
MODAL TRAINING LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

MODAL TRAINING LTD

COMPANY INFORMATION

Directors A Hardy
H Callaway
E Stoddart (resigned 18 October 2022)

Registered number 03563579

Registered office C/O TEC Partnership
Nuns Corner
Lacey Road
Grimsby
North East Lincolnshire
DN34 5BQ

Independent auditor Mazars LLP
Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Tax Advisers Mazars LLP
Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Bankers Santander Bank PLC
298 Deansgate
Manchester
M3 4HH

Solicitors Eversheds Sutherland
Bridgewater Place
Waterlane
Leeds
LS11 5DR

MODAL TRAINING LTD

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MODAL TRAINING LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2023

The Directors present their report and the financial statements for the year ended 31 July 2023.

Principal activity

The principle activity of the Company during financial year ended 31st July 2023 was the provision of training services in the logistics, health and safety and maritime sector.

Business review

Modal was set up to serve a local provision, the vision was to create a centre for excellence for logistics. External research at the time indicated there was some 30,000 people in logistics, that Grimsby had a large logistical hub due to the easy reach of the docks and that there was little or no provision for education and training in the region which focused on logistical training.

Modal has delivered courses to over 9500 people since 2018.

Modal has continued to see a steady stream of candidates in the year but as with the prior year, the increase has not been as much as anticipated. While Modal has seen some improvement in the year in respect of turnover, the outturn for the year ended 31 July 2023 was a loss of £225k after depreciation. Depreciation for the period was £373k.

While Modal has continued to engage with a number of local partners and complete successful bids for a number of grant funded projects, it has been decided that going forward Modal will cease to trade as a separate legal entity and be hived up within its parent company, TEC Partnership. TEC Partnership expects that it will continue to support the activity of Modal Training Limited and is continuing to expand relationships with potential new customers and existing ones. There is a strong focus on supporting, maintaining and growing relationships with existing customers and local partners as well as exploring and developing new relationships and potential customers.

Results and dividends

The loss for the year, after taxation, amounted to £224,787 (2022 - loss £406,164).

There will be no payment of a dividend leaving the losses to be carried to reserves.

Going Concern

The Managing Director, with the support of the management team and the Executive, are continuing to strengthen Modal's presence in the market.

During the course of the year, the Directors have continued to work with legal advisors to bring Modal under the auspices of TEC Partnership and to ultimately cease trading as a separate legal entity. This will be achieved by moving all assets and liabilities to The TEC Partnership. Modal has ceased trading under its own name as of 1 August 2023 and final closure steps are expected to be completed within the 2024 financial year.

Therefore, the financial statements have been prepared on a basis other than going concern.

MODAL TRAINING LTD

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

Directors

The Directors who served during the year were:

A Hardy
H Callaway
E Stoddart (resigned 18 October 2022)

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Director's Indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity, the cost of which is borne by its parent, the TEC Partnership, which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company's parent also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of the Company and its Directors.

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors 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 Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- 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 Company will continue in business.

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

MODAL TRAINING LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023**

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by Section 415A and 415B of the Companies Act 2006 in the requirement to provide a Strategic Report.

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

This report was approved by the board and signed on its behalf.

A handwritten signature in black ink, appearing to read 'A Hardy', written in a cursive style.

A Hardy
Director

Date: 12th December 2023

MODAL TRAINING LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MODAL TRAINING LTD

Opinion

We have audited the financial statements of Modal Training Limited (the 'Company') for the year ended 31 July 2023, which comprise the Statement of Income and Retained Earnings, Statement of Financial Position 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Emphasis of matter - basis of preparation

We draw attention to note 1.9 in the financial statements, which explains that the directors intend to liquidate the company and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in note 1.9. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the Director's report other than the financial statements and our Auditor's Report thereon. The Directors are responsible for the other information contained within the Director's report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MODAL TRAINING LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MODAL TRAINING LTD (CONTINUED)

Opinion 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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 Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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:

MODAL TRAINING LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MODAL TRAINING LTD (CONTINUED)

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgments and assumptions in significant accounting estimates, in particular in relation to revenue recognition (which we pinpointed to the cut-off assertion) and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

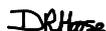
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

MODAL TRAINING LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MODAL TRAINING LTD (CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



[David Hoose \(Dec 18, 2023 15:17 GMT\)](#)

**David Hoose (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor**

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: Dec 18, 2023

MODAL TRAINING LTD

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 JULY 2023

	Note	2023 £	2022 £
Turnover		1,149,931	1,062,807
Cost of sales		(1,357,890)	(1,288,616)
Gross loss		(207,959)	(225,809)
Administrative expenses		(16,828)	(180,355)
Operating loss and loss before tax		(224,787)	(406,164)
Loss after tax		(224,787)	(406,164)
Retained earnings at the beginning of the year		(3,984,150)	(3,577,986)
		(3,984,150)	(3,577,986)
Loss for the year		(224,787)	(406,164)
Retained earnings at the end of the year		(4,208,937)	(3,984,150)

As of 1 August 2023 and further to Note 17, Modal Training Limited ceased to trade as a separate legal entity and as such the operations of Modal are now discontinued.

The notes on pages 10 to 18 form part of these financial statements.

MODAL TRAINING LTD
REGISTERED NUMBER: 03563579

STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	8	17,571	-
Tangible assets	9	5,591,982	5,884,912
		<u>5,609,553</u>	<u>5,884,912</u>
Current assets			
Debtors: amounts falling due within one year	10	146,612	372,772
Cash at bank and in hand		42,294	27,408
		<u>188,906</u>	<u>400,180</u>
Creditors: amounts falling due within one year	11	(8,975,481)	(442,147)
Net current liabilities		<u>(8,786,575)</u>	<u>(41,967)</u>
Total assets less current liabilities		<u>(3,177,022)</u>	<u>5,842,945</u>
Creditors: amounts falling due after more than one year	12	(1,031,913)	(9,827,093)
Net liabilities		<u>(4,208,935)</u>	<u>(3,984,148)</u>
Capital and reserves			
Called up share capital	13	2	2
Profit and loss account		(4,208,937)	(3,984,150)
		<u>(4,208,935)</u>	<u>(3,984,148)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



A Hardy
Director

The notes on pages 10 to 18 form part of these financial statements.

MODAL TRAINING LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

1. Accounting policies

1.1 Basis of preparation of financial statements

Modal Training Limited is a private limited company limited by shares and incorporated and domiciled in England. The address of its registered office and principle place of business is disclosed on the company information page.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Turnover

Turnover represents the invoiced value of services provided in the UK exclusive of VAT. In the opinion of the Directors, turnover represents one class of business.

Government capital grants are capitalised, held as deferred income and recognised as income over the expected useful life of the asset, under the accrual method as permitted by FRS 102.

1.3 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

1.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Freehold land is not depreciated. Assets under construction are not depreciated, once the asset is completed and brought into working life then it will be transferred to the appropriate category and depreciated as below:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

1. Accounting policies (continued)

1.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold buildings	- 40 years
Motor vehicles	- 10 years
Fixtures and fittings	- 6 years
Equipment	- 5 - 20 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

1.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives using the straight-line method. The intangible assets are amortised over the following useful economic lives:

- Software Costs - 5-6 Years
- Goodwill - for small acquisitions the goodwill is written off fully in the year of purchase

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

1.6 Cash and cash equivalents

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

1.7 Taxation

Tax is recognised in profit or loss, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

MODAL TRAINING LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

1. Accounting policies (continued)

1.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

1.9 Going concern

The company had net current liabilities and total at the end of the financial year.

During the course of the year, the Directors have continued to work with legal advisors to bring Modal under the auspices of TEC Partnership and to ultimately cease trading as a separate legal entity. This will be achieved by moving all assets and liabilities to The TEC Partnership. Modal has ceased trading under its own name as of 1 August 2023 and final closure steps are expected to be completed within the 2024 financial year.

Therefore the financial statements have been prepared on a basis other than going concern.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the Financial Statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies. In preparing these Financial Statements that are no areas that require management judgment in applying accounting policies.

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

3. Operating loss

The operating loss is stated after charging:

	2023	2022
	£	£
Depreciation	368,646	368,935
Amortisation	3,944	392
	<u>372,590</u>	<u>369,327</u>

MODAL TRAINING LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

4. Auditor's remuneration

The cost of the Auditor remuneration for the year ended 31 July 2023 is borne by the parent undertaking.

5. Employees

	2023	<i>2022</i>
	£	£
Wages and salaries	423,177	<i>432,371</i>
Social security costs	38,549	<i>40,345</i>
Cost of defined contribution scheme	32,990	<i>18,551</i>
	494,716	<i>491,267</i>

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

	2023	<i>2022</i>
	No.	<i>No.</i>
Number Employed	15	<i>18</i>

The number of employees is calculated on the average number of employees per month based over the twelve months of the year that the company was operational.

6. Directors' Emoluments

The Directors did not receive any emoluments in respect of their service to the company (2022: £Nil)

MODAL TRAINING LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

7. Taxation

Factors affecting tax charge for the year

The tax assessed for the year is higher than (*2022 - higher than*) the standard rate of corporation tax in the UK of 19% (*2022 - 19%*). The differences are explained below:

	2023 £	2022 £
Loss on ordinary activities before tax	(224,787)	(406,164)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (<i>2022 - 19%</i>)	(42,710)	(77,171)
Effects of:		
Depreciation and Amortisation	70,792	70,098
Capital allowances for year in excess of depreciation	(8,605)	-
Utilisation of tax losses	18,388	26,364
Non-taxable income	(62,645)	(52,278)
Non tax deductible expenses	74	-
Changes in provisions leading to an increase (decrease) in the tax charge	-	16
Group relief	24,706	32,971
Total tax charge for the year	-	-

MODAL TRAINING LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

8. Intangible assets

	Software £	Goodwill £	Total £
Cost			
At 1 August 2022	4,701	250,000	254,701
Additions	21,515	-	21,515
At 31 July 2023	<u>26,216</u>	<u>250,000</u>	<u>276,216</u>
Amortisation			
At 1 August 2022	4,701	250,000	254,701
Charge for the year on owned assets	3,944	-	3,944
At 31 July 2023	<u>8,645</u>	<u>250,000</u>	<u>258,645</u>
Net book value			
At 31 July 2023	<u>17,571</u>	<u>-</u>	<u>17,571</u>
At 31 July 2022	<u>-</u>	<u>-</u>	<u>-</u>

MODAL TRAINING LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

9. Tangible fixed assets

	Freehold Land & Buildings £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost or valuation					
At 1 August 2022	4,522,755	140,054	248,017	3,403,831	8,314,657
Additions	950	-	63,138	11,628	75,716
At 31 July 2023	<u>4,523,705</u>	<u>140,054</u>	<u>311,155</u>	<u>3,415,459</u>	<u>8,390,373</u>
Depreciation					
At 1 August 2022	516,203	106,183	8,089	1,799,270	2,429,745
Charge for the year on owned assets	105,565	20,008	28,063	215,010	368,646
At 31 July 2023	<u>621,768</u>	<u>126,191</u>	<u>36,152</u>	<u>2,014,280</u>	<u>2,798,391</u>
Net book value					
At 31 July 2023	<u><u>3,901,937</u></u>	<u><u>13,863</u></u>	<u><u>275,003</u></u>	<u><u>1,401,179</u></u>	<u><u>5,591,982</u></u>
At 31 July 2022	<u><u>4,006,552</u></u>	<u><u>33,871</u></u>	<u><u>239,928</u></u>	<u><u>1,604,561</u></u>	<u><u>5,884,912</u></u>

10. Debtors

	2023 £	2022 £
Trade debtors	78,533	270,359
Other debtors	13,589	32,467
Prepayments and accrued income	44,165	69,946
Grants receivable	10,325	-
	<u>146,612</u>	<u>372,772</u>

MODAL TRAINING LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

11. Creditors: Amounts falling due within one year

	2023	<i>2022</i>
	£	£
Trade creditors	20,895	<i>138,415</i>
Amounts owed to group undertakings	8,742,274	<i>1,008</i>
Other taxation and social security	1,906	<i>2,352</i>
Other Creditors & Accruals	39,093	<i>129,086</i>
Deferred capital grants	171,313	<i>171,286</i>
	8,975,481	<i>442,147</i>

The TEC Debenture and amounts owing to TEC Partnership included within Group undertakings are secured against all assets, property and undertakings of the company. No interest is being charged on the amounts owed. These will be resolved within the hive up process.

12. Creditors: Amounts falling due after more than one year

	2023	<i>2022</i>
	£	£
TEC Debenture	-	<i>2,000,000</i>
Amounts owed to group undertakings	-	<i>6,748,831</i>
Deferred capital grants	1,031,913	<i>1,078,262</i>
	1,031,913	<i>9,827,093</i>

13. Share capital

	2023	<i>2022</i>
	£	£
Authorised, allotted, called up and fully paid		
2 (<i>2022 - 2</i>) Ordinary shares of £1 each	2	<i>2</i>

14. Controlling party

The ultimate parent undertaking and controlling party is TEC Partnership, a corporation established under the Further and Higher Education Act 1992, the College is an exempt charity.

The TEC Partnership is the parent undertaking of the largest and smallest group of undertakings to consolidate these Financial Statements at 31 July 2023. The consolidated Financial Statements of The TEC Partnership are available from Nuns Corner, Grimsby, North East Lincolnshire, DN34 5BQ.

MODAL TRAINING LTD

**NOTES TO THE FINANCIAL STATEMENTS
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15. Related party transactions

The Company is a wholly owned subsidiary of The TEC Partnership. Pursuant to paragraph 33.5 of FRS102 the Company has not disclosed details of transactions with the Partnership or any of the Partnership's subsidiary undertakings.

16. Pension commitments

Staff at Modal Training are eligible to participate in a defined contribution NEST pension where both employers and employees contribute 5%. There was a balance sheet liability of £2,045 in 2023 which was paid on 04/08/2023.

17. Post balance sheet events

Following continued work with legal advisers to bring Modal under the auspices of TEC Partnership, Modal ceased trading as a separate legal as of 1 August 2023. Work to finalise the hive up of Modal to TEC Partnership is still ongoing but is expected to be completed within the 2024 financial year.