

COMPANY REGISTRATION NUMBER: 01447612
CHARITY REGISTRATION NUMBER: 511387

Lancaster Training Services Limited
Company Limited by Guarantee
Financial Statements
31 July 2024

RIVERSIDE ACCOUNTANCY LANCASTER LIMITED
Chartered accountants & statutory auditor
Second Floor, Riverside Offices
26 St George's Quay
Lancaster
LA1 1RD

Lancaster Training Services Limited

Company Limited by Guarantee

Financial Statements

Year ended 31 July 2024

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Lancaster Training Services Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 July 2024

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 July 2024.

Lancaster Training Services Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 July 2024

Reference and administrative details

Registered charity name	Lancaster Training Services Limited
Charity registration number	511387
Company registration number	01447612
Principal office and registered office	5 Penrod Way Heysham Lancaster LA3 2UZ

The trustees

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.

Kidds Transport Limited
J & M Collinson Limited
Darbyshire & Horabin Limited (trading as DCL Transport Ltd)
Westmorland and Furness Council
Lancaster City Council
I Quinn (Haulage Contractors)
Carrs Billington Limited
R W Little Esq (Chair)
S J Bargh Limited
Bibby's of Ingleton
G.Powell Esq
G.Sierpinski Esq (Vice Chair)

Auditor	Riverside Accountancy Lancaster Limited Chartered accountants & statutory auditor Second Floor, Riverside Offices 26 St George's Quay Lancaster LA1 1RD
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Bankers	Barclays Bank PLC 38 Market Street Lancaster Lancashire LA1 1HR
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Lancaster Training Services Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 July 2024

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

Structure, governance and 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 in-house tutors and five administrative staff.

Lancaster Training Services Limited

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 July 2024

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.

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.

Objectives and 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.

Lancaster Training Services Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 July 2024

Achievements and performance

In the financial year the charity had an excess of incoming resources over outgoing resources of £157,120(2023 £90,702)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 2024 are comprised as follows:

Fixed Asset Reserves	£1,153,668
Free Reserves	£982,100
Total	£2,135,768

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 £1,578 (2023: £1,265).

Lancaster Training Services Limited

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 July 2024

Financial review

A summary of the results is as follows:

	2024 £	2023 £
Total incoming resources	1,461,120	1,383,951
Total resources expended	1,304,000	1,293,249
Net incoming resources for the year	157,120	90,702

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 statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustees are required to:

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

Lancaster Training Services Limited

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 July 2024

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 15 November 2024 and signed on behalf of the board of trustees by:



Mr R W Little
Trustee

Lancaster Training Services Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Lancaster Training Services Limited

Year ended 31 July 2024

Opinion

We have audited the financial statements of Lancaster Training Services Limited (the 'charity') for the year ended 31 July 2024 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, 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 FRS 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:

- give a true and fair view of the state of the charity's affairs as at 31 July 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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.

Lancaster Training Services Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Lancaster Training Services Limited *(continued)*

Year ended 31 July 2024

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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- 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 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 directors' report and from the requirement to prepare a strategic report.

Lancaster Training Services Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Lancaster Training Services Limited *(continued)*

Year ended 31 July 2024

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 charity 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.

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

Review of trustees minutes and review of nominal postings for legal and professional fees ensured we identified any regulatory compliance issues and laws that charity must follow in the year and to the date of signing the financial statements

Enquiry of management and those charged with governance around actual, suspected and alleged fraud

During the audit we speak to trustees, test the systems and speak to various members of the finance function to understand the entity its processes and the nature of trade to assist in determining if the financial statements are true and fair.

Challenging assumptions made by management in making their significant accounting estimates.

Reviewing financial statement disclosure and testing to supporting documentation to assess compliance with applicable laws and regulations

Lancaster Training Services Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Lancaster Training Services Limited *(continued)*

Year ended 31 July 2024

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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. 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Lancaster Training Services Limited

Company Limited by Guarantee

Independent Auditor's Report to the Members of Lancaster Training Services Limited *(continued)*

Year ended 31 July 2024

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

Lyndsay Nicholson ACA (Senior Statutory Auditor)

For and on behalf of
Riverside Accountancy Lancaster Limited
Chartered accountants & statutory auditor
Second Floor, Riverside Offices
26 St George's Quay
Lancaster
LA1 1RD

18 November 2024

Lancaster Training Services Limited

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 July 2024

			2024		2023
	Note	Unrestricted funds £	Endowment funds £	Total funds £	Total funds £
Income and endowments					
Charitable activities	5	1,445,748	–	1,445,748	1,365,403
Other trading activities	6	9,833	–	9,833	16,599
Investment income	7	5,539	–	5,539	1,949
Total income		<u>1,461,120</u>	<u>–</u>	<u>1,461,120</u>	<u>1,383,951</u>
Expenditure					
Expenditure on charitable activities	8,9	1,291,426	–	1,291,426	1,293,249
Taxation	11	3,654	–	3,654	–
Total expenditure		<u>1,295,080</u>	<u>–</u>	<u>1,295,080</u>	<u>1,293,249</u>
Net income and net movement in funds		<u>166,040</u>	<u>–</u>	<u>166,040</u>	<u>90,702</u>
Reconciliation of funds					
Total funds brought forward		1,936,229	42,419	1,978,648	1,887,946
Total funds carried forward		<u>2,102,269</u>	<u>42,419</u>	<u>2,144,688</u>	<u>1,978,648</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 16 to 26 form part of these financial statements.

Lancaster Training Services Limited

Company Limited by Guarantee

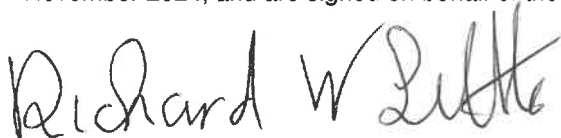
Statement of Financial Position

31 July 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible fixed assets	15	1,152,588	1,193,973
Current assets			
Stocks	16	6,100	4,600
Debtors	17	170,026	137,031
Cash at bank and in hand		1,006,428	818,588
		<u>1,182,554</u>	<u>960,219</u>
Creditors: amounts falling due within one year	18	<u>190,454</u>	<u>175,544</u>
Net current assets		<u>992,100</u>	<u>784,675</u>
Total assets less current liabilities		<u>2,144,688</u>	<u>1,978,648</u>
Net assets		<u>2,144,688</u>	<u>1,978,648</u>
Funds of the charity			
Endowment funds		42,419	42,419
Unrestricted funds		2,102,269	1,936,229
Total charity funds	20	<u>2,144,688</u>	<u>1,978,648</u>

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

These financial statements were approved by the board of trustees and authorised for issue on 15 November 2024, and are signed on behalf of the board by:



Mr R W Little
Trustee

The notes on pages 16 to 26 form part of these financial statements.

Lancaster Training Services Limited

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 July 2024

	2024	2023
	£	£
Cash flows from operating activities		
Net income	166,040	90,702
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	47,183	47,501
Other interest receivable and similar income	(5,539)	(1,949)
Interest payable and similar charges	–	(8)
Taxation	3,654	–
Accrued expenses	5,610	–
<i>Changes in:</i>		
Stocks	(1,500)	900
Trade and other debtors	(25,218)	(17,951)
Trade and other creditors	1,523	22,743
Cash generated from operations	<u>191,753</u>	<u>141,938</u>
Interest paid	–	8
Interest received	5,539	1,949
Tax paid	(3,654)	–
Net cash from operating activities	<u>193,638</u>	<u>143,895</u>
Cash flows from investing activities		
Purchase of tangible assets	<u>(5,798)</u>	<u>(2,808)</u>
Net cash used in investing activities	<u>(5,798)</u>	<u>(2,808)</u>
Net increase in cash and cash equivalents	187,840	141,087
Cash and cash equivalents at beginning of year	818,588	677,501
Cash and cash equivalents at end of year	<u>1,006,428</u>	<u>818,588</u>

The notes on pages 16 to 26 form part of these financial statements.

Lancaster Training Services Limited

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 July 2024

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 5 Penrod Way, Heysham, Lancaster, LA3 2UZ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

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

Going concern

The accounts show a surplus of £157,120 and there are no material uncertainties regarding going concern. There are also total reserves of over £2.1m. Therefore in the opinion of the trustees the financial statements should be prepared on a going concern basis.

Support costs

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. 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.

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 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 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

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2024

3. Accounting policies *(continued)*

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period.

Current tax is recognised on taxable income or expenditure for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
 - legacy income is recognised when receipt is probable and entitlement is established.
 - income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
 - income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.
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Lancaster Training Services Limited

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Notes to the Financial Statements *(continued)*

Year ended 31 July 2024

3. Accounting policies *(continued)*

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

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

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	1% straight line
Plant and machinery	-	25% straight line

Motor vehicles - 25% straight line
Equipment - 15% straight line

Lancaster Training Services Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2024

3. Accounting policies *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Lancaster Training Services Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2024

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

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

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

Lancaster Training Services Limited 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.

Lancaster Training Services Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2024

5. Charitable activities

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Training allowances	655,682	655,682	417,041	417,041
Course fees	790,066	790,066	948,362	948,362
	<u>1,445,748</u>	<u>1,445,748</u>	<u>1,365,403</u>	<u>1,365,403</u>

6. Other trading activities

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Membership fees	250	250	250	250
Miscellaneous income	9,583	9,583	16,349	16,349
	<u>9,833</u>	<u>9,833</u>	<u>16,599</u>	<u>16,599</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Bank interest receivable	5,539	5,539	1,949	1,949

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Training costs	1,278,425	1,278,425	1,285,034	1,285,034
Support costs	13,001	13,001	8,215	8,215
	<u>1,291,426</u>	<u>1,291,426</u>	<u>1,293,249</u>	<u>1,293,249</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2024 £	Total fund 2023 £
Training costs	<u>1,278,425</u>	<u>13,001</u>	<u>1,291,426</u>	<u>1,293,249</u>

Lancaster Training Services Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2024

10. Analysis of support costs

	Audit and accountancy £	Total 2024 £	Total 2023 £
Finance costs	<u>13,001</u>	<u>13,001</u>	<u>8,215</u>

11. Taxation

Major components of tax expense

	2024 £	2023 £
Current tax:		
UK current tax expense	<u>3,654</u>	<u>—</u>
Taxation	<u><u>3,654</u></u>	<u><u>—</u></u>

The charity's non primary income has exceeded the £80,000 threshold and therefore the excess has become chargeable to corporation tax.

Reconciliation of tax expense

The tax assessed on the income for the year is lower than (2023: lower than) the standard rate of corporation tax in the UK of 19% (2023: 19%).

	2024 £	2023 £
Income before taxation	<u>169,694</u>	<u>90,702</u>
Income by rate of tax	<u>29,853</u>	<u>17,233</u>
Adjustment to tax charge in respect of prior periods	<u>1,654</u>	<u>—</u>
Effect of income exempt from tax	<u>(27,853)</u>	<u>(17,233)</u>
Tax on income	<u><u>3,654</u></u>	<u><u>—</u></u>

12. Net income

Net income is stated after charging/(crediting):

	2024 £	2023 £
Depreciation of tangible fixed assets	<u>47,183</u>	<u>47,501</u>

Lancaster Training Services Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2024

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2024	2023
	£	£
Wages and salaries	752,339	748,941
Social security costs	66,905	63,502
Employer contributions to pension plans	58,668	55,427
	<u>877,912</u>	<u>867,870</u>

The average head count of employees during the year was 26 (2023: 26). The average number of full-time equivalent employees during the year is analysed as follows:

	2024	2023
	No.	No.
Management and administration	4	4
Operations staff	16	16
	<u>20</u>	<u>20</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	2024	2023
	No.	No.
£70,000 to £79,999	<u>1</u>	<u>1</u>

14. Trustee remuneration and expenses

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

Travel expenses reimbursed to trustees amounted to £3,675 (2023 - £1,788).

During the year the charity paid £77,011 (2023 - £60,956) in remuneration to key management personnel.

Lancaster Training Services Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2024

15. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Equipment £	Total £
Cost					
At 1 August 2023	1,282,127	330,766	327,917	115,978	2,056,788
Additions	–	1,741	–	4,057	5,798
Disposals	–	(52,622)	–	(14,990)	(67,612)
At 31 July 2024	<u>1,282,127</u>	<u>279,885</u>	<u>327,917</u>	<u>105,045</u>	<u>1,994,974</u>
Depreciation					
At 1 August 2023	162,766	297,509	294,268	108,272	862,815
Charge for the year	10,222	19,302	14,087	3,572	47,183
Disposals	–	(52,622)	–	(14,990)	(67,612)
At 31 July 2024	<u>172,988</u>	<u>264,189</u>	<u>308,355</u>	<u>96,854</u>	<u>842,386</u>
Carrying amount					
At 31 July 2024	<u>1,109,139</u>	<u>15,696</u>	<u>19,562</u>	<u>8,191</u>	<u>1,152,588</u>
At 31 July 2023	<u>1,119,361</u>	<u>33,257</u>	<u>33,649</u>	<u>7,706</u>	<u>1,193,973</u>

16. Stocks

	2024 £	2023 £
Raw materials and consumables	<u>6,100</u>	<u>4,600</u>

17. Debtors

	2024 £	2023 £
Trade debtors	96,724	72,250
Prepayments and accrued income	<u>73,302</u>	<u>64,781</u>
	<u>170,026</u>	<u>137,031</u>

18. Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	33,240	19,049
Accruals and deferred income	116,487	103,100
Social security and other taxes	<u>40,727</u>	<u>53,395</u>
	<u>190,454</u>	<u>175,544</u>

Lancaster Training Services Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2024

19. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £58,668 (2023: £55,427).

20. Analysis of charitable funds

Unrestricted funds

	At 1 August 2023	Income £	Expenditure £	At 31 July 2024 £
General funds	<u>1,936,229</u>	<u>1,461,120</u>	<u>(1,295,080)</u>	<u>2,102,269</u>

	At 1 August 2022	Income £	Expenditure £	At 31 July 2023 £
General funds	<u>1,845,527</u>	<u>1,383,951</u>	<u>(1,293,249)</u>	<u>1,936,229</u>

Endowment funds

	At 1 August 2023	Income £	Expenditure £	At 31 July 2024 £
Endowment fund	<u>42,419</u>	<u>—</u>	<u>—</u>	<u>42,419</u>

	At 1 August 2022	Income £	Expenditure £	At 31 July 2023 £
Endowment fund	<u>42,419</u>	<u>—</u>	<u>—</u>	<u>42,419</u>

Lancaster Training Services Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2024

21. Analysis of net assets between funds

	Unrestricted Funds £	Endowment Funds £	Total Funds 2024 £
Tangible fixed assets	1,110,169	42,419	1,152,588
Current assets	1,182,554	–	1,182,554
Creditors less than 1 year	(190,454)	–	(190,454)
Net assets	2,102,269	42,419	2,144,688

	Unrestricted Funds £	Endowment Funds £	Total Funds 2023 £
Tangible fixed assets	1,151,554	42,419	1,193,973
Current assets	960,219	–	960,219
Creditors less than 1 year	(175,544)	–	(175,544)
Net assets	1,936,229	42,419	1,978,648

22. Analysis of changes in net debt

	At 1 Aug 2023 £	Cash flows £	At 31 Jul 2024 £
Cash at bank and in hand	818,588	187,840	1,006,428

23. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2024 £	2023 £
Not later than 1 year	286	286

Lancaster Training Services Limited

Company Limited by Guarantee

Management Information

Year ended 31 July 2024

The following pages do not form part of the financial statements.

Lancaster Training Services Limited

Company Limited by Guarantee

Detailed Statement of Financial Activities

Year ended 31 July 2024

	2024 £	2023 £
Income and endowments		
Charitable activities		
Training allowances	655,682	417,041
Course fees	790,066	948,362
	<u>1,445,748</u>	<u>1,365,403</u>
Other trading activities		
Membership fees	250	250
Miscellaneous income	9,583	16,349
	<u>9,833</u>	<u>16,599</u>
Investment income		
Bank interest receivable	5,539	1,949
	<u>5,539</u>	<u>1,949</u>
Total income	<u>1,461,120</u>	<u>1,383,951</u>

Lancaster Training Services Limited

Company Limited by Guarantee

Detailed Statement of Financial Activities *(continued)*

Year ended 31 July 2024

	2024	2023
	£	£
Expenditure		
Expenditure on charitable activities		
Wages and salaries	752,339	748,941
Employer's NIC	66,905	63,502
Pension costs	58,668	55,427
Rates and water	10,425	9,404
Light and heat	(3,135)	(152)
Repairs and maintenance	13,273	13,639
Insurance	15,839	15,198
Other establishment	11,525	9,350
Motor vehicle expenses	88,872	123,639
Vehicle leasing/hire	4,158	4,078
Other motor/travel costs	6,685	5,382
Legal and professional fees	17,327	8,796
Telephone	4,177	3,235
Other office costs	26,093	21,313
Depreciation	47,183	47,501
Other interest payable and similar charges	–	(8)
Bad debts	553	76
Teaching course expenditure	125,146	125,192
ADR course fees	10,110	11,029
Sundry	35,283	27,707
	<u>1,291,426</u>	<u>1,293,249</u>
Taxation		
Current taxation charge/credit	<u>3,654</u>	<u>–</u>
Total expenditure	<u>1,295,080</u>	<u>1,293,249</u>
Net income	<u>166,040</u>	<u>90,702</u>

Lancaster Training Services Limited

Company Limited by Guarantee

Notes to the Detailed Statement of Financial Activities

Year ended 31 July 2024

	2024	2023
	£	£
Expenditure on charitable activities		
Training costs		
<i>Activities undertaken directly</i>		
Direct charitable activity 1 - wages/salaries	752,339	748,941
Direct charitable activity 1 - employer's NIC	66,905	63,502
Direct charitable activity 1 - pension costs	58,668	55,427
Direct charitable activity 1 - rates & water	10,425	9,404
Direct charitable activity 1 - light & heat	(3,135)	(152)
Direct charitable activity 1 - repairs & maintenance	13,273	13,639
Direct charitable activity 1 - insurance	15,839	15,198
Direct charitable activity 1 - cleaning	11,525	9,350
Direct charitable activity 1 - motor vehicle expenses	88,872	123,639
Direct charitable activity 1 - bank charges	4,158	4,078
Direct charitable activity 1 - computer costs	6,685	5,382
Direct charitable activity 1 - legal and professional fees	4,326	581
Direct charitable activity 1 - telephone	4,177	3,235
Direct charitable activity 1 - other office costs	26,093	21,313
Direct charitable activity 1 - depreciation	47,183	47,501
Direct charitable activity 1 - other interest payable and similar charges	-	(8)
Direct charitable activity 1 - bad debts	553	76
Direct charitable activity 1 - teaching course expenses	125,146	125,192
Direct charitable activity 1 - ADR course fees	10,110	11,029
Direct charitable activity 1 - sundry	35,283	27,707
	<u>1,278,425</u>	<u>1,285,034</u>
<i>Support costs</i>		
Support charitable activity 1 - legal and professional fees	13,001	8,215
	<u>1,291,426</u>	<u>1,293,249</u>
Expenditure on charitable activities		
