fair value of plan assets	6,019,000	5,687,000
Expected return on plan assets	89,000	73,000
Actuarial gains/(losses)	(789,000)	343,000
Employer contributions	155,000	150,000
Expenses Paid	(12,000)	(4,000)
Benefits/transfers paid	(323,000)	(230,000)
Closing fair value of plan assets	5,139,000	6,019,000

Notes (continued)

21. Pension Arrangements *continued*

The split of assets between investment categories is as follows:

	2022 £	2022 %	2021 £	2021 %
Equities	1,403,000	27.3	1,570,695	26.1
Cash / Liquidity	167,000	3.2	163,296	2.7
Other	3,569,000	69.4	4,285,264	71.2
	5,139,000	100	6,019,255	100

Amounts for current and previous years:

	2022 £	2021 £	2020 £	2019 £	2018 £
Defined benefit obligation	(6,475,000)	(8,234,000)	(8,437,000)	(7,769,000)	(7,253,000)
Plan assets	5,139,000	6,019,000	5,687,000	5,381,000	5,352,000
	(1,336,000)	(2,215,000)	(2,750,000)	(2,388,000)	(1,901,000)

The cumulative amount of actuarial losses recognised since 1 August 2005 are £1,490,000.

Scheme assets as at 31 July 2022 have been valued at bid price.

Following the closure of the scheme on 1 November 2006 the only future contributions are recovery plan payments made by the employer towards past service costs. Following the conclusion of the scheme actuarial valuation as at 31 July 2020 the trustees agreed to increase deficit funding contributions going forward, with contributions set at £159,935 for the year ended 31 July 2022 and increasing at 3% per annum thereafter (2021: £155,277).

The Group Personal Pension Plan

In addition to the above the Charity contributes to a Group Personal Pension Plan on behalf of employees. The total pension cost for the Charity in respect of this plan was £177,568 (2021: £188,274). Included in other creditors as at 31 July 2022 is an amount of £30,264 (2020: £31,134) in relation to the pension payments for July 2022.

Notes (continued)

22. Analysis of Net Assets Between Funds

	Designated Funds £	Other Unrestricted Funds £	Restricted Funds £
Funds at 31 July 2022 are represented as follows:			
Tangible assets	687,136	2,097,214	-
Debtors	-	822,788	-
Cash at bank and in hand	-	193,658	-
Creditors falling due within one year	-	(1,219,551)	-
Pension Scheme Liability	-	(1,336,000)	-
	687,136	558,109	-
	Designated Funds £	Other Unrestricted Funds £	Restricted Funds £
Funds at 31 July 2021 were represented as follows:			
Tangible assets	687,136	2,310,252	-
Debtors	-	767,521	-
Cash at bank and in hand	-	157,072	-
Creditors falling due within one year	-	(945,047)	-
Pension Scheme Liability	-	(2,215,000)	-
	687,136	74,798	-

23. Financial Commitments

The Charity had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

Payments due	2022 £	2021 £
Less than one year	116,720	112,628
Between two and five years	274,025	306,003
Over five years	4,145,190	4,194,491
	4,535,935	4,613,122

Notes (continued)

24. Analysis of Changes in Net Debt

	At 1 Aug 2021 £	Cash flow £	At 31 July 2022 £
Cash at bank and in hand	157,072	36,586	193,658
Bank overdraft	-	-	-
Total	157,072	36,586	193,658

25. Guarantees

At 31 July 2022 the member agrees, in the event of the company being wound up, to contribute to any deficiency in assets a sum not exceeding £10.

26. Related Party Transactions

In accordance with section 33.1a of FRS102, "Related Party Disclosures", the Company is exempt from disclosing details of arrangements with other companies in the University of Central Lancashire group.

Due to the nature of the Company's operations and the composition of the Board, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board may have an interest. Any transactions involving organisations in which a member of the Board may have an interest are conducted at arms-length. No transactions were identified which were required to be disclosed.

No Board member has received any remuneration/waived payments/expense payments from the company during the year in their capacity as a Board member. (2021 - none).

27. Ultimate parent company and parent undertaking of larger group of which the company is a member

With effect from 28 July 2017 the company has been a subsidiary undertaking of the University of Central Lancashire Higher Education Corporation incorporated in England and Wales. The ultimate parent company is the University of Central Lancashire Higher Education Corporation, incorporated in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by the University of Central Lancashire Higher Education Corporation. The consolidated accounts of this company may be obtained from:

University Chief Finance Officer
University of Central Lancashire
Adelphi Building
Preston
PR1 2HE

The University of Central Lancashire Higher Education Corporation is an exempt charity under the terms of the Charities Act 2011.

TRAINING 2000 LIMITED

England & Wales - Charity number 701770

Accounts



TRAINING 2000 Limited

Annual Report & Financial Statements Year Ended 31st July 2021

Company Number 02380675
Registered Charity Number 701770

Training 2000 Limited

Contents

Legal & Administrative Details	- 1 -
Report of the Trustees (incorporating Strategic Report).....	- 2 -
Independent Auditors Report	- 8 -
Statement of Financial Activities	- 11 -
Statement of Financial Position.....	- 12 -
Cashflow Statement	- 13 -
Notes to the Financial Statements	- 14 -

Legal & Administrative Details

Trustees:	
Chair	M Tynan
Vice Chair	L Livesey
	O McCann
	T Webber
	I Allison
Chief Executive Officer:	C Stott
Secretary:	I Fisher
Registered Office:	Harris Building Corporation Street Preston PR1 2HE
Principal Office:	Furthergate Business Park Harwood Street Blackburn Lancashire BB1 3BD
Company Number:	02380675
Registered Charity Number:	701770
Main Bankers:	Barclays Bank PLC PO Box 229 Navigation Way Preston PR2 2XY
Solicitors:	DAC Beachcroft LLP 3 Hardman Street Manchester M3 3HF
Auditors:	KPMG 1 St Peters Square Manchester M2 3AE

Report of the Trustees (incorporating Strategic Report)

The trustees present their report and the audited financial statements for the year ended 31 July 2021 and confirm they comply with the requirements of the Companies Act 2006, the Charities Act 2011, the trust deed and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Our Aims

Our vision is to be Lancashire's number one training provider and our mission is to deliver learning excellence, creating outstanding talent for the UK.

Our aim is to promote and deliver a wide range of learning provision of outstanding quality with excellent progression opportunities for learners of all ages and backgrounds. We aspire, through public and private partnerships, to provide employer led provision in an excellent learning environment, delivered by highly qualified and experienced staff and high levels of support.

The objects of the Company as set out in its Memorandum of Association are to promote and advance high-quality training of persons employed or intending to be employed in industry and commerce, and to extend such training to members of the public generally.

Training 2000 was established over 50 years ago as a charity set up by a consortium of Lancashire businesses. On the 28th July 2017 the Charity became part of the University of Central Lancashire (UCLan) group. The organisation remains an independent charity and its Memorandum of Association and aims remain the same with the University as its sole member company.

We have built a large portfolio of clients throughout the UK by creating and delivering high quality training solutions. We deliver training both on our own premises and at client sites. Working as a business partner we design bespoke training programmes which assist our learners to succeed in their chosen field. Our work-based learning solutions provide an effective and flexible approach which lessens the impact on resources and allows businesses to concentrate on their day to day challenges.

Our ethos is to admit learners from all backgrounds; an individual's economic status, age, gender, ethnicity, race, religion or disability do not form part of our assessment processes. Our organisation is committed to equality of opportunity, safeguarding and promoting the welfare of our learners.

Our Objectives

The trustees are working to a three-year business plan that sets out ambitious targets for growth, focusing on professional and technical training with clear progression pathways designed to bridge local and national skills gaps. The business plan is underpinned with a strategy to cut costs and drive efficiencies. Our merger with UCLan has created the opportunity to align current programmes with degree level programmes and thereby provide greater value for employers and learners, and there is further work ongoing in these areas.

Whilst our strategic vision remains unchanged, the business plan is reviewed and refreshed annually to reflect the changing environment in which we operate. The trustees recognise that setting a high-performance culture is critical to success and this is achieved through having a shared vision, values and goals. Annual Corporate Objectives linked to the business plan are agreed each year and communicated to all staff.

In setting our objectives and planning our activities our trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance.

Strategic Report

Review of Activities and Achievements

The Charity performed well despite the impact of COVID-19 and the subsequent lockdowns. While both commercial and apprenticeship income were impacted; it was to a lesser degree than many competitors experienced and was offset by cost savings generated through operational improvements and reduced use of on-site facilities. As such, regardless of the unprecedented situation, the charity has maintained its trajectory towards a sustainable future.

The charity has maintained progress in addressing improvements identified within the Ofsted inspection of March 2020 whereby it was judged to be a 'GOOD' provider. The Executive and the Board are focusing on the drive to "OUTSTANDING" and are implementing actions designed to improve the connectivity between operational areas and ensure a consistent approach to teaching and learning across the organisation.

The charity has successfully maintained core earnings through our ESFA funded Apprenticeship and Traineeship programmes regardless of the interruption caused to the business by the COVID crisis. Business development strategy has been revised and the department restructured to create a new more customer focused approach which is providing tangible returns.

Report of the Trustees (incorporating Strategic Report) *continued*

Strategic Report *continued*

The charity's senior management team have continued to drive cost out of the business through the reduction of waste and increased efficiencies. Greater integration with our parent organisation UCLan has improved the finance processes and resulted in a reduction in staffing resources within our finance team. Entering into jointly procured contracts has reduced the costs on a number of key areas including the HR, Finance and the charity's and Management Information System (MIS). The structure of the business has been revised to create a leaner and more effective management team that offers greater transparency and accountability across all business activities. The structure of the organisation remains under constant review to ensure suitability and value.

The charity was successful in applying for both phases one and two of the ESFA Provider Relief fund, which provided for any gap in projected non-levy apprenticeship income through to October 2020. Careful use was also made of the Government Job Retention Scheme to ensure that jobs were safeguarded whilst remaining compliant with ESFA funding rules.

We continue to be successful in benchmarking our QHSE management systems with the recognised standards of ISO9001, ISO14001 and ISO45001. Our recertification to the quality standard ISO9001 and ISO14001 is now assured until 2024 and Training 2000 has now successfully migrated its H&S standard OHSAS18001 to the new ISO45001 standard - this is the result of 18 months' work where the organisation has embedded the required changes in the Health and Safety systems in order to achieve this migration. Moving forward we are confident that the three standards described are an appropriate measure of Training 2000's commitment to strong Quality, Health, Safety and Environment Management across the company.

The business rapidly reacted to the removing of COVID-19 restrictions, putting in place a robust risk assessment, a no compromise approach and adapting our onsite procedures and training methods to reduce the risk of COVID transmission as far as is reasonably practicable. This enabled the business to restart in a structured way that continued to keep staff and learners while returning to pre-covid levels of on-site delivery.

The charity has adopted a new business development strategy to reflect the changes in funding and the requirement to have closer client relationships. As such, the charity has restructured in order to replace its existing Sales Team with Account Managers who are charged with maintaining an ongoing communication with both new and existing clients. This approach has served the business well throughout the pandemic with Account Managers ensuring that communication lines with clients were kept open, providing a firm platform for recovery as national restrictions were eased. Training 2000 has also continued to grow its portfolio of large employers with organisations including Bentley, Royal Mail, BAE, Chubb, the NHS and Rolls Royce accessing commercial training and Apprenticeship provision.

A key measure of performance is learner achievement rates. During the year, we have continued to deliver quality outcomes for learners despite the COVID-19 crisis. The legacy of the crisis is the learners who have been delayed in completing their programmes and, as such, the current achievement rate across all of our Apprenticeship programmes is currently 57% for the 2020/21 contract year and there is approximately £400k in respect of achievements due but not completed at year end. The ESFA have recognised this as a national issue affecting most providers and have therefore extended the achievement window for 20/21 achievement rates until the end of October. This raises our potential to 75%. The national average for 2019/20 was 64%. Whilst our result remains above national averages, the national achievement rate for 2020/21 is not available at the date of signing.

The achievements and successes of our apprentices continue to be recognised in various awards including winning the AAT Medium Sized Training Provider of the year and, once again, we have been represented by our learners and staff at World Skills events.

Financial Review

Although the 2020/21 financial year has seen new trading challenges due to the impact of the COVID-19 crisis, financial performance has been broadly in line with the business plan. The Charity has continued to focus on delivering apprenticeships and traineeships and a streamlined staff management structure and emphasis on costs has led to a considerable reduction in overheads.

There have also been significant operational cost savings facilitated by the centralising and harmonisation of certain functions with our parent entity UCLan. A further donation from the latter of £700,000 (2020: £700,000) has provided financial security as we implement our sustainability strategy.

Overall, the Charity returned a surplus of £77,379 (2020: deficit £421,218) before actuarial gains on the pension scheme of £424,000 (2020: Losses £448,000) resulting in a net surplus of £501,379 (2020: deficit £750,503).

Report of the Trustees (incorporating Strategic Report) *continued*

Strategic Report *continued*

Going Concern

Net assets as at 31 July 2021 were £2,976,934 excluding the pension scheme deficit of £2,215,000. The successful merger with UCLan provides financial security and sustainability for the future and will facilitate the delivery of the Charity's long term strategy of delivering higher level skills within the newly reformed Apprenticeship regime. The Charity has obtained a parental guarantee from UCLan to provide financial support for a period of at least 12 months from the approval of the financial statements. As such the trustees believe that the going concern basis of preparation remains appropriate. The Charity will continue to work with UCLan to maximise mutually beneficial cost savings and growth opportunities going forward.

Reserves Policy

As at the July 2021 year end, the Charity's total reserves (net of the pension scheme liability of £2,215,000) were £761,933, of which £687,136 were designated. Designated funds relate to capital grants which are released in line with the depreciation of the related assets. Other funds of £2,289,797 were represented primarily by property fixed assets.

The trustees have sought to develop a reserves policy which seeks to place the Charity in a position to be able to absorb future changes in government funding in the training arena without threatening its financial stability and its ability to deliver its charitable objectives. Due to the high level of uncertainty year on year around learner numbers and therefore income generation, as well as challenges with the reliance on government policy on further education funding, the trustees have sought in the past to achieve investments at £1m to provide the capital to ensure that continuous delivery to learners in line with its charitable objectives is achieved if income levels reduce.

In recent times this has proved difficult as a result of funding reductions. Despite the implementation of significant cost savings the Charity has suffered trading losses and during recent years investments had been liquidated to fund working capital requirements and therefore performance against the policy has been weak.

However, the merger with UCLan has provided the Charity with financial security and will enhance the Charity's ability to offer higher level apprenticeships in line with the new standards in the future and the trustees continue to aspire to build the reserves of the Charity.

Pension funds

The Board has reviewed its obligations arising from employee pension funds and is satisfied that its liabilities are properly identified, planned and accounted for. The Training 2000 Retirement and Death Benefit Scheme, a defined benefit pension scheme, was closed on 1 November 2006 to new employees and future benefit accrual. The Pension Trustees have secured the agreement of the Charity Board to fund a package of measures to extinguish the pension deficit (note 24) and during a prior year a buy-in transaction was completed with Partnership Life in respect of current pensioners in the scheme. Other measures will be considered in the future to further mitigate the risks associated with the deficit. The Charity also operates and contributes to a defined contribution scheme. With the introduction of Auto-Enrolment in February 2014, all new employees are auto-enrolled into the scheme and have the option to increase their own and the Charity's contributions upon successful completion of their probationary period.

The Future

Following the merger with UCLan the trustees recognise the importance of delivering against the 3 year business plan and the objectives set out therein to reach a position of self-sufficiency and future sustainability with its own investment in infrastructure and resources needed to deliver the higher level skills required by employers now and in the future. The focus for the coming year is to maximise income through educational delivery excellence, customer retention, a fantastic learner experience and investment in business development to create new pipeline opportunities. Alongside this, careful control of our costs remains important. The move to remote delivery for some of our programmes, in response to the COVID-19 pandemic, has proved to have long term benefits for some learners and the business and will therefore continue post pandemic.

Becoming part of the UCLan group has provided stability and investment for the future. Our focus continues to be to deliver high quality, high value training programmes and services that enhance our clients' ability to succeed. As part of the university structure we have the breadth of programmes from Level 2 up to Level 7/8 that will enhance the skills and education of our learners and employers. The group will be able to provide a focused service for high level skills for employers and provide a diverse range of academic and vocational programmes for our learners.

The key focus remains to continue to "Build a Sustainable Business". The government's Apprenticeship Reform agenda together with the introduction of the Apprenticeship levy in April 2017 continues to present significant challenges and opportunities regarding programme and cashflow management but will also present significant opportunities for us to help our employers in growing their Apprenticeship programmes in line with government priorities. The relationship with UCLan will see the development of new income streams and a broader product range. This strategy has manifested itself in new provision including Management, Senior Healthcare Worker and Optical Assistant all of which offer clear progression routes to UCLan degree programmes and added value to the group. All new apprenticeship provision is through the new and more valuable apprenticeship standards.

Report of the Trustees (incorporating Strategic Report) *continued*

Strategic Report *continued*

Principal Risks and Uncertainties

The trustees have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial or otherwise. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reassurance that:

- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used within the Charity or for publication is reliable; and
- the Charity complies with relevant laws and regulations.

The Company has a committee of the Board - the Governance and Audit Committee - which meets at least twice a year to review financial reporting, internal controls, risk management, fraud, internal and external audit, safeguarding and health and safety issues. There is a Risk Register which has an action plan to deal with the strategic risks to which the Company is exposed, including operational and financial risks. An effective intelligence and communication structure and continuous monitoring of the plan ensure that action can be taken swiftly if changes need to be made to delivery and development plans.

During the year the trustees through the offices of the Governance and Audit Committee, have received reports from the SMT and from the external auditors relating to risk and control. The reports have enabled the trustees to satisfy themselves that the Charity's risk, fraud, safeguarding and health and safety policies are being implemented, that significant weaknesses of control identified are being promptly addressed and on the overall adequacy and effectiveness of the Charity's system of internal control at the year-end.

The Board of trustees considers the principle risks and uncertainties facing the Charity to be as follows:

Reliance on government funding for income

As in previous years the Charity is heavily reliant on government funding through the ESFA. In recent years funding has been reduced on a per learner basis and changes in the education system such as Raising the Participation Age (RPA) have put additional pressure on maintaining the numbers of learners seeking apprenticeships at 16-18 years old. With the introduction of the employer levy and the new tendering process for non-levy paying employers, this does present opportunities for the future in terms of growing apprenticeships and making them more affordable to deliver.

Defined Benefit Pension Scheme Liability

The Training 2000 Retirement and Death Benefit Scheme deficit is valued at £2.2m under FRS102 at 31st July 2021, a decrease of £0.5m in the year. On completion of the latest actuarial valuation at 31st July 2017 the Pension Trustees secured the agreement of the Charity Board to fund a package of measures to extinguish the pension deficit (note 24), including increased annual funding contributions of £142,100 (plus annual inflation) from 1 August 2018. The Pension Trustees will continue to consider other measures to further mitigate the risks associated with the deficit.

Structure Governance and Management

Governing Document

Training 2000 Limited is a company limited by guarantee, registered in England and Wales. Its governing document is its Articles of Association.

Appointment of Trustees

As set out in the Articles of Association the trustees are appointed by the Company from the sole member. The Trustees comprise the Chair and Vice Chair, who are elected every third year, and up to twelve others. All trustees give of their time freely and no remuneration or expenses was paid to them in the year.

Induction and Training of Trustees

The Company has an induction pack for new trustees with specific emphasis on Company Law and Charity Commission responsibilities. The induction checklist is reviewed regularly and updated as appropriate. Trustees are required to disclose all relevant interests and register them with the Company Secretary and in accordance with the Charity's policy they must withdraw from decisions where a conflict of interest arises.

Organisation

The Trustees administer the Charity. The Board meets at least three times per annum and there are committees for Remuneration and Governance & Audit. A Chief Executive is appointed by the trustees to manage the day to day operations of the Charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Board, for operational matters including finance and employment. The Chief Executive is responsible for the leadership and management of the Senior Management Team (SMT) and it is their duty to discharge the day to day operations. They meet on a monthly basis.

Related Parties

On 28 July 2017 Training 2000 Limited became part of the larger University of Central Lancashire Group Structure. The University is also a Charity and some of the Company's activities and operations are carried out through the now subsidiary Company Training 2000 Limited.

Report of the Trustees (incorporating Strategic Report) *continued*

Structure Governance and Management *continued*

Trustees Liability Insurance

During the year the Charity provided third party liability insurance for its trustees.

Attendance at Board Meetings

Trustees' and secretary's attendance at Board and Committee meetings, in relation to the number of meetings held, that they were eligible to attend during the year ended 31 July 2021 is set out below:

Board Members	Board Meetings and AGM	Governance & Audit Committee
M Tynan	2/3	N/A
I Allison	2/3	3/3
T Webber	1/3	N/A
O McCann	2/3	3/3
L Livesey	2/3	N/A
I Fisher (Co Sec)	2/3	1/3

The Environment and Corporate Social Responsibility

The Charity recognises the need to develop its business in a sustainable manner. We strive to develop the business to meet the demands of the present without compromising the needs of future generations. The Charity has developed a Corporate Social Responsibility (CSR) report which outlines and documents the environmental, social and economic activities we undertake to ensure that we operate in a safe and sustainable manner. The Charity has maintained the environmental standard ISO14001 since 2008. In May 2018 the company achieved certification to the revised ISO14001:2015 standard. This, along with our CSR underlines our commitment to managing our environmental impact.

Employment and Equality and Diversity

The Charity considers that employee involvement is essential to its continuing success and we use a variety of methods to inform, consult and involve employees. We use a range of communication tools which includes bi-monthly all employee briefings, weekly all employee communications, staff newsletters, intranet, employee forum, informal team meetings with the CEO, regular one to ones and team briefings. Additionally in 2020 the Charity completed a full staff survey in order to improve employee engagement levels and improve the employee experience.

During the year the actual number of people employed by the Charity was on average 153 (2020: 149). The annual labour turnover percentage as at the end of July 2021 for the Charity including fixed term contracts and TUPE is 16.88% (2020: 29.22% which includes fixed term contracts and TIPE transfers of approx. 45 employees).

The Charity is committed to achieving equality through diversity and our policies and strategies recognise that all people have the right to their own distinctive and diverse identity. Promoting equal opportunities applies to both our own staff and our learners. The Charity recognises its responsibilities towards disabled persons and does not discriminate against them either in terms of job offers or career prospects.

All new staff members undertake both a departmental and company induction programme where all the Charity policies and procedures are explained. The induction also includes where employees are able to obtain support for their health and wellbeing including highlighting the Employee Assistance Programme which all employees are able to access for a wide range of support including mental health. The employee engagement activities and wellbeing of staff is part of the People Plan to improve the employee experience which includes health and wellbeing. Key members of staff engage with the induction programme for new staff members which includes detailed presentations, introductions to other staff members, site familiarisation and the quality and safety procedures.

Pay and Remuneration of Key Management Personnel

Remuneration of the Chief Executive Officer is agreed by the Board, SMT remuneration is agreed by the CEO.

Report of the Trustees (incorporating Strategic Report) *continued*

Health and Safety

The Board takes very seriously its responsibilities on all matters relating to Health & Safety and the Environment. It is committed to a system of Continual Improvement. During the year the Charity has reviewed and updated its policies and has provided staff with training and education on health and safety matters. All new staff have received Health and Safety inductions during the year and fire warden and first aid training have been refreshed ensuring our emergency preparedness remains robust.

Annually the Board receives the Health and Safety Management Review detailing risk assessment performance, accident / incident analysis and legal compliance. We have seen a steady and significant reduction in minor accidents since 2013. The Charity's target is to strive to maintain a zero RIDDOR accident rate and reduce the incidence of minor accidents year on year. The Charity believes that its Behavioural Safety programme (which is now in its 8th year of delivery) to the 1st year engineering apprentices raises awareness of at risk behaviour within the apprentice population. This has proven to be very successful in young people having the ability to spot and challenge behaviours.

In May 2018 the Charity recertified to the British Standard for Health and Safety Management, BSOHSAS18001 for another 3 years. Benchmarking the Charity against this standard is validation that our health and safety management system is robust and is continually improving. The system continues to be audited annually by our accrediting body ISOQAR in order to ensure we maintain and continually improve compliance with the standard. Going forward the company will be working towards achievement of the new health and safety standard, ISO45001. We are currently planning transition from BSOHSAS18001 to ISO45001 by 2021.

The Charity also continues to benchmark its health and safety management system to the British Safety Council International Safety Award.

Statement of Disclosure to Auditors

So far as the trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware. Additionally, 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 auditor is aware of that information.

Statement of Trustees' Responsibilities

The trustees (who are also directors of Training 2000 Limited for the purposes of company law) are responsible for preparing the Report of the Trustees (including Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

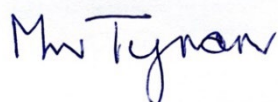
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities Act 2011. 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The trustees confirm that the financial statements comply with current statutory requirement and with the requirements of its governing document.

The Report of the Trustees was approved on 17 December 2021



M Tynan
Chair of the Trustees

Independent Auditors Report to the Members and Trustees of Training 2000 Limited

Year Ended 31st July 2021

Opinion

We have audited the financial statements of Training 2000 Limited ("the charitable company") for the year ended 31 July 2021 which comprise the Statement of Financial Activities, the Statement of Finance Position, the Statement of Changes in Reserves and related notes, including the accounting policies in note 1.

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 UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the charitable company's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related 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 the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charitable company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the Group Audit Committee and Company Secretary as to the charitable company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Group audit committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because due to the nature and scope of the company's activities, there are no perceived pressures or incentives on management to commit fraudulent financial reporting through inappropriate revenue recognition.

We did not identify any additional fraud risks.

Training 2000 Limited

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. This included out of balance journals and journals posted to cash and turnover that were considered outside of the normal course of business.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the trustees (as required by auditing standards) and discussed with the trustees the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the charitable company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related charities and companies legislation) and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the charitable company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Trustees' Annual Report

The trustees are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the Trustees' Annual Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Trustees' Annual Report;
- in our opinion the information given in the Trustees' Annual Report for the financial year, is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records 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.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 7, 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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



Timothy Cutler (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 St. Peter's Square

Manchester

M2 3AE

17 January 2022

Statement of Financial Activities

Year Ended 31st July 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Income:							
Donations and legacies	3	700,000	-	700,000	700,000	6,000	706,000
Charitable activities	4	5,766,929	-	5,766,929	5,888,905	-	5,888,905
Other trading activities	5	236,790	-	236,790	156,801	-	156,801
Investment income	6				1	-	1
Total Income		6,703,719	-	6,703,719	6,745,707	6,000	6,751,707
Expenditure on Charitable Activities:							
Provision of training	7	(6,626,340)	-	(6,626,340)	(7,166,925)	(6,000)	(7,172,925)
Other Expenditure:							
Impairment of Land & Buildings Held for Sale	8	-	-	-	-	-	-
Total Resources Expended		(6,626,340)	-	(6,626,340)	(7,166,925)	(6,000)	(7,172,925)
Net expenditure for the year		77,379	-	77,379	(421,218)	-	(421,218)
Transfer between funds	19				118,716	(118,716)	-
Other recognised Losses:							
Actuarial loss on pension scheme	22	424,000	-	424,000	(448,000)	-	(448,000)
Net Movement of Funds in Year		501,379	-	501,379	(750,502)	(118,716)	(869,218)
Reconciliation of funds:							
Total funds brought forward		260,555	-	260,555	1,011,057	118,716	1,129,773
Total Funds Carried Forward		761,933	-	761,933	260,555	-	260,555

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

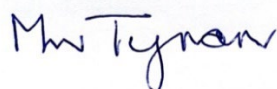
Training 2000 Limited

Statement of Financial Position

Year Ended 31st July 2021

	Notes	2021 £	2020 £
Fixed Assets			
Tangible assets	13	2,997,388	3,254,364
Total Fixed Assets		2,997,388	3,254,364
Current Assets			
Assets held for sale		-	-
Stocks		-	-
Debtors	14	767,521	539,847
Cash at bank & in hand	15	157,072	143,806
		924,593	683,653
Creditors			
Amounts falling due within one year	16	(945,047)	(927,462)
Net Current (Liabilities)/Assets		(20,454)	(243,809)
Total Assets Less Current Liabilities		2,976,933	3,010,555
Creditors: Amounts falling due after more than one year			-
Net Assets before Pension Scheme Liability		2,976,933	3,010,555
Pension Scheme Liability	22	(2,215,000)	(2,750,000)
Net Assets after Pension Scheme Liability		761,933	260,555
The Reserves of the Charity			
Unrestricted funds:			
Designated	20	687,136	687,136
Other	19	2,289,797	2,323,419
Unrestricted Funds excluding Pension Liability		2,976,933	3,010,555
Pension Scheme Liability	22	(2,215,000)	(2,750,000)
Total Unrestricted Funds		761,933	260,555
Restricted funds	21	-	-
Total Reserves		761,933	260,555

Approved by the Board and authorised for issue on 17 December 2021



M Tynan
Chair

Company Registration Number: 02380675

Cashflow Statement

For the Year Ended 31st July 2021

	2021 £	2020 £
Cash used in operating activities		
Net expenditure for the year	77,379	(421,218)
Adjustments for:		
Decrease in stock	-	57,074
Decrease in debtors	(227,673)	828,835
(Increase)/decrease in creditors	17,585	(778,425)
Depreciation	308,352	324,962
Impairment of assets held for sale		
Profit on disposal of assets	(6,758)	-
Investment income		(1)
Difference between pension contributions and current service cost	(150,000)	(146,000)
Past service cost in respect of guaranteed minimum pension equalisation		-
Interest payable	45,347	73,988
Net cash (used in)/from operating activities	64,231	(60,785)
Cash flows from investing activities		
Purchase of fixed assets	(87,311)	(84,255)
Sale of fixed assets	42,692	490,000
Investment income	-	1
Net cash from/(used in) investing activities	(44,619)	405,746
Cash flows used in financing activities		
Bank loan repayments		(139,046)
Interest paid	(6,347)	(13,988)
Net cash used in financing activities	(6,347)	(153,034)
Increase/(decrease) in cash and cash equivalents in the year	13,265	191,927
Cash and cash equivalents at the beginning of the year	143,806	(48,121)
Total cash and cash equivalents at the end of the year	157,072	143,806
Cash and cash equivalents		
Cash in hand	157,072	143,806
Bank overdraft	-	-
	157,072	143,806

Notes to the Financial Statements

For the Year Ended 31st July 2021

1. Accounting Policies

The principle accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a. General Information

Training 2000 Limited is a company incorporated in England and Wales under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities is the delivery of a range of training programmes. The company is a private company limited by guarantee.

b. Basis of Accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Companies Act 2006.

Training 2000 Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons. At 31 July 2021 the Charity's total assets (excluding the pension scheme deficit of £2,215,000) were £2,976,934. Net current liabilities were £20,454.

The trustees have prepared cash flow forecasts for a period of 18 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides, the company will have sufficient funds, through funding from its ultimate parent, the University of Central Lancashire, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the University of Central Lancashire providing additional financial support during that period. The University of Central Lancashire has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the trustees acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the trustees are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Further details relating to going concern have been included in the trustees report.

The financial statements are prepared in sterling, which is the functional currency of the entity.

c. Incoming Resources

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

Income from charitable activities, which includes income received under contract where entitlement to grant funding is subject to specific performance conditions, is recognised as earned as the related services are provided and it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income from training represents the provision of services excluding VAT, arising solely in the UK. Income is recognised on a receivable basis.

Income received in advance of activities or provision of other specified service it is deferred until the criteria for income recognition are met.

d. Interest Receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

e. Fund Accounting

Restricted funds are set up to account for situations where the provider has stated that the income must be used for a specific purpose.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Unrestricted funds are the balance of funds and are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity.

Notes to the Financial Statements *continued*

For the Year Ended 31st July 2021

1. Accounting Policies *continued*

f. Resources Expended

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other payments are recognised when a constructive obligation arises that results in the payment being unavoidable.

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

Support costs comprise the costs incurred by the company which are not direct costs of providing training but are incurred by the company in order to fulfil its charitable activities and have been allocated to activity cost categories on a basis that reflects levels of activity and usage. The bases on which support costs have been allocated are set out in note 7.

g. Fixed Assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation is provided at rates calculated to write off the cost of Tangible Fixed Assets over their estimated useful lives. The rates used on a straight line method are:

Leasehold Property	2%	per annum
Property Improvements	10%	per annum
Temporary Buildings	10 - 20%	per annum
Plant & Machinery	10 - 33%	per annum
Advanced Plant & Machinery	5%	per annum
Motor Vehicles	25%	per annum
Fixtures & Fittings	10 - 20%	per annum
Computer Equipment	20 - 100%	per annum

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

h. Government Grants

Furlough and Provider Relief Grants are recognised as income as received. Grants received towards the purchase of fixed assets are credited to the Statement of Financial Activities in full in the year of receipt as restricted funds. When the grant is spent it is transferred to designated funds and it is then transferred to unrestricted funds over the estimated useful life of the asset concerned. Whilst this treatment is not in accordance with FRS102 Charity SORP, the Charity Commission has advised that this treatment is the most appropriate for charities.

i. Assets held for sale

Assets held for sale are measured at the lower of the carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and gains or losses on subsequent re-measurements are included in the statement of financial activities.

j. Stock

Stock is valued at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items.

k. Pension Costs

Contributions payable to the Charity defined benefit pension scheme are assessed in accordance with actuarial advice and based on the most recent valuation of the scheme. These costs are accounted for in accordance with FRS102 Charity SORP.

Contributions payable to the Charity defined contribution pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

l. Operating Lease Rentals

The costs of operating leases are charged to the Statement of Financial Activities as they accrue.

m. Irrecoverable VAT

The majority of the Charity's turnover is exempt from VAT. However, some activities are subject to VAT and give rise to a small amount of VAT recovery. Any irrecoverable VAT is written off in the Statement of Financial Activities.

Notes to the Financial Statements *continued*

For the Year Ended 31st July 2021

1. Accounting Policies *continued*

n. Financial Instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

All financial assets that are individually significant are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

2. Critical estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

- Determination of whether there are indicators of impairment of the company's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- Determination of whether leases entered into by the company as lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- Determination of recoverability of trade debtors. A specific provision is made against certain debts where in the opinion of the trustees the debt is not fully recoverable.

3. Donations and Legacies

	2021	2020
	£	£
Donation from UCLan	700,000	700,000
Other Donations	-	6,000
	<u>700,000</u>	<u>706,000</u>

Notes to the Financial Statements *continued*

For the Year Ended 31st July 2021

4. Incoming Resources from Charitable Activities

	2021	2020
	£	£
Engineering and Automotive Training	3,780,919	3,617,227
Professional, Health & Construction Services	1,550,439	1,876,480
Traineeships	417,070	395,198
Other	18,501	-
	5,766,929	5,888,905

5. Other Trading Activities

	2021	2020
	£	£
Profit on Disposal of Tangible Fixed Assets	6,758	-
Room Hire	3,679	2,247
COVID Relief & Furlough Funding	171,689	102,346
Other	54,664	52,208
	236,790	156,801

6. Investment Income

	2021	2020
	£	£
Interest Receivable	-	1

7. Charitable Activities - Resources Expended

	2021	2020
	£	£
Employment Costs	3,188,732	3,306,253
Depreciation	293,928	310,310
Course Costs	451,514	417,122
Establishment Costs	280,089	302,224
General Overheads	3,998	54,810
Sundry	302,098	461,692
Direct costs	4,520,358	4,852,411
Ops & Central Recruitment	170,277	188,212
Human Resources	167,509	181,075
Health & Safety	64,534	65,752
Information Technology	168,145	135,986
Facilities & Security	402,574	341,214
Finance	113,631	140,187
Marketing	372,860	232,811
Business Assurance	353,250	306,783
Support Services	293,202	728,494
Support costs	2,105,982	2,320,514
Total Direct & Support Costs	6,626,340	7,172,925

Included within Support Costs are depreciation charges of £14,665 (2020: £14,652)

There are no exceptional costs in the current financial year, however 2020 included in total direct and support costs exceptional costs which total £46,697 relating to redundancy costs.

Notes to the Financial Statements *continued*

For the Year Ended 31st July 2021

8. Net Incoming resources

	2021 £	2020 £
Depreciation	308,352	324,962
Impairment of assets held for sale	-	-
Operating Lease Payments	34,354	79,711
Auditors Remuneration - for the audit of the Charity's annual accounts	25,000	19,300

9. Staff Costs

The average number of persons employed by the Charity during the period was as follows:

	2021 Number	2020 Number
Charitable Activities	97	90
Support	56	59
	153	149

Staff costs comprise:	Direct Employees £	Support Employees £	2021 £	2020 £
Wages & Salaries	2,628,311	1,568,445	4,196,756	4,152,609
Social Security Costs	245,340	119,226	364,566	374,811
Other Pension Costs	114,820	59,146	173,966	188,274
Agency Staff Costs	196,223	1,142	197,365	280,384
Redundancy Costs	4,038		4,038	46,697
	3,188,732	1,747,959	4,936,691	5,042,775
Benefits in Kind	8594	7624	16,217	35,232
	3,197,326	1,755,583	4,952,908	5,078,007

The number of employees whose emoluments exceeded the rate of £60,000 per annum was as follows:

£80,001 - £90,000	1	1
£100,001 - £110,000	-	-
£120,001 - £130,000	-	-
	1	1

These employees are members of the company's group personal pension scheme. Total contributions in the year in respect of these employees were £10,952 (2020: £9,527).

The key management personnel of the Charity comprise the trustees and the Chief Executive Officer. The total employee remuneration and benefits of the key management personnel was £105,915 (2020: £94,527).

Notes to the Financial Statements *continued*

For the Year Ended 31st July 2021

10. Interest and Other Finance Costs

	2021 £	2020 £
Bank Interest & Charges	6,347	12,444
Mortgage Interest	-	1,544
Net Charge on Pension Scheme	39,000	60,000
	45,347	73,988

11. Taxation

As the Company is a registered charity, no provision has been made for taxation on the net income for the period.

12. Transfers Between Funds

During the current year £0 (2020: £102,135) was transferred from designated funds to other unrestricted funds in respect of the amortisation of capital grants.

13. Tangible Assets

	Plant & Machinery £	Motor Vehicles £	Fixtures & Fittings £	New Technology Equipment £	Land & Buildings £	Total £
Cost at 1 August 2020	1,903,358	154,308	972,460	761,901	6,778,375	10,570,402
Additions	556	-	26,737	60,018	-	87,311
Disposals	(264,201)	(84,299)	(707,231)	(504,242)	-	(1,559,973)
Cost at 31 July 2021	1,639,713	70,009	291,966	317,677	6,778,375	9,097,740
Depreciation at 1 August 2020	1,131,829	123,437	889,186	727,517	4,444,069	7,316,040
Depreciation charge	74,022	10,244	54,803	22,620	146,662	308,352
Disposal	(263,959)	(78,218)	(680,868)	(500,993)	-	(1,524,039)
Depreciation at 31 July 2021	941,892	55,464	263,121	249,144	4,590,731	6,100,353
Net Book value – 31 July 2021	697,821	14,545	28,845	68,533	2,187,644	2,997,388
Net Book value – 31 July 2020	771,529	30,871	83,274	34,384	2,334,306	3,254,364
Net Book Value of Freehold Property as at 31 July 2021					-	
Net Book Value of Long Leasehold Property as at 31 July 2020					2,187,644	
Net Book Value of Property as at 31 July 2021					2,187,644	

Training 2000 Limited

Notes to the Financial Statements *continued*

For the Year Ended 31st July 2021

14. Debtors

	2021 £	2020 £
Debtors from Training Fees	690,405	471,642
Less: Reserve for Doubtful Debts	(51,482)	(70,268)
	638,923	401,374
Prepayments & Accrued Income	120,306	69,401
Other Debtors	1,989	2,310
Group Debtors	6,304	66,762
	767,521	539,847

15. Cash at Bank & in Hand

	2021 £	2020 £
Bank Deposit Accounts	156,274	142,960
Cash in Hand	798	846
	157,072	143,806

16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank Loans	-	-
Bank Overdraft	-	-
Trade Creditors	323,993	5,102
Other Taxes & Social Security	177,600	118,926
Deferred Income	115,606	165,542
Accruals	309,657	326,674
Other Creditors	18,192	222,453
Group Creditors	-	88,765
	945,047	927,462

Deferred income

Deferred income comprises funding received for activities which straddle the year end.

	2021 £	2020 £
Balance as at 1 August	162,124	222,298
Amount released to incoming resources	(106,706)	(111,315)
Amount deferred in year	60,186	51,141
Balance as at 31 July	115,604	162,124

17. Agency Arrangements

The Charity distributes bursary funds to learners as an agent for the Education and Skills Funding Agency (ESFA). In the current financial year the Charity received £38,870 and disbursed £12,438 from the funds. An amount of £103,957 is included in other creditors relating to undistributed funds potentially repayable to the ESFA.

Notes to the Financial Statements *continued*

For the Year Ended 31st July 2021

18. Financial Instruments

	2021	2020
	£	£
Financial assets that are debt instruments measured at amortised cost	795,995	545,180
	<u>795,995</u>	<u>545,180</u>
Financial liabilities that are debt instruments measured at amortised cost	633,650	554,229
	<u>162,345</u>	<u>(9,049)</u>
Cash at Bank & in Hand	157,072	143,806
Trade Debtors (less Provision)	638,923	401,374
Total Financial Assets	795,995	545,180
Trade Creditors	(323,993)	(227,555)
Accruals	<u>(309,657)</u>	<u>(326,674)</u>
Total Financial Liabilities	<u>(633,650)</u>	<u>(554,229)</u>

19. Reserves

	Designated Funds	Unrestricted Funds	Restricted Funds
	£	£	£
At 1st August 2019	789,271	2,609,786	118,716
Net incoming resources before transfers	-	(421,218)	-
Actuarial gain on pension	-	(448,000)	-
Less pension adjustments	-	362,000	-
Transfer in respect of capital purchases (note 20)	(102,135)	102,135	-
Transfer in respect of grant amortisation (note 20)	-	118,716	(118,176)
At 31st July 2020	<u>687,136</u>	<u>2,323,419</u>	<u>-</u>
Net incoming resources before transfers	-	77,379	-
Actuarial gain on pension	-	424,000	-
Less pension adjustments	-	(535,000)	-
At 31st July 2021	<u>687,136</u>	<u>2,289,797</u>	<u>-</u>

Grants towards the purchase of fixed assets are transferred to designated funds when the asset is purchased. The grants are released in line with depreciation of the assets. From 1 August 2019 bursary funding received from the Education and Skills Funding Agency has been accounted for under an agency arrangement – see note 17 for further details

Other restricted funds represent funds that the company may use for any purpose so long as it meets the aims and objectives of the company as outlined in the governing document.

Notes to the Financial Statements *continued*

For the Year Ended 31st July 2021

20. Designated Funds

	2021 £	2020 £
At 1st August	687,136	789,271
Transfer in respect of restricted capital grants expended	-	(102,135)
Transfer in respect of grant amortisation on previous capital grants	-	-
At 31st July	<u>687,136</u>	<u>687,136</u>

Grants towards the purchase of fixed assets are transferred to designated funds when the asset is purchased. The grants are released in line with the depreciation of the assets.

21. Restricted Funds

	Bursary Funds £	Donations £	Total Restricted Funds £
At 1st August 2019	118,716	-	118,716
Incoming resources	-	6,000	6,000
Resources Expended	-	(6,000)	(6,000)
Transfer To Other Restricted Funds	(118,176)	-	(118,176)
At 31st July 2020	<u>-</u>	<u>-</u>	<u>-</u>
At 31st July 2021	<u>-</u>	<u>-</u>	<u>-</u>

22. Pension Arrangements

The Charity currently operates the following pension schemes:

The Training 2000 Limited Retirement and Death Benefit Scheme ("the Main Scheme") - a defined benefit scheme which has been closed to new members and continuing contributions.

A Group Personal Pension Plan which is a defined contribution scheme.

The Training 2000 Limited Retirement and Death Benefit Scheme

The following calculations as at 31 July 2020 have been provided by the actuaries, First Actuarial LLP, using the projected unit actuarial cost method.

Principal actuarial assumptions used by the actuary were as follows:

	2021 %	2020 %
Rate of inflation	3.3	2.9
Rate of increase in pensions	3.2	2.9
Discount rate	1.5	1.9
Mortality rates for current and future pensioners	115% S2PA CMI model 2020 with a long term rate of improvement of 1.25% pa	115% S2PA CMI model 2019 with a long term rate of improvement of 1.25% pa

Notes to the Financial Statements *continued*

For the Year Ended 31st July 2021

22. Pension Arrangements *continued*

The amounts recognised in the balance sheet are as follows:

	2021 £	2020 £
Present value of funded obligations	(8,234,000)	(8,437,000)
Fair value of plan assets	6,019,000	5,687,000
Net pension deficit	(2,215,000)	(2,750,000)

Analysis of amounts charged to the Statement of Financial Activities

Other finance costs:

Expected return on pension scheme assets
Interest on pension scheme liabilities

Net cost

Total charge to resources expended in Statement of Financial Activities

(73,000)	(107,000)
108,000	153,000
35,000	46,000
35,000	46,000

Analysis of the actuarial gains and losses shown in the Statement of Financial Activities:

	2021 £	2020 £
Actuarial gains on assets	343,000	293,000
Actuarial losses on liabilities	81,000	(741,000)
Actuarial loss recognised	424,000	(448,000)

Changes in the fair value of the defined benefit obligation are as follows:

Opening defined benefit obligation	8,437,000	7,769,000
Interest on pension scheme liabilities	108,000	153,000
Past service cost	-	-
Actuarial losses/(gains)	(81,000)	741,000

Benefits/transfers paid	(230,000)	(226,000)
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Closing defined benefit obligation	8,234,000	8,437,000
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Changes in the fair value of plan assets are as follows:

Opening fair value of plan assets	5,687,000	5,381,000
Expected return on plan assets	73,000	107,000
Actuarial gains/(losses)	343,000	293,000
Employer contributions	150,000	146,000
Expenses Paid	(4,000)	(14,000)
Benefits/transfers paid	(230,000)	(226,000)
Closing fair value of plan assets	6,019,000	5,687,000

Notes to the Financial Statements *continued*

For the Year Ended 31st July 2021

22. Pension Arrangements *continued*

The split of assets between investment categories is as follows:

	2021 £	2021 %	2020 £	2020 %
Equities	1,570,695	26	1,213,000	21.3
Cash / Liquidity	163,296	3	119,000	2.1
Other	4,285,264	71	4,355,000	76.6
	6,019,255	100	5,687,000	100.0

Amounts for current and previous years:

	2021 £	2020 £	2019 £	2018 £	2017 £
Defined benefit obligation	(8,234,000)	(8,437,000)	(7,769,000)	(7,253,000)	(8,110,000)
Plan assets	6,019,000	5,687,000	5,381,000	5,352,000	5,456,000
	(2,215,000)	(2,750,000)	(2,388,000)	(1,901,000)	(2,654,000)

The cumulative amount of actuarial losses recognised since 1 August 2005 are £2,258,000.

Scheme assets as at 31 July 2021 have been valued at bid price.

Following the closure of the scheme on 1 November 2006 the only future contributions are recovery plan payments made by the employer towards past service costs. Following the conclusion of the scheme actuarial valuation as at 31 July 2017 the trustees agreed to increase deficit funding contributions going forward, with contributions expected to be £155,277 for the year ended 31 July 2022 and increasing at 3% per annum thereafter (2021: £150,754)

However, the actuarial valuation as at 31 July 2020 is currently underway and a new Schedule of Contributions will therefore be agreed, in which case the contributions paid by the Company during the accounting year beginning 1 August 2021 may be different from this figure.

The Group Personal Pension Plan

In addition to the above the Charity contributes to a Group Personal Pension Plan on behalf of employees. The total pension cost for the Charity in respect of this plan was £204,319 (2020: £188,274). Included in other creditors as at 31 July 2021 is an amount of £31,238 (2020: £31,134) in relation to the pension payments for July 2021.

23. Analysis of Net Assets Between Funds

	Designated Funds £	Other Unrestricted Funds £	Restricted Funds £
Funds at 31 July 2021 are represented as follows:			
Tangible assets	687,136	2,310,252	-
Debtors	-	767,521	-
Cash at bank and in hand	-	157,072	-
Creditors falling due within one year	-	(945,047)	-
Pension Scheme Liability	-	(2,215,000)	-
	687,136	74,798	-

Notes to the Financial Statements *continued*

For the Year Ended 31st July 2021

23. Analysis of Net Assets Between Funds *continued*

	Designated Funds £	Other Unrestricted Funds £	Restricted Funds £
Funds at 31 July 2020 were represented as follows:			
Tangible assets	687,136	2,567,226	-
Debtors	-	539,847	-
Cash at bank and in hand	-	143,806	-
Creditors falling due within one year	-	(927,462)	-
Pension Scheme Liability	-	(2,215,000)	-
	687,136	(426,581)	-

24. Financial Commitments

The Charity had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

Payments due	2021 £	2020 £
Less than one year	112,628	139,805
Between two and five years	306,003	340,378
Over five years	4,194,491	4,243,792
	4,613,122	4,723,975

25. Analysis of Changes in Net Debt

	At 1 Aug 2020 £	Cash flow £	At 31 July 2021 £
Cash at bank and in hand	143,806	13,266	157,072
Bank overdraft	-	-	-
	143,806	13,266	157,072
Debt due within one year			
Loans	-	-	-
Debt due in greater than one year			
Loans	-	-	-
Total	143,806	13,266	157,072

26. Guarantees

At 31 July 2021 the member agrees, in the event of the company being wound up, to contribute to any deficiency in assets a sum not exceeding £10.

27. Related Party Transactions

In accordance with section 33.1a of FRS102, "Related Party Disclosures", the Company is exempt from disclosing details of arrangements with other companies in the University of Central Lancashire group.

Due to the nature of the Company's operations and the composition of the Board, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board may have an interest. Any transactions involving organisations in which a member of the Board may have an interest are conducted at arms-length. No transactions were identified which were required to be disclosed.

No Board member has received any remuneration/waived payments/expense payments from the company during the year in their capacity as a Board member. (2020 - none).

Notes to the Financial Statements *continued*

For the Year Ended 31st July 2021

28. Ultimate parent company and parent undertaking of larger group of which the company is a member

With effect from 28 July 2017 the company has been a subsidiary undertaking of the University of Central Lancashire Higher Education Corporation incorporated in England and Wales. The ultimate parent company is the University of Central Lancashire Higher Education Corporation, incorporated in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by the University of Central Lancashire Higher Education Corporation. The consolidated accounts of this company may be obtained from:

University Chief Finance Officer
University of Central Lancashire
Adelphi Building
Preston
PR1 2HE

The University of Central Lancashire Higher Education Corporation is an exempt charity under the terms of the Charities Act 2011.