

**Company Registration Number**      **01447612**

**Charity Registration Number**      **511387**

**LANCASTER TRAINING SERVICES LIMITED**

**Financial Statements**

**For the year ended 31 July 2023**

## 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 2023

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The trustees present their annual report together with the financial statements and auditor's report for the year ended 31 July 2023

#### 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  
Westmoreland and Furness Council (formerly Suth 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 2023

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#### Structure, Governance & Management

##### Governing Document

Lancaster Training Services is a charitable company limited by guarantee and has no authorised or issued share capital 12 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, 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 (86.7% overall success against a National average of 53.4%). Over 1,000 individuals were trained during the year. Of the 334 Driving & Vehicle Standard Agency (DVSA) driving tests conducted, a first time pass rate of 81% and overall pass rate of 80% was achieved against a combined national average of 59.7% (LGV & 64.5% (PCV). In the year the Company maintained the 'GOOD' grade in the full OfSTED inspection. 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 2023

#### 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:

	2023	2022
	£	£
Total incoming revenue resources	1,383,951	1,222,734
Total resources expended	(1,293,249)	(1,198,671)
Profit on disposal of fixed assets	-	240
Net incoming resources for the year	<u>90,702</u>	<u>24,303</u>

- In the financial year the charity had an excess of incoming resources over outgoing resources of £ 90,702 (2022 £ 24,303) 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 had to establish its business at its Heysham 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 2023 are comprised as follows:

	£
Fixed assets	1,193,973
Free reserves	784,675
	<u>1,978,648</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 £700,000. 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 £ 1,265 (2022: £355).

## LANCASTER TRAINING SERVICES LIMITED

### Directors' and Trustees' Annual Report (continued) For the year ended 31 July 2023

#### Plans for future periods

- Increased take up of Driver Certificate of Professional Competence courses.
- Increase Apprentice numbers on motor vehicle maintenance programmes.
- Expansion of commercial courses to include initial MOT tester training.
- More driver licence acquisition with category 'B' car drivers via an automatic electric vehicle

#### 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 10/11/23

## INDEPENDENT AUDITOR'S REPORT

### To the members of Lancaster Training Services Limited

#### Opinion

We have audited the financial statements of Lancaster Training Services Limited for the year ended 31 July 2023 which comprise the Statement of Financial Activities (including Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2023 and of its incoming resources and application of resources, 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 of 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

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

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

#### Other information

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

#### Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' 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 trustees 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 trustees' report and from the requirement to prepare a strategic report.

## **INDEPENDENT AUDITOR'S REPORT (continued)**

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

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#### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in exemption from the requirement to prepare a strategic report or preparing the Trustees' Annual 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 and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

## INDEPENDENT AUDITOR'S REPORT (continued)

### To the members of Lancaster Training Services Limited

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- 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 entity 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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 the charitable company's members 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 Auditor

Fleet House  
New Road  
Lancaster  
LA1 1EZ

Date 16 Nov '23



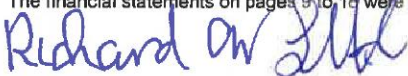
**LANCASTER TRAINING SERVICES LIMITED**  
**Company registered number: 01447612**  
**Charity registered number: 511387**

**Balance Sheet**  
**As at 31 July 2023**

	Note	2023 £	2022 £
<b>Fixed Assets</b>			
Tangible assets	6	<u>1,193,973</u>	<u>1,238,666</u>
<b>Current Assets</b>			
Stocks	7	4,600	5,500
Debtors	8	137,031	119,079
Cash at bank and in hand		818,588	677,501
		<u>960,219</u>	<u>802,080</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(175,544)</u>	<u>(152,800)</u>
<b>Net current assets</b>		<u>784,675</u>	<u>649,280</u>
<b>Total assets less current liabilities</b>		<u>1,978,648</u>	<u>1,887,946</u>
<b>Creditors: Amounts falling due after more than one year</b>	10	<u>-</u>	<u>-</u>
<b>Net assets</b>		<u>1,978,648</u>	<u>1,887,946</u>
<b>Funded by:-</b>			
Unrestricted funds	15	1,936,229	1,845,527
Endowment funds	13	42,419	42,419
Restricted funds	14	-	-
<b>Total funds</b>		<u>1,978,648</u>	<u>1,887,946</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 9 to 18 were approved by the Board of Trustees on 11 November 2023 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 2023**

	2023	2022
	£	£
<b>Cash flows from operating activities:</b>		
Net income / (expenditure) for the year	90,702	24,303
<b>Adjustments for:</b>		
Depreciation of tangible assets	47,501	48,604
(Profit)/Loss on disposal of tangible assets	-	(240)
Interest paid	(8)	210
Interest received	(1,949)	(74)
Decrease / (increase) in stock	900	(600)
Decrease / (increase) in debtors	(17,951)	54,849
Increase / (decrease) in creditors	22,743	(12,635)
<b>Net cash provided by operating activities</b>	<b>141,938</b>	<b>114,417</b>
<b>Cash flows from investing activities:</b>		
Interest received	1,949	74
Purchase of tangible fixed assets	(2,808)	(65,514)
Proceeds on sale of tangible fixed assets		240
<b>Net cash (used in) / provided by investing activities</b>	<b>(859)</b>	<b>(65,200)</b>
<b>Cash flows from financing activities</b>		
Loan repayments	-	(14,984)
Interest paid	8	(210)
<b>Net cash (used in) / provided by financing activities</b>	<b>8</b>	<b>(15,194)</b>
<b>Net increase in cash and cash equivalents</b>	<b>141,087</b>	<b>34,023</b>
Cash and cash equivalents at the beginning of the year	677,501	643,478
<b>Cash and cash equivalents at the end of the year</b>	<b>818,588</b>	<b>677,501</b>

## LANCASTER TRAINING SERVICES LIMITED

### Accounting Policies

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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 £90,702 and there are no material uncertainties regarding going concern. There are also total reserves of over £1.8m. 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)

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#### 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)

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#### Fund accounting

Funds held by the charity are either:-

##### Unrestricted general funds

- These are 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 2023**

**1 Total resources expended**

	Training £	Support costs £	Total 2023 £	Total 2022 £
<b>Costs directly allocated to activities</b>				
Vehicle fuel and oil	80,843	-	<b>80,843</b>	72,308
Vehicle repairs	20,952	-	<b>20,952</b>	24,845
Vehicle licence, insurance, and hire	21,844	-	<b>21,844</b>	19,783
Salaries	812,443	-	<b>812,443</b>	700,331
Employer pension contributions	55,427	-	<b>55,427</b>	49,521
Insurance	15,198	-	<b>15,198</b>	13,532
Office expenses	5,555	-	<b>5,555</b>	5,337
Telephone	3,235	-	<b>3,235</b>	3,307
Computer expenses	5,382	-	<b>5,382</b>	3,972
Advertising	6,473	-	<b>6,473</b>	6,366
Light and heat	(152)	-	<b>(152)</b>	(4,019)
Bad debts	76	-	<b>76</b>	716
Rates and water	9,404	-	<b>9,404</b>	9,662
Teaching and course expenses	125,192	-	<b>125,192</b>	163,477
ADR course fees	11,029	-	<b>11,029</b>	9,140
Subscriptions , and consultancy accreditations	12,187	-	<b>12,187</b>	21,476
Staff training course	9,285	-	<b>9,285</b>	5,171
Repairs and maintenance	13,639	-	<b>13,639</b>	11,606
Bank charges	4,078	-	<b>4,078</b>	3,279
Bank interest	(8)	-	<b>(8)</b>	210
Audit and accountancy	-	8,215	<b>8,215</b>	7,865
Legal and professional fees	581	-	<b>581</b>	2,575
Sundry expenses	15,520	-	<b>15,520</b>	12,368
Laundry and cleaning	9,350	-	<b>9,350</b>	7,239
Depreciation - Freehold buildings	10,222	-	<b>10,222</b>	10,222
- Motor vehicles	15,421	-	<b>15,421</b>	17,541
- Plant and equipment	18,681	-	<b>18,681</b>	16,870
- Office equipment	3,177	-	<b>3,177</b>	3,971
	<b>1,285,034</b>	<b>8,215</b>	<b>1,293,249</b>	<b>1,198,671</b>

**2 Net incoming resources for the year**

	2023 £	2022 £
The net incoming resources for the year is stated after charging / (crediting) the following:		
Depreciation of tangible fixed assets	47,501	48,604
Profit on disposal of fixed assets	-	(240)
Auditor's remuneration - audit services	6,000	5,590
Auditor's remuneration - non audit services	1,600	1,600
Auditor's remuneration - non audit services comprises:		
VAT services	1,600	1,600

## LANCASTER TRAINING SERVICES LIMITED

### Notes to the financial statements (continued) For the year ended 31 July 2023

#### 3 Government grants

The charity received grants from the Government's Skills Funding Agency totalling £ 365,298 (2022: £417,513) during the year which enabled the Charity to provide Apprenticeship training courses.

#### 4 Employees

The aggregate payroll costs during the year amounted to :-

	2023 £	2022 £
Wages and salaries	748,941	645,824
Social security costs	63,502	54,507
Pension costs	55,427	49,521
	<b>867,870</b>	<b>749,852</b>

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

	2023 Number	2022 Number
Training:		
Management and administration	7	6
Operations staff	19	19
	<b>26</b>	<b>25</b>
The average monthly number of full time equivalent employees during the year was:-	<b>20</b>	<b>22</b>

One employee earned between £70,000 - £80,000 in in the year (2022: Nil). During the previous one employee earned between £60,000 - £70,000 (2023: Nil).

#### 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 £1,786 (2022: £702).

During the year the charity paid £77,011 (2022: £60,956) 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 2022	1,282,127	327,958	115,978	373,676	2,099,739
Additions	-	2,808	-	-	2,808
Disposals	-	-	-	(45,759)	(45,759)
At 31 July 2023	<b>1,282,127</b>	<b>330,766</b>	<b>115,978</b>	<b>327,917</b>	<b>2,056,788</b>
<b>Depreciation</b>					
At 31 July 2022	152,544	278,828	105,095	324,606	861,073
Charge for the year	10,222	18,681	3,177	15,421	47,501
Disposals	-	-	-	(45,759)	(45,759)
At 31 July 2023	<b>162,766</b>	<b>297,509</b>	<b>108,272</b>	<b>294,268</b>	<b>862,815</b>
<b>Net book value</b>					
At 31 July 2023	<b>1,119,361</b>	<b>33,257</b>	<b>7,706</b>	<b>33,649</b>	<b>1,193,973</b>
At 31 July 2022	1,129,583	49,130	10,883	49,070	1,238,666

**LANCASTER TRAINING SERVICES LIMITED**

**Notes to the financial statements (continued)  
For the year ended 31 July 2023**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>7 Stocks</b>		
Stock of fuel	4,100	5,000
Sundry stock	500	500
	<b>4,600</b>	<b>5,500</b>
<b>8 Debtors</b>		
Trade debtors	72,250	66,757
Prepayments	25,949	24,893
Accrued income	38,832	27,429
	<b>137,031</b>	<b>119,079</b>
<b>9 Creditors: amounts falling due within one year</b>		
Bank loan	-	3,806
Trade creditors	19,049	18,429
Taxation and social security	53,395	40,166
Accruals and deferred income	103,100	90,399
	<b>175,544</b>	<b>152,800</b>
<b>10 Creditors: amounts falling due after more than one year</b>		
Bank loan	-	-
Due between 2 and 5 years	-	-
Due in more than 5 years	-	-
	<b>-</b>	<b>-</b>

**LANCASTER TRAINING SERVICES LIMITED**

**Notes to the financial statements (continued)  
For the year ended 31 July 2023**

**11 Analysis of net assets between funds**

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
Tangible fixed assets	1,151,554	-	42,419	1,193,973
Current assets	960,219	-	-	960,219
Current liabilities	(175,544)	-	-	(175,544)
Long term liabilities	-	-	-	-
	<b>1,936,229</b>	<b>-</b>	<b>42,419</b>	<b>1,978,648</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 2021 £	Total 2020 £
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 2023 £	Total 2022 £
At 1 August 2022	1,845,527	1,845,527	1,821,224
Surplus for the year	90,702	90,702	24,303
At 31 July 2023	<b>1,936,229</b>	<b>1,936,229</b>	<b>1,845,527</b>

**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 2023

#### 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.

	2023 £	2022 £
<b>Office equipment</b>		
Within 12 months	268	268
	<u>268</u>	<u>268</u>

#### 17 Guarantee

The charitable company is limited by guarantee and has no authorised or issued share capital. Twelve 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 £ 55,427 (2022: £ 49,521). 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 2022 £	Cash flows £	31 July 2023 £
Cash at bank and in hand	677,501	141,087	818,588
Loans falling due within one year	( 3,806)	3,806	-
Loans falling due after more than one year	-	-	-
	<u>673,695</u>	<u>49,006</u>	<u>673,695</u>

**LANCASTER TRAINING SERVICES LIMITED**

**Management information**

**For the year ended 31 July 2023**

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

**Income and expenditure account**  
**For the year ended 31 July 2023**

	2023	2022
	£	£
<b>Incoming Resources:</b>		
Apprenticeship funding	365,298	349,192
Other IHT training	51,743	68,321
Course fees	927,343	771,950
DGSA consultancy	21,019	20,428
Bank deposit interest	1,949	74
Membership fees	250	250
Rental income	11,809	9,974
Other income	4,540	2,545
Profit on disposal of fixed assets	-	240
	<b>1,383,951</b>	<b>1,222,974</b>
<b>Resources Expended:</b>		
Vehicle fuel and oil	80,843	72,308
Vehicle repairs	20,952	24,845
Vehicle licence, insurance, and hire	21,844	19,783
Salaries	812,443	700,331
Employer pension contributions	55,427	49,521
Insurance	15,198	13,532
Office expenses	5,555	5,337
Telephone	3,235	3,307
Computer expenses	5,382	3,972
Advertising	6,473	6,366
Light and heat	(152)	(4,019)
Rates and water	9,404	9,662
Teaching and course expenses	125,192	163,477
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Subscriptions , and consultancy accreditations	12,187	21,476
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Repairs and maintenance	13,639	11,606
Bad debts	76	716
Bank charges	4,078	3,279
Bank interest	(8)	210
Legal and professional fees	581	2,575
Audit and accountancy	8,215	7,865
Sundry expenses	15,520	12,368
Laundry and cleaning	9,350	7,239
Depreciation - Freehold buildings	10,222	10,222
- Motor vehicles	15,421	17,541
- Plant and equipment	18,681	16,870
- Office equipment	3,177	3,971
	<b>1,293,249</b>	<b>1,198,671</b>
<b>Net incoming resources for the year</b>	<b>90,702</b>	<b>24,303</b>

