

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.

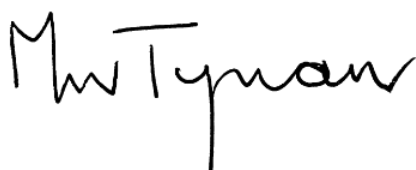
Report of the Trustees (incorporating Strategic Report) *continued*

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.

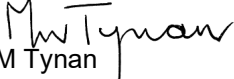
Training 2000 Limited

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
	<u>155</u>	<u>153</u>

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
	<u>3,189,309</u>	<u>1,672,388</u>	<u>4,861,697</u>	<u>4,936,691</u>
Benefits in Kind	8,414	7,577	15,991	16,217
	<u>3,197,623</u>	<u>1,680,065</u>	<u>4,877,688</u>	<u>4,952,908</u>

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

£80,001 - £90,000	1	1
	<u>1</u>	<u>1</u>

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
	<u>57,602</u>	<u>45,347</u>

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

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.