

REGISTERED COMPANY NUMBER: 02262730 (England and Wales)
REGISTERED CHARITY NUMBER: 700763

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025
FOR
DERWENT TRAINING ASSOCIATION

DERWENT TRAINING ASSOCIATION
CONTENTS OF THE FINANCIAL STATEMENTS
For The Year Ended 31 July 2025

| | Page |
|---|-------------|
| Report of the Trustees | 1 to 7 |
| Report of the Independent Auditors | 8 to 10 |
| Statement of Financial Activities | 11 |
| Balance Sheet | 12 |
| Cash Flow Statement | 13 |
| Notes to the Cash Flow Statement | 14 |
| Notes to the Financial Statements | 15 to 24 |

DERWENT TRAINING ASSOCIATION

REPORT OF THE TRUSTEES For The Year Ended 31 July 2025

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 July 2025. The trustees have adopted the provisions of 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 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The purpose of the charity is to provide education and skills training for employers and their employees. Standalone training is also available for individuals who wish to update their skills.

The objectives of the charity are to:

- The charity successfully remains on the Apprenticeship Provider and Assessment Register (APAR) and has achieved its objective of contracting directly with both levy and non-levy paying employers to deliver training.
- Achieve above national achievement rates.
- Remain 'good' in Ofsted inspection.
- Maintain the Matrix Quality Standard.
- Continue to improve the quality of service and provision by teamwork and partnership working.
- Increase the number of people accessing training via apprenticeships.
- Promote equality of opportunity and diversity to work with under-represented groups and encourage more females into Apprenticeships.
- Derwent Training continues to provide training for individuals from underrepresented groups; however, this is contingent upon the hiring practices of our client base.
- Maintain a presence at careers events and networking events with both employers and potential apprenticeship candidates. Derwent Training attends such events to promote its training offer.
- Offer a managed flexible approach to the training facilities to support employers and maintain our position in the training market.
- Further develop and expand the range of full cost courses and work with companies to develop new ideas.

Public benefit

The charity Trustees have had regard to the charity commissions' guidance on public benefit and feel that this can be demonstrated by the objectives listed above and the significant achievements explained in detail later in the report.

DERWENT TRAINING ASSOCIATION

REPORT OF THE TRUSTEES For The Year Ended 31 July 2025

ACHIEVEMENTS AND PERFORMANCE

Charitable activities

Derwent Training Association (Derwent Training) has successfully delivered on its charitable objectives during the year, whilst returning a profit which will enable future investment in its facilities.

Derwent Training Association was graded 'good' in its last Ofsted inspection (March 2022). It maintained the Matrix quality standard as well as maintaining direct claim status from the awarding organisations, EAL & Pearson, and obtained Cyber Essentials accreditation.

The achievement rate is currently 74% with in-year retention rate of 95%. Both are above the national average. This is achieved through a cycle of quality assurance and improvement both internally and by external agencies.

Apprenticeships are offered from levels 2 to 5. The curriculum offered expanded during the year. Eighty employers placed apprentices with Derwent Training. Employers are encouraged to recruit and/or place current employees onto apprenticeships for all backgrounds, however ultimately the decision lies with the employer.

Derwent Training successfully participated in a continuous improvement review for the Matrix Standard during this financial year. Derwent Training provides information, advice and guidance to employers and their employees on the best route forward in terms of training. We maintain a balance of transparency and integrity by being forthright with employers regarding our delivery capabilities within a defined timeframe, and where appropriate, we provide guidance to alternative providers for services outside our scope. Derwent Training has a presence at regional careers and networking events to promote the value and benefit of using apprenticeships to train a pipeline of talent in the area.

Derwent Training continues to review the staffing levels and skills needed to deliver the prescribed programmes. New staff have joined the company whilst others have retired or moved to other careers opportunities.

FINANCIAL REVIEW

Principal funding sources

Income was generated through a direct contract with the Department of Education (DfE). A loss of the DfE contract would be a risk to the business, however this is adjudged to be low risk given the performance of the Charity.

REPORT OF THE TRUSTEES
For The Year Ended 31 July 2025

FINANCIAL REVIEW

Reserves policy

Trustees have examined the charity's requirements for reserves in light of the main risk to the organisation. The Charity holds reserves to ensure

- Long term stability and financial security including meeting working capital requirements and long-term commitments.
- There is provision for non-recurring projects and investment to improve the public benefit offered by the Charity.
- Support the Charity to continue activities in periods of less favourable funding due to external or other economic factors, such as a downturn in the sectors where the clients are based.

Reserves can cover possible emergency repairs to the centre and other expenditure including salaries. The Charity's financial working capital consists of core business funded activity and other funds through projects which vary year on year.

Trustees report the level of free reserves, (that is those funds that are freely available), bridge any gaps between spending on training and money received through full cost courses and grants that provide funding. Short term reserves would be needed to meet the working capital requirements of the charity; approximately £175,000 would cover three months salaries and general running costs. The Trustees have taken steps to maintain monies and reserves exist that safeguard the organisation. The policy is being met.

At 31 July 2025, the charity held reserves of £969,423 (2024: £935,098), all of which was unrestricted. The level of free reserves, that is unrestricted funds less those held in tangible fixed assets, was £193,690 (2024: £195,395).

Going concern

Derwent Training is a well-run Charity with a with a strong executive leadership team. The executive team is supported by an appropriately skilled and engaged non-executive Board who provide regular oversight. The organisation has significant cash reserves.

The primary risks to the charity are shifts in government policy regarding funding and broader economic changes, both domestic and international, that could lead to a reduction in apprenticeship opportunities.

Based on this robust governance and forecasting model, the Board is highly confident that the company will remain a going concern for at least a minimum of 12 months from the date of this assessment.

This confidence is substantially reinforced by our core business model:

- The majority of our apprentices are enrolled on programmes lasting 3.5 years.
- Funding is drawn down monthly based on this enrolment profile, allowing us to accurately predict at least two-thirds of our income for the 12 to 24-month period ahead.

This long-term, profiled income visibility provides management with the necessary lead time to implement proactive and timely expenditure adjustments to ensure the company remains a going concern well beyond the statutory 12-month requirement.

**REPORT OF THE TRUSTEES
For The Year Ended 31 July 2025**

FUTURE PLANS

The regional environment:

The North Yorkshire County Council Plan 2024-28 identifies key challenges in developing an appropriately qualified workforce and establishing clear post-education pathways through apprenticeships, training, work placements, and further education. This aligns with the Government's Industrial Strategy and supporting Sector Plans.

Additionally, there is a clear link between investment in higher level skills and a business' competitive advantage. Businesses need to train their staff to keep pace with technology and ensure increased productivity. Derwent Training offers Apprenticeships leadership and management, customer services and engineering as well as full cost courses and online training that is a simple yet effective approach to employee development to ensure teams are upskilled. In this way Derwent Training supports developments at a regional and national level to ensure the workforce meets the social and economic need of the country.

The York, North Yorkshire, East Riding and Hull Area Review (2019) identified that the lack of large employers within the region remains a challenge and there is limited take up of Apprenticeships by businesses. New Apprenticeship starts nationally decreased pre-pandemic though there is a slight uptick in overall starts in 2023-24. Some providers struggle to provide a viable offer therefore it is essential Derwent Training ensures that Apprenticeship delivery structures are financially sustainable and allow progression to and from traditional full-time technical and vocational curriculum and higher education.

The lack of higher level Apprenticeships standards in the Government priority areas contained in the Modern Industrial Strategy, such as in engineering, remains a significant challenge to developing the local economy. Derwent Training is resolved to supporting the development of higher level skills either alone or in partnership with other institutions. It will also work to embed Low Carbon skills and knowledge with its delivery where applicable. There remains a lack of investment in leadership training in York & North Yorkshire and Derwent Training has to address the identified need.

Strategic plan:

The Trustees believe Derwent Training is positioned to address the challenges identified regionally and nationally to create opportunities through working in partnership with other providers and employers.

Derwent Training continues to work towards securing continued funding for Apprenticeship delivery through new partnership arrangements wherever possible.

The charity recognises both the challenges and opportunities that arise from the change in government and seeks to harness the prospects and mitigate the risks associated with both.

The charity has identified the leadership and management curriculum as an area for development and has recruited a delivery team and is marketing the curriculum to all sectors of industry in the region, with ambitious plans to expand delivery.

Consequently, the charity has set a realistic budget, with tight management maintained around expenditure, that is focused on supporting learner achievement within truthful income figures. Derwent Training provides year-round enrolment opportunities to align with employers' growth strategies.

REPORT OF THE TRUSTEES
For The Year Ended 31 July 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Derwent Training Association is a company limited by guarantee and not having share capital. It is governed by its Memorandum and Articles of Association dated 27 May 1988 (amended February 2015). It is registered as a charity with the Charity Commission. The number of members which the company proposes to be registered is unlimited.

Derwent Training cooperates with the Department of Education (DfE) in its pursuit of the charitable objectives. It fulfils all requirements of the DfE in order to continue to deliver Apprenticeships.

Recruitment and appointment of new trustees

As set out in the Articles of Association, the chair of the Trustees is nominated by the members of the charitable company. At the Annual General Meeting, one third or nearest number to one third shall retire from office. Directors who have been longest in office since their last election shall retire. Retiring trustees can choose to stand again as a trustee at the AGM and are elected by the Board at that meeting. New potential trustees are approached by the Chair when there is an opportunity to replace a retiring trustee or when a skills gap is identified on the Board. The Chair conducts interviews with applicants, and the Board votes to elect a new member.

Organisational structure

The Board of Trustees, which usually has from 6 up to no more than 10 members, oversees the strategic business planning. A Chief Executive Officer is appointed by the Trustees to manage the day to day operations of the charity. To facilitate effective operations, the Chief Executive Officer has delegated authority, within terms of delegation approved by the Trustees, for strategic and operational matters including finance, employment, and other related activities.

Induction and training of new trustees

New Trustees are invited to a Board meeting and given a copy of the Memorandum and Articles of Association, Self-Assessment Report and DfE contract performance figures and a copy of the latest budget figures. All Trustees must complete statutory training on Safeguarding and Prevent Duty.

Key management remuneration

The Trustees consider that the Board along with the Senior Leadership Team comprise the key management personnel of the charity and are in charge of directing, controlling, and operating the Trust on a day to day basis. All the Trustees give their time freely and none are remunerated. Details of expenses reimbursed during the year are shown in the notes to the accounts.

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, the Trustees benchmark against pay levels in other similar organisations in the North of England to ensure that the remuneration is fair and not out of line with that generally paid for similar roles.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02262730 (England and Wales)

Registered Charity number

700763

Registered office

Hertford Way
York Road Industrial Park
Malton
North Yorkshire
YO17 6YG

REPORT OF THE TRUSTEES
For The Year Ended 31 July 2025

Trustees

Mr R A Shaw Chair
Mr D MacFarlane Company Director
Ms A Watson Director
Ms S Edwards Director
Ms L A Thompson Hr Director

Auditors

Fortus Audit LLP
Equinox House
Clifton Park, Shipton Road
York
Yorkshire
YO30 5PA

Bankers

Santander UK
Bridle Road
Bootle
Merseyside
L30 4GB

Chief Executive Officer

C E Gavaghan

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Derwent Training Association for the purposes of company law) are responsible for preparing the Report of the Trustees 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. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those 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;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 auditors are 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 auditors are aware of that information.

DERWENT TRAINING ASSOCIATION

REPORT OF THE TRUSTEES
For The Year Ended 31 July 2025

AUDITORS

The auditors, Fortus Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on06/02/2026..... and signed on its behalf by:



.....
Mr R A Shaw - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DERWENT TRAINING ASSOCIATION**

Opinion

We have audited the financial statements of Derwent Training Association (the 'charitable company') for the year ended 31 July 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DERWENT TRAINING ASSOCIATION**

Matters on which we are required to report by exception

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

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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (UK GAAP and the Companies Act 2016) and the relevant tax compliance regulations in the UK.

We understood how the charitable company is complying with those frameworks by making enquires through review of board minutes and discussions with those charged with governance.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur, by discussion with management from various parts of the business to understand where they considered there was a susceptibility to fraud. We considered the procedures and controls that the company has established to prevent and detect fraud, and how these are monitored by management, and also any enhanced risk factors such as performance targets.

Based on our understandings, we designed our audit procedures to identify any non-compliance with laws and regulations identified in the paragraphs above.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DERWENT TRAINING ASSOCIATION**

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 auditors' 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.

J Godden

Jacqueline Godden FCCA (Senior Statutory Auditor)
for and on behalf of Fortus Audit LLP
Equinox House
Clifton Park, Shipton Road
York
Yorkshire
YO30 5PA

Date: 06/02/2026

DERWENT TRAINING ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
For The Year Ended 31 July 2025

| | Notes | Unrestricted fund £ | Restricted funds £ | 2025 Total funds £ | 2024 Total funds £ |
|------------------------------------|-------|---------------------------|--------------------------|-----------------------------|-----------------------------|
| INCOME AND ENDOWMENTS FROM | | | | | |
| Charitable activities | | | | | |
| Education and training | 3 | 1,053,022 | - | 1,053,022 | 921,301 |
| Investment income | 2 | 16,726 | - | 16,726 | 20,043 |
| Other income | | 565 | - | 565 | - |
| Total | | <u>1,070,313</u> | <u>-</u> | <u>1,070,313</u> | <u>941,344</u> |
| EXPENDITURE ON | | | | | |
| Charitable activities | | | | | |
| Education and training | 4 | 1,035,988 | - | 1,035,988 | 900,653 |
| NET INCOME | | 34,325 | - | 34,325 | 40,691 |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | 935,098 | - | 935,098 | 894,407 |
| TOTAL FUNDS CARRIED FORWARD | | <u><u>969,423</u></u> | <u><u>-</u></u> | <u><u>969,423</u></u> | <u><u>935,098</u></u> |

The notes form part of these financial statements

DERWENT TRAINING ASSOCIATION

**BALANCE SHEET
31 July 2025**

| | Notes | 2025 £ | 2024 £ |
|--|-------|----------------|----------------|
| FIXED ASSETS | | | |
| Tangible assets | 11 | 775,732 | 739,703 |
| CURRENT ASSETS | | | |
| Debtors | 12 | 131,272 | 109,781 |
| Cash at bank and in hand | | 337,495 | 411,675 |
| | | <u>468,767</u> | <u>521,456</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 13 | (77,774) | (89,430) |
| | | <u>390,993</u> | <u>432,026</u> |
| NET CURRENT ASSETS | | | |
| | | 1,166,725 | 1,171,729 |
| CREDITORS | | | |
| Amounts falling due after more than one year | 14 | (197,302) | (236,631) |
| | | <u>969,423</u> | <u>935,098</u> |
| NET ASSETS | | | |
| FUNDS | 19 | | |
| Unrestricted funds | | 969,423 | 935,098 |
| TOTAL FUNDS | | <u>969,423</u> | <u>935,098</u> |

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

The financial statements were approved by the Board of Trustees and authorised for issue on 06/02/2026 and were signed on its behalf by:



Mr R A Shaw - Trustee

The notes form part of these financial statements

DERWENT TRAINING ASSOCIATION

**CASH FLOW STATEMENT
For The Year Ended 31 July 2025**

| | Notes | 2025 £ | 2024 £ |
|---|-------|-----------------------|-----------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | 29,110 | 83,069 |
| Interest paid | | (19,477) | (27,661) |
| | | <u>9,633</u> | <u>55,408</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (76,797) | (41,936) |
| Interest received | | 16,726 | 20,043 |
| | | <u>(60,071)</u> | <u>(21,893)</u> |
| Cash flows from financing activities | | | |
| Loan repayments in year | | (23,742) | (13,072) |
| | | <u>(23,742)</u> | <u>(13,072)</u> |
| Change in cash and cash equivalents in the reporting period | | | |
| | | (74,180) | 20,443 |
| Cash and cash equivalents at the beginning of the reporting period | | | |
| | | <u>411,675</u> | <u>391,232</u> |
| Cash and cash equivalents at the end of the reporting period | | | |
| | | <u><u>337,495</u></u> | <u><u>411,675</u></u> |

The notes form part of these financial statements

DERWENT TRAINING ASSOCIATION

NOTES TO THE CASH FLOW STATEMENT
For The Year Ended 31 July 2025

| 1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES | | | |
|---|------------------|-----------------|------------------|
| | 2025 | 2024 | |
| | £ | £ | |
| Net income for the reporting period (as per the Statement of Financial Activities) | 34,325 | 40,691 | |
| Adjustments for: | | | |
| Depreciation charges | 40,768 | 31,740 | |
| Interest received | (16,726) | (20,043) | |
| Interest paid | 19,477 | 27,661 | |
| Increase in debtors | (21,491) | (10,085) | |
| (Decrease)/increase in creditors | (27,243) | 13,105 | |
| Net cash provided by operations | <u>29,110</u> | <u>83,069</u> | |
| | | | |
| 2. ANALYSIS OF CHANGES IN NET FUNDS | | | |
| | At 1.8.24 | Cash flow | At 31.7.25 |
| | £ | £ | £ |
| Net cash | | | |
| Cash at bank and in hand | 411,675 | (74,180) | 337,495 |
| | <u>411,675</u> | <u>(74,180)</u> | <u>337,495</u> |
| Debt | | | |
| Debts falling due within 1 year | (13,591) | (1,996) | (15,587) |
| Debts falling due after 1 year | (236,631) | 39,329 | (197,302) |
| | <u>(250,222)</u> | <u>37,333</u> | <u>(212,889)</u> |
| Total | <u>161,453</u> | <u>(36,847)</u> | <u>124,606</u> |

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 July 2025

1. ACCOUNTING POLICIES**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that the actual outcomes could differ from those estimates. There are no judgements made that have a significant effect on the amounts recognised in the financial statements

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities.

These costs have been allocated to expenditure on charitable activities.

Tangible fixed assets

Tangible Fixed Assets are stated at cost or valuation less accumulated depreciation.

Depreciation is provided at the following annual rates in order to write off the cost or valuation of each asset over its estimated useful life

| | |
|-----------------------|---------------------------|
| Freehold property | - 2% on cost |
| Plant and machinery | - 15% on reducing balance |
| Fixtures and fittings | - 15% on reducing balance |
| Computer equipment | - 33% on cost |

Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 July 2025

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising are recognised in the statement of financial activities.

Interest-bearing loans

Interest-bearing loans are measured initially at fair value less attributable transaction costs. Subsequently to initial recognition, loans are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the statement of financial activities, together with any interest and fees payable, using the effective interest method.

Cash at bank and in hand

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

Staff costs

Short-term employee benefits are recognised as an expense in the period in which they are incurred.

2. INVESTMENT INCOME

| | 2025 | 2024 |
|--------------------------|---------------|---------------|
| | £ | £ |
| Deposit account interest | 16,726 | 20,043 |
| | <u>16,726</u> | <u>20,043</u> |

DERWENT TRAINING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 July 2025

3. INCOME FROM CHARITABLE ACTIVITIES

| | | 2025 | 2024 |
|------------------------|------------------------|------------------|----------------|
| | Activity | £ | £ |
| Training fees | Education and training | 1,045,359 | 912,964 |
| Employer contributions | Education and training | 7,247 | 8,172 |
| Miscellaneous income | Education and training | 416 | 165 |
| | | <u>1,053,022</u> | <u>921,301</u> |

4. CHARITABLE ACTIVITIES COSTS

| | Direct Costs (see note 5) | Support costs (see note 6) | Totals |
|------------------------|---------------------------------|----------------------------------|------------------|
| | £ | £ | £ |
| Education and training | <u>931,870</u> | <u>104,118</u> | <u>1,035,988</u> |

5. DIRECT COSTS OF CHARITABLE ACTIVITIES

| | 2025 | 2024 |
|--|----------------|----------------|
| | £ | £ |
| Staff costs | 571,599 | 471,710 |
| Water rates | 806 | 491 |
| Insurance | 12,869 | 11,568 |
| Light and heat | 23,828 | 23,026 |
| Telephone | 6,066 | 6,150 |
| Stationery, printing and postage | 12,425 | 10,416 |
| Sundries | 5,088 | 4,621 |
| Workshop tools, consumables and training materials | 21,160 | 44,052 |
| Registration fees | 54,565 | 59,498 |
| Equipment leasing | 12,386 | 5,446 |
| Motor vehicle leasing | 4,017 | 3,986 |
| Repairs and renewals | 20,608 | 17,867 |
| Computer expenses | 37,726 | 42,514 |
| Professional fees | 28,480 | 3,031 |
| Staff training | 36,523 | 31,992 |
| Staff recruitment | 61,937 | 42,957 |
| Licences and subscriptions | 7,353 | 7,731 |
| Clothing costs | 555 | 624 |
| Cleaning expenses | 13,879 | 10,561 |
| | <u>931,870</u> | <u>798,241</u> |

DERWENT TRAINING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 July 2025

6. SUPPORT COSTS

| | Management £ | Other £ | Governance costs £ | Totals £ |
|------------------------|-----------------|---------------|--------------------------|----------------|
| Education and training | <u>54,720</u> | <u>40,767</u> | <u>8,631</u> | <u>104,118</u> |

Support costs, included in the above, are as follows:

| | 2025 Education and training £ | 2024 Total activities £ |
|---|---|----------------------------------|
| Travelling expenses | 9,200 | 7,445 |
| Advertising | 26,043 | 18,217 |
| Professional fees | - | 8,759 |
| Interest payable and similar charges | 19,477 | 27,744 |
| Depreciation of tangible fixed assets | 40,767 | 31,739 |
| Auditors' remuneration | 7,380 | 6,960 |
| Auditors' remuneration for non audit work | <u>1,251</u> | <u>1,548</u> |
| | <u>104,118</u> | <u>102,412</u> |

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

| | 2025 £ | 2024 £ |
|---|--------------|-----------|
| Auditors' remuneration | 7,380 | 6,960 |
| Auditors' remuneration for non audit work | 1,251 | 1,548 |
| Depreciation - owned assets | 40,768 | 31,737 |
| Surplus on disposal of fixed assets | <u>(565)</u> | <u>-</u> |

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 July 2025 nor for the year ended 31 July 2024.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 July 2025 nor for the year ended 31 July 2024.

DERWENT TRAINING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 July 2025

9. STAFF COSTS

| | 2025 | 2024 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Wages and salaries | 455,358 | 395,699 |
| Social security costs | 51,845 | 35,245 |
| Sub contractors | 53,663 | 18,927 |
| Other pension costs | 10,733 | 10,303 |
| | <u>571,599</u> | <u>460,174</u> |

Termination benefits of £5,218.73 were paid during the year (2024: £NIL). All termination payments were limited to those required under contractual obligations.

The average monthly number of employees during the year was as follows:

| | 2025 | 2024 |
|-----------------------|-----------|-----------|
| Charitable activities | <u>13</u> | <u>11</u> |

The number of employees whose employee benefits (including employer national insurance contributions, but excluding employer pension costs) exceeded £60,000 was:

| | 2024 | 2023 |
|-------------------|----------|----------|
| £60,001 - £70,000 | <u>1</u> | <u>1</u> |

The cost of key management personnel for the year was £169,099 (2024 - £153,689).

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted fund | Restricted funds | Total funds |
|------------------------------------|-------------------|------------------|----------------|
| | £ | £ | £ |
| INCOME AND ENDOWMENTS FROM | | | |
| Charitable activities | | | |
| Education and training | 921,301 | - | 921,301 |
| Investment income | <u>20,043</u> | <u>-</u> | <u>20,043</u> |
| Total | <u>941,344</u> | <u>-</u> | <u>941,344</u> |
| EXPENDITURE ON | | | |
| Charitable activities | | | |
| Education and training | <u>900,653</u> | <u>-</u> | <u>900,653</u> |
| NET INCOME | 40,691 | - | 40,691 |
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward | <u>894,407</u> | <u>-</u> | <u>894,407</u> |
| TOTAL FUNDS CARRIED FORWARD | <u>935,098</u> | <u>-</u> | <u>935,098</u> |

DERWENT TRAINING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 July 2025

11. TANGIBLE FIXED ASSETS

| | Freehold property £ | Plant and machinery £ | Fixtures and fittings £ | Computer equipment £ | Totals £ |
|-----------------------|---------------------------|-----------------------------|----------------------------------|----------------------------|------------------|
| COST | | | | | |
| At 1 August 2024 | 745,000 | 491,240 | 144,242 | 205,745 | 1,586,227 |
| Additions | 18,864 | 20,059 | 17,610 | 20,264 | 76,797 |
| At 31 July 2025 | <u>763,864</u> | <u>511,299</u> | <u>161,852</u> | <u>226,009</u> | <u>1,663,024</u> |
| DEPRECIATION | | | | | |
| At 1 August 2024 | 119,200 | 411,337 | 119,297 | 196,690 | 846,524 |
| Charge for year | 15,089 | 12,718 | 4,598 | 8,363 | 40,768 |
| At 31 July 2025 | <u>134,289</u> | <u>424,055</u> | <u>123,895</u> | <u>205,053</u> | <u>887,292</u> |
| NET BOOK VALUE | | | | | |
| At 31 July 2025 | <u>629,575</u> | <u>87,244</u> | <u>37,957</u> | <u>20,956</u> | <u>775,732</u> |
| At 31 July 2024 | <u>625,800</u> | <u>79,903</u> | <u>24,945</u> | <u>9,055</u> | <u>739,703</u> |

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2025 £ | 2024 £ |
|---------------|----------------|----------------|
| Trade debtors | 69,969 | 59,089 |
| Prepayments | 61,303 | 50,692 |
| | <u>131,272</u> | <u>109,781</u> |

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2025 £ | 2024 £ |
|---------------------------------|---------------|---------------|
| Bank loans (see note 15) | 15,587 | 13,591 |
| Trade creditors | 38,208 | 44,484 |
| Social security and other taxes | 13,211 | 9,428 |
| Other creditors | 206 | 2,590 |
| Accruals and deferred income | 10,562 | 19,337 |
| | <u>77,774</u> | <u>89,430</u> |

DERWENT TRAINING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 July 2025

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2025 | 2024 |
|--------------------------|----------------|----------------|
| | £ | £ |
| Bank loans (see note 15) | 197,302 | 236,631 |
| | <u>197,302</u> | <u>236,631</u> |

15. LOANS

An analysis of the maturity of loans is given below:

| | 2025 | 2024 |
|---|---------------|---------------|
| | £ | £ |
| Amounts falling due within one year on demand: | | |
| Bank loan | 15,587 | 13,591 |
| | <u>15,587</u> | <u>13,591</u> |
| Amounts falling between one and two years: | | |
| Bank loan | 7,748 | 14,301 |
| | <u>7,748</u> | <u>14,301</u> |
| Amounts falling due between two and five years: | | |
| Bank loan | 18,407 | 15,844 |
| | <u>18,407</u> | <u>15,844</u> |
| Amounts falling due in more than five years: | | |
| Repayable by instalments: | | |
| Bank loan | 171,147 | 206,486 |

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

| | 2025 | 2024 |
|----------------------------|---------------|----------------|
| | £ | £ |
| Within one year | 24,195 | 20,269 |
| Between one and five years | 46,656 | 45,046 |
| In more than five years | - | 65,315 |
| | <u>70,851</u> | <u>130,630</u> |

17. SECURED DEBTS

The following secured debts are included within creditors:

| | 2025 | 2024 |
|------------|----------------|----------------|
| | £ | £ |
| Bank loans | 212,889 | 250,222 |
| | <u>212,889</u> | <u>250,222</u> |

The bank facilities are secured by a legal charge on the company's land and buildings.

The bank facilities are secured by a legal charge on the company's land and buildings. A bank loan amounting to £199,818 is repayable by instalments ending August 2044 and attracts interest of 3.5% over the Bank of England base rate.

DERWENT TRAINING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 July 2025

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted fund £ | Restricted funds £ | 2025 Total funds £ | 2024 Total funds £ |
|-----------------------|---------------------------|--------------------------|-----------------------------|-----------------------------|
| Fixed assets | 775,732 | - | 775,732 | 739,703 |
| Current assets | 468,767 | - | 468,767 | 521,456 |
| Current liabilities | (77,774) | - | (77,774) | (89,430) |
| Long term liabilities | (197,302) | - | (197,302) | (236,631) |
| | <u>969,423</u> | <u>-</u> | <u>969,423</u> | <u>935,098</u> |

19. MOVEMENT IN FUNDS

| | At 1.8.24 £ | Net movement in funds £ | At 31.7.25 £ |
|---------------------------|----------------|----------------------------------|--------------------|
| Unrestricted funds | | | |
| General fund | 935,098 | 34,325 | 969,423 |
| TOTAL FUNDS | <u>935,098</u> | <u>34,325</u> | <u>969,423</u> |

Net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 1,070,313 | (1,035,988) | 34,325 |
| TOTAL FUNDS | <u>1,070,313</u> | <u>(1,035,988)</u> | <u>34,325</u> |

Comparatives for movement in funds

| | At 1.8.23 £ | Net movement in funds £ | At 31.7.24 £ |
|---------------------------|----------------|----------------------------------|--------------------|
| Unrestricted funds | | | |
| General fund | 894,407 | 40,691 | 935,098 |
| TOTAL FUNDS | <u>894,407</u> | <u>40,691</u> | <u>935,098</u> |

DERWENT TRAINING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 July 2025

19. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 941,344 | (900,653) | 40,691 |
| TOTAL FUNDS | <u>941,344</u> | <u>(900,653)</u> | <u>40,691</u> |

A current year 12 months and prior year 12 months combined position is as follows:

| | At 1.8.23 £ | Net movement in funds £ | At 31.7.25 £ |
|---------------------------|----------------|----------------------------------|--------------------|
| Unrestricted funds | | | |
| General fund | 894,407 | 75,016 | 969,423 |
| TOTAL FUNDS | <u>894,407</u> | <u>75,016</u> | <u>969,423</u> |

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 2,011,657 | (1,936,641) | 75,016 |
| TOTAL FUNDS | <u>2,011,657</u> | <u>(1,936,641)</u> | <u>75,016</u> |

20. EMPLOYEE BENEFIT OBLIGATIONS

The company operates a defined contribution scheme for the benefit of certain employees, the assets of the scheme are held separately from those of the company, being invested with insurance companies.

The charge for the year represents all contributions made by the company of £10,733 (2024 £10,303).

DERWENT TRAINING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 July 2025

21. RELATED PARTY DISCLOSURES

There were related party transactions for the year ended 31 July 2025. Derwent Training Association had transactions during the year with related parties in which members of the Board of Trustees hold official positions as noted below:

| Trustee | Position | Organisation | Sales/ Purchases in the year |
|------------------|-----------|------------------------------------|------------------------------|
| Richard Shaw | Directors | Ellis Patent Holdings Ltd | Sales: £277 |
| Danny Macfarlane | | | Year-end balance: £0 |
| | | Excellence, Achievement & Learning | |
| Ann Watson | Directors | Limited | Purchases: £42,038 |
| | | | Year-end balance: £53 |

There were no related party transactions for the year ended 31 July 2024.

22. COMPANY STATUS

The charity is a private company limited by guarantee. The members of the company are the trustees named on page one and in the event of the charity being wound up the liability of the guarantee is limited to £5 per member.