

**Company Registration Number** 01447612

**Charity Registration Number** 511387

**LANCASTER TRAINING SERVICES LIMITED**

**Financial Statements**

**For the year ended 31 July 2022**

## LANCASTER TRAINING SERVICES LIMITED

### Directors' Report for the purposes of section 417 of the Companies Act 2006 and Trustees' Annual Report for the purposes of Part 8 of the Charities Act 2011 For the year ended 31 July 2022

---

The trustees present their annual report together with the financial statements and auditor's report for the year ended 31 July 2022

#### Reference and Administrative Details

The full name of the charity is Lancaster Training Services Limited.

The Charity registration number is 511387.

The Company registration number is 01447612.

The Directors and Trustees who served during the year were:

Mr R W Little  
Mr G Sierpinski

The Company Secretary and Chief Executive Officer is Mr M Horabin, to whom day to day management of the charity is delegated.

Executive committee - each member company is entitled to send a representative to the executive committee meetings. Such representatives are not trustees.

Darbyshire & Horabin Limited (trading as DCL Transport Ltd)

Kidds Transport Limited

J & M Collinson Limited

G & A Thursby Limited (ceased 17/4/22)

South Lakeland District Council

Lancaster City Council

I Quinn (Haulage Contractors)

Carrs Billington Limited

R W Little (Haulage)

S J Bargh Limited

Bibby's of Ingleton

G.Powell Esq

G.Sierpinski Esq

The registered office of the charity is: 5 Penrod Way  
Heysham  
Lancaster  
LA3 2UZ

Bankers Barclays Bank plc  
38 Market Street  
Lancaster  
LA1 1HR

Solicitors Oglethorpe, Sturton & Gillibrand  
16 Castle Park  
Lancaster  
LA1 1YG

Auditors Azets Audit Services  
Fleet House  
New Road  
Lancaster  
LA1 1EZ

## LANCASTER TRAINING SERVICES LIMITED

### Directors' and Trustees' Annual Report (continued) For the year ended 31 July 2022

---

#### Structure, Governance & Management

##### Governing Document

Lancaster Training Services is a charitable company limited by guarantee and has no authorised or issued share capital. Twelve members, as indicated in a list held at the registered office, agree to contribute £200 each to the assets of the charity in the event of a winding up. The company is governed by its Memorandum and Articles of Association dated 7 September 1979 as amended by a special resolution dated 13 November 1995. Management of the Charity's affairs is vested in its executive committee.

##### Appointment of trustees

The directors and trustees are subject to re-appointment annually by the members in the Annual General Meeting.

##### Trustee induction and training

Trustees are given such advice and information by the Chief Executive Officer as is necessary to allow them to carry out their function.

##### Organisation

The operation and administration of the charity is controlled by Mr M Horabin, training manager and company secretary. Strategic issues and important business matters including setting the pay and remuneration of the charity's key management personnel rest with the directors and trustees. They are able to use the advice of the executive committee, to which each of the charity's members can send one representative.

The chair of executive meetings is the charity's chairman, Mr R W Little.

During the year the charity employed one training manager, one assistant training manager, eleven driving instructors, seven - house tutors and five administrative staff.

##### Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems are in place to mitigate our exposure to the major risks. The charitable company is striving to build up its liquid assets in its current location and believes that it is taking the necessary steps to achieve this end.

#### Objectives & Activities

The charity's principal object as set out in the Memorandum of Association is to provide training for persons employed or intending to be employed in Road Transport activities or such other persons employed or intending to be employed in such other activities as may benefit from the training services provided by the Company.

The principal activity of the charity during the year was the continuing provision of transport related training services to its members and other outside interests. The charity meets the standards required by the Education & Skills Funding Agency / Ofsted, the government body responsible for maintaining the standards of government funded training providers, thus maintaining its status as an approved training centre in North Lancashire and South Cumbria.

##### Policies adopted to further the objects of the charity

- Maintaining strong links with its member companies in order to continue the original principal activity.
- Continuing to be the approved training centre for the Education & Skills Funding Agency.
- Achieving high rates of qualification to secure a commensurate level of funding from the Education & Skills Funding Agency.
- Raising the profile of the charity to outside businesses through the wide range of road transport training services provided.
  
- Maintaining the standards required by the Education & Skills Funding Agency / Ofsted.
- To maintain the standards required for 'Investors in People'.
- To maintain links with National bodies which support the charity in the pursuit of its objectives e.g. The National Logistics Academy, The Road Transport Association.

#### Achievements and Performance

The charity has continued to offer a wide range of training services during the year. The major achievement has been the high rates of qualification, thus receiving the appropriate level of ESFA funding (89.5% overall success against a National average of 67%). Over 1,000 individuals were trained during the year. of the 641 Driving & Vehicle Standard Agency (DVSA) tests conducted, a first time pass rate of 80% and overall pass rate of 74% was achieved against a combined national average of 58%. The company has continued successfully to establish itself at Heysham where it believes the facilities are excellent.

## LANCASTER TRAINING SERVICES LIMITED

### Directors' and Trustees' Annual Report (continued) For the year ended 31 July 2022

#### Public benefit

The charity offers training opportunities to employees of member companies and to others without reference to age, gender, race, or creed. The same criteria apply to trainees taken on under publicly funded schemes.

The aim of the directors and trustees is to provide its facilities on a no profit no loss basis subject to maintaining a satisfactory ongoing cash flow position.

The directors and trustees believe that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

#### Financial Review

##### Results

A summary of the results is as follows:

	2022	2021
	£	£
Total incoming revenue resources	1,222,734	924,286
Total resources expended	(1,198,671)	(982,277)
Profit on disposal of fixed assets	240	-
Net incoming resources for the year	<u>24,303</u>	<u>(57,991)</u>

- In the financial year the charity had an excess of incoming resources over outgoing resources of £ 24,303 (2021: deficit £ 57,991) all of which represents unrestricted funds.

- The principal funding sources are training allowances received from Skills Funding Agency and invoiced courses

- The bulk of the charity's assets consist of tangible fixed assets, all dedicated to the running of the charity. In consequence of the relocation following compulsory purchase of the company's premises the company has had to establish its business at its new location. The trustees believe that the company will generate cash resources to allow the future development of the charity's activities.

##### Reserves Policy

The trustees aim to maintain sufficient reserves to allow the company to continue to provide its training services to its members and to the community.

Unrestricted reserves at 31 July 2022 are comprised as follows:

	£
Fixed assets net of secured loan	1,234,860
Free reserves	610,667
	<u>1,845,527</u>

The trustees believe that free reserves amounting to one half of annual running costs would be appropriate to this charity, the target level being £600,000. Free reserves now satisfy that level and the trustees will be looking for ways in which the charity's activities can be developed commensurate with financial security.

##### Investment powers and policy

The Articles of Association permit the trustees to invest in the name of the charity such part of the funds as they see fit.

##### Pricing policy

Pricing policy is such as to provide members with training facilities at as reasonable a cost as possible.

##### Indemnity insurance

Indemnity insurance in respect of the trustees has been provided within a professional indemnity policy. The cost of this insurance amounted to £ 355 (2021: £320).

## LANCASTER TRAINING SERVICES LIMITED

### Directors' and Trustees' Annual Report (continued) For the year ended 31 July 2022

#### Plans for future periods

- Increased take up of Driver Certificate of Professional Competence courses.
- Additional local schools engaging in entry level motor vehicle maintenance programmes.
- Expansion of commercial courses to include MOT tester refresher training.
- More driver licence acquisition with category 'B' car drivers

#### Trustees' responsibilities in relation to the financial statements

The trustees (who are also directors of Lancaster Training Services Limited for the purposes of company law) are responsible for preparing the Trustees' Annual 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 judgements 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 business.

The trustees are responsible for keeping adequate 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. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware;

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

#### Statutory compliance

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Account 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 published on 16 July 2014.

#### Auditors

The auditor ,Azets Audit Services , is deemed to be reappointed under Section 487(2) of the Companies Act 2006

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

#### Disclosure of information to the auditors

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

R W Little  
Trustee

Date

*Richard W Little*  
19th January 2023

## **INDEPENDENT AUDITOR'S REPORT**

### **To the members of Lancaster Training Services Limited**

---

#### **Opinion**

We have audited the financial statements of Lancaster Training Services Ltd (the 'company') for the year ended 31 July 2022 which comprise the Statement of Financial Activities (including Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

#### **In our opinion the financial statements:**

- show a true and fair view of the charitable company's affairs during the year ended 31 July 2022, and of its incoming resources and application of resources, including income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

## INDEPENDENT AUDITOR'S REPORT (continued)

### To the members of Lancaster Training Services Limited

---

#### Responsibilities of the directors

As explained more fully in the directors' responsibilities statement set out on page 4, the company's directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

#### Use of our report

This report is made solely to the 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 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 company's directors as a body, for our audit work, for this report, or for the opinions we have formed.

*Azets Audit Services*

Susanna Cassey (Senior Statutory Auditor)  
For and on behalf of Azets Audit Services  
Chartered Accountants  
Statutory Auditors

Fleet House  
New Road  
Lancaster  
LA1 1EZ

Date 25 Jan '23

## LANCASTER TRAINING SERVICES LIMITED

### Statement of Financial Activities (Incorporating an Income and Expenditure Account) For the year ended 31 July 2022

	Note	Unrestricted Funds 2022 £	Endowment Funds 2022 £	Total 2022 £	Total 2021 £
<b>INCOME AND ENDOWMENTS FROM</b>					
<b>Charitable activities</b>					
- Training allowances	3	417,513	-	417,513	364,015
- Course fees		792,378	-	792,378	480,721
<b>Other trading activities</b>					
- Membership fees		250	-	250	271
- Miscellaneous income		12,519	-	12,519	79,114
<b>Investments</b>					
- Bank interest receivable		74	-	74	165
<b>Other</b>					
- Profit on disposal of fixed assets		240	-	240	-
<b>Total income and endowments</b>		<b>1,222,974</b>	<b>-</b>	<b>1,222,974</b>	<b>924,286</b>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>					
- Training costs	1	1,190,806	-	1,190,806	973,856
<b>Other</b>	1	<b>7,865</b>	<b>-</b>	<b>7,865</b>	<b>8,421</b>
<b>Total expenditure</b>		<b>1,198,671</b>	<b>-</b>	<b>1,198,671</b>	<b>982,277</b>
<b>Net income</b>	2	<b>24,303</b>	<b>-</b>	<b>24,303</b>	<b>(57,991)</b>
<b>Total fund balances brought forward at 1 August 2021</b>		<b>1,821,224</b>	<b>42,419</b>	<b>1,863,643</b>	<b>1,921,634</b>
<b>Total fund balances carried forward at 31 July 2022</b>		<b>1,845,527</b>	<b>42,419</b>	<b>1,887,946</b>	<b>1,863,643</b>

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

All incoming resources and resources expended derive from continuing activities.

In the prior year all income and expenditure was unrestricted.

**LANCASTER TRAINING SERVICES LIMITED**

Company registered number: 01447612

Charity registered number: 511387

**Balance Sheet**

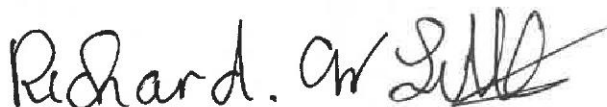
As at 31 July 2022

	Note	2022 £	2021 £
<b>Fixed Assets</b>			
Tangible assets	6	<u>1,238,666</u>	<u>1,221,755</u>
<b>Current Assets</b>			
Stocks	7	5,500	4,900
Debtors	8	119,079	173,928
Cash at bank and in hand		<u>677,501</u>	<u>643,478</u>
		802,080	822,306
Creditors: amounts falling due within one year	9	<u>(152,800)</u>	<u>(175,981)</u>
Net current assets		<u>649,280</u>	<u>646,325</u>
Total assets less current liabilities		<u>1,887,946</u>	<u>1,868,080</u>
Creditors: Amounts falling due after more than one year	10	<u>-</u>	<u>(4,437)</u>
Net assets		<u>1,887,946</u>	<u>1,863,643</u>
<b>Funded by:-</b>			
Unrestricted funds	14	1,845,527	1,821,224
Endowment funds	12	42,419	42,419
Restricted funds	13	<u>-</u>	<u>-</u>
Total funds		<u>1,887,946</u>	<u>1,863,643</u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

The financial statements on pages 8 to 16 were approved by the Board of Trustees on 18th November 2022 and signed on its behalf by:

Mr R W Little



Trustee

**LANCASTER TRAINING SERVICES LIMITED**  
**Company registered number: 01447612**  
**Charity registered number: 511387**

**Statement of Cash Flows**  
**For the year ended 31 July 2022**

	2022	2,021
	£	£
<b>Cash flows from operating activities:</b>		
Net income / (expenditure) for the year	24,303	( 57,991)
<b>Adjustments for:</b>		
Depreciation of tangible assets	48,604	42,754
(Profit)/Loss on disposal of tangible assets	( 240)	
Interest paid	210	412
Interest received	( 74)	( 165)
Decrease / (increase) in stock	( 600)	( 400)
Decrease / (increase) in debtors	54,849	( 65,455)
Increase / (decrease) in creditors	( 12,635)	34,789
	<u>114,417</u>	<u>( 46,056)</u>
<b>Net cash provided by operating activities</b>		
<b>Cash flows from investing activities:</b>		
Interest received	74	165
Purchase of tangible fixed assets	( 65,514)	( 68,879)
Proceeds on sale of tangible fixed assets	240	
	<u>( 65,200)</u>	<u>( 68,714)</u>
<b>Net cash (used in) / provided by investing activities</b>		
<b>Cash flows from financing activities</b>		
Loan repayments	( 14,984)	( 14,842)
Interest paid	( 210)	( 412)
	<u>( 15,194)</u>	<u>( 15,254)</u>
<b>Net cash (used in) / provided by financing activities</b>		
<b>Net increase in cash and cash equivalents</b>	<b>34,023</b>	<b>( 130,024)</b>
Cash and cash equivalents at the beginning of the year	643,478	773,502
	<u>677,501</u>	<u>643,478</u>
<b>Cash and cash equivalents at the end of the year</b>		

## LANCASTER TRAINING SERVICES LIMITED

### Accounting Policies

---

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

#### General information

Lancaster Training Services Limited is a private charitable company limited by guarantee and has no authorised or issued share capital. The charitable company is incorporated in England and Wales and its place of business is the registered office at The Training centre, 5 Penrod Way, Heysham, Morecambe, Lancashire, LA3 2UZ.

#### 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 Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Lancaster Training Services 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. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

#### Going concern

The accounts show a surplus of £24,303 and there are no material uncertainties regarding going concern. There are also total reserves of over £1.8 million. Therefore in the opinion of the trustees the financial statements should be prepared on a going concern basis.

#### Incoming resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Income from trading activities includes income earned from course fees and consultancy to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives government grants in respect of Training Allowances from the Government's Skills Funding Agency. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

#### Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities includes costs incurred by the charity in the carrying out of training which is the principal activity of the charity.
- Other expenditure represents those items not falling into the categories above

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

## LANCASTER TRAINING SERVICES LIMITED

### Accounting Policies (continued)

---

#### Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

#### Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost.

Depreciation has been provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset evenly over its estimated useful life as follows:

Freehold buildings	1% straight line basis
Plant and equipment	25% straight line basis
Office equipment	15% straight line basis
Motor vehicles	25% straight line basis

Freehold land is not depreciated.

#### Stocks

Stocks are valued at the lower of cost and net realisable value.

#### Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

#### Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

#### Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

#### Pensions

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity. Pension costs charged represent the contributions payable by the charity in the year.

#### Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against net incoming resources as incurred.

#### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

## **LANCASTER TRAINING SERVICES LIMITED**

### **Accounting Policies (continued)**

---

#### **Fund accounting**

Funds held by the charity are either:-

##### **Unrestricted general funds**

- These are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds to be used at the discretion of the trustees.

##### **Restricted funds**

- These are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular purposes. The fixed asset fund balance funds future depreciation of assets purchased using restricted funds.

##### **Endowment funds**

- These funds represent the assets of the Lancaster and District Road Haulage Group Training Association at the date on which which the company was incorporated

#### **Related party transactions**

The charity discloses transactions with related parties. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the trustees, separate disclosure is necessary to understand the effect of the transactions on the charity financial statements.

#### **Judgements and key sources of estimation uncertainty**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# LANCASTER TRAINING SERVICES LIMITED

## Notes to the financial statements For the year ended 31 July 2022

### 1 Total resources expended

	Training £	Support costs £	Total 2022 £	Total 2021 £
<b>Costs directly allocated to activities</b>				
Vehicle fuel and oil	72,308	-	72,308	27,152
Vehicle repairs	24,845	-	24,845	14,543
Vehicle licence, insurance, and hire	19,783	-	19,783	17,643
Salaries	700,331	-	700,331	638,057
Employer pension contributions	49,521	-	49,521	40,936
Insurance	13,532	-	13,532	12,856
Office expenses	5,337	-	5,337	4,943
Telephone	3,307	-	3,307	3,136
Computer expenses	3,972	-	3,972	4,987
Advertising	6,366	-	6,366	3,902
Light and heat	(4,019)	-	(4,019)	(1,172)
Bad debts	716	-	716	893
Rates and water	9,662	-	9,662	8,923
Teaching and course expenses	163,477	-	163,477	96,763
ADR course fees	9,140	-	9,140	6,980
Subscriptions , and consultancy accreditations	21,476	-	21,476	16,104
Staff training course	5,171	-	5,171	6,258
Repairs and maintenance	11,606	-	11,606	6,957
Bank charges	3,279	-	3,279	2,546
Bank interest	210	-	210	412
Audit and accountancy	-	7,865	7,865	8,421
Legal and professional fees	2,575	-	2,575	-
Sundry expenses	12,368	-	12,368	9,485
Laundry and cleaning	7,239	-	7,239	8,798
Depreciation - Freehold buildings	10,222	-	10,222	10,222
- Motor vehicles	17,541	-	17,541	19,380
- Plant and equipment	16,870	-	16,870	8,029
- Office equipment	3,971	-	3,971	5,123
	1,190,806	7,865	1,198,671	982,277

### 2 Net incoming resources for the year

	2022 £	2021 £
The net incoming resources for the year is stated after charging / (crediting) the following:		
Depreciation of tangible fixed assets	48,604	42,754
Profit on disposal of fixed assets	(240)	-
Auditor's remuneration - audit services	5,590	4,790
Auditor's remuneration - non audit services	1,715	1,600
Auditor's remuneration - non audit services comprises:		
VAT services	1,715	1,600

## LANCASTER TRAINING SERVICES LIMITED

### Notes to the financial statements (continued) For the year ended 31 July 2022

#### 3 Government grants

The charity received grants from the Government's Skills Funding Agency totalling £417,513 (2021: £364,015 during the year which enabled the Charity to provide Apprenticeship training courses.

#### 4 Employees

The aggregate payroll costs during the year amounted to :-

	2022	2021
	£	£
Wages and salaries	645,824	584,933
Social security costs	54,507	53,124
Pension Costs	49,521	40,936
	<b>749,852</b>	<b>678,993</b>

The average monthly number of full time and part time employees during the year was:-

	2022	2021
	Number	Number
Training:		
Management and administration	6	6
Operations staff	19	18
	<b>25</b>	<b>24</b>
	<b>22</b>	<b>19</b>

The average monthly number of full time equivalent employees during the year was:-

One employee earned between £60,000 - £70,000 in the year (2021: 1)

#### 5 Trustees and key management personnel remuneration

No trustee received any remuneration from the charity during either of the two financial years.

Travel expenses reimbursed to 2 trustees amounted to £ 702 in the year.

During the year the charity paid £60,956.19 (2021 £63829) in remuneration to key management personnel

#### 6 Tangible fixed assets

	Freehold Land and Buildings £	Plant and Equipment £	Office Equipment £	Motor Vehicles £	Total £
<b>Cost</b>					
At 31 July 2021	1,282,127	314,701	113,990	323,406	2,034,224
Additions	-	13,257	1,988	50,270	65,515
Disposals	-	-	-	-	-
At 31 July 2022	<b>1,282,127</b>	<b>327,958</b>	<b>115,978</b>	<b>373,676</b>	<b>2,099,739</b>
<b>Depreciation</b>					
At 31 July 2021	142,322	261,958	101,124	307,065	812,469
Charge for the year	10,222	16,870	3,971	17,541	48,604
Disposals	-	-	-	-	-
At 31 July 2022	<b>152,544</b>	<b>278,828</b>	<b>105,095</b>	<b>324,606</b>	<b>861,073</b>
<b>Net book value</b>					
At 31 July 2022	<b>1,129,583</b>	<b>49,130</b>	<b>10,883</b>	<b>49,070</b>	<b>1,238,666</b>
At 31 July 2021	1,139,805	52,743	12,866	16,341	1,221,755

**LANCASTER TRAINING SERVICES LIMITED**

**Notes to the financial statements (continued)  
For the year ended 31 July 2022**

<b>7 Stocks</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Stock of fuel	5,000	4,000
Sundry stock	500	900
	<b>5,500</b>	<b>4,900</b>
<b>8 Debtors</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade debtors	66,757	105,831
Prepayments	24,893	24,247
Accrued income	27,429	43,850
	<b>119,079</b>	<b>173,928</b>
<b>9 Creditors: amounts falling due within one year</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Bank loan	3,806	14,352
Trade creditors	18,429	18,172
Taxation and social security	40,166	36,924
Accruals and deferred income	90,399	106,533
	<b>152,800</b>	<b>175,981</b>
<b>10 Creditors: amounts falling due after more than one year</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Bank loan</b>	<b>-</b>	<b>4,437</b>
Due between 2 and 5 years		4,437
Due in more than 5 years	-	
	<b>-</b>	<b>4,437</b>

The bank loan is secured on the company's freehold land and buildings, is repayable by monthly instalments, currently £1,314, over 15 years and carries interest at 1.4% over base rate.

The total value of the bank loan at 31 July 2022 is £ 3,806 which represents .34 % of the net book value of the freehold land and buildings at that date

## LANCASTER TRAINING SERVICES LIMITED

### Notes to the financial statements (continued) For the year ended 31 July 2022

#### 11 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
Tangible fixed assets	1,196,247	-	42,419	1,238,666
Current assets	802,080	-	-	802,080
Current liabilities	(152,800)	-	-	(152,800)
Long term liabilities	-	-	-	-
	<b>1,845,527</b>	<b>-</b>	<b>42,419</b>	<b>1,887,946</b>

#### 12 Endowment funds

The fund of £42,419 (2021 - £42,419) represents the assets of the Lancaster and District Road Haulage Group Training Association at the date at which Lancaster Training Services Limited was formed.

#### 13 Restricted funds

	Fixed asset fund £	Total 2022 £	Total 2021 £
At 1 August	-	-	-
Annual release of fixed asset restricted fund	-	-	-
At 31 July	-	-	-

#### Purposes of restricted funds

The fixed asset fund represents monies received as grants for fixed assets purchased and funds the annual depreciation of the assets.

#### 14 Unrestricted funds

	General £	Total 2022 £	Total 2021 £
At 1 August	1,821,224	1,821,224	1,879,215
Surplus for the year	24,303	24,303	(57,991)
At 31 July	<b>1,845,527</b>	<b>1,845,527</b>	1,821,224

#### 15 Capital commitments

There were no capital commitments at the balance sheet date.

## LANCASTER TRAINING SERVICES LIMITED

### Notes to the financial statements (continued) For the year ended 31 July 2022

#### 16 Operating lease commitments

The amounts payable in the next year in respect of operating leases are shown below, analysed according to the expiry date of the leases.

	2022		2021
	£		£
<b>Office equipment</b>			
Within 12 months	286		286
	<u>286</u>		<u>286</u>

#### 17 Guarantee

The charitable company is limited by guarantee and has no authorised or issued share capital. Thirteen members agree to contribute £200 each to the assets of the charity in the event of a winding up.

#### 18 Pension costs

The company makes defined contributions to individual employees personal pension plans. The assets of the schemes are held in separately administered funds. The pension cost charge represents contributions payable by the company and amounted to £ 49,521 (2021: £ 40,936 ). All contributions were paid during the year.

#### 19 Controlling party

There was no controlling party of the company in either the current or previous year.

#### 20 Related party transactions

There are no related party transactions that require disclosure in the current or previous year.

#### 21 Analysis of changes in net debt

	`1 August	Cash flows	`31 July
	2,021		2,022
	£	£	£
Cash at bank and in hand	643,478	34,023	677,501
Loans falling due within one year	( 14,352)	10,546	( 3,806)
Loans falling due after more than one year	( 4,437)	4,437	-
	<u>624,689</u>	<u>49,006</u>	<u>673,695</u>

**LANCASTER TRAINING SERVICES LIMITED**

**Management information**

**For the year ended 31 July 2022**

**The following page does not form part of the statutory financial statements**

**LANCASTER TRAINING SERVICES LIMITED**

**Income and expenditure account  
For the year ended 31 July 2022**

	2,019 £	2022 £	2021 £
<b>Incoming Resources:</b>			
Apprenticeship funding	252,165	349,192	315,322
Other IHT training	82,272	68,321	48,693
Course fees	735,681	771,950	460,735
DGSA consultancy	13,102	20,428	19,986
Bank deposit interest	1,990	74	165
Membership fees	271	250	271
Rental income	10,425	9,974	9,364
Other income	5,034	2,545	5,057
Profit on disposal of fixed assets	1,800	240	-
Furlough scheme		-	64,693
	<b>1,102,740</b>	<b>1,222,974</b>	<b>924,286</b>
<b>Resources Expended:</b>			
Vehicle fuel and oil	49,259	72,308	27,152
Vehicle repairs	20,867	24,845	14,543
Vehicle licence, insurance, and hire	17,567	19,783	17,643
Salaries	624,568	700,331	638,057
Employer pension contributions	42,250	49,521	40,936
Insurance	11,683	13,532	12,856
Office expenses	7,748	5,337	4,943
Telephone	2,936	3,307	3,136
Computer expenses	2,979	3,972	4,987
Advertising	6,398	6,366	3,902
Light and heat	(3,719)	(4,019)	(1,172)
Rates and water	8,991	9,662	8,923
Teaching and course expenses	142,289	163,477	96,763
ADR course fees	8,940	9,140	6,980
Subscriptions , and consultancy accreditations	17,820	21,476	16,104
Staff training course	3,834	5,171	6,258
Repairs and maintenance	3,778	11,606	6,957
Bad debts		716	893
Bank charges	5,976	3,279	2,546
Bank interest	1,193	210	412
Legal and professional fees	3,343	2,575	-
Audit and accountancy	6,639	7,865	8,421
Sundry expenses	8,380	12,368	9,485
Laundry and cleaning	8,174	7,239	8,798
Depreciation - Freehold buildings	10,222	10,222	10,222
- Motor vehicles	52,080	17,541	19,380
- Plant and equipment	10,768	16,870	8,029
- Office equipment	4,859	3,971	5,123
	<b>1,079,822</b>	<b>1,198,671</b>	<b>982,277</b>
<b>Net incoming resources for the year</b>	<b>22,918</b>	<b>24,303</b>	<b>(57,991)</b>