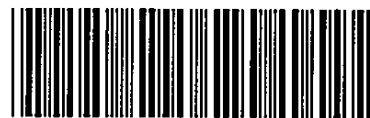


LAGTA GROUP TRAINING LIMITED
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

SCOTTISH CHARITY NUMBER SC007494
COMPANY NUMBER SC099063

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LAGTA GROUP TRAINING LIMITED (Registered number: SC099063)

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FOR THE YEAR ENDED 31 DECEMBER 2013

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LAGTA GROUP TRAINING LIMITED (Registered number: SC099063)

LEGAL AND ADMINISTRATIVE INFORMATION

The trustees present their report together with the financial statements of the charity for the year.

Trustees who served during the year

Mr C Bohrson
Mr A R Castle
Mr K Fouquet

Company secretary

Mr J D Burton

Registered Office

Lagta House
Woodside
Eurocentral
ML1 4UY

Auditors

Audrey Wolfson BA CA
Cahill Jack Associates
91 Alexander Street
Airdrie
ML6 0BD

Bankers

Bank of America
5 Canada Square
London
E14 5AQ

Guarantor

Lagta Limited
Lagta House
Eurocentral
ML1 4UY

Scottish charity number

SC007494

Company number

SC099063

LAGTA GROUP TRAINING LIMITED (Registered number: SC099063)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2013

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity is constituted as a company limited by guarantee, and is therefore governed by a Memorandum and Articles of Association. Under the latter at least one third of the trustees retire from office and are eligible for re-election at each annual general meeting.

Organisation, Board Membership and Management

The Charity is organised so that the trustees meet regularly in person or by conference call to manage its affairs. If the need arises trustees are appointed by the board of trustees at these regular meetings. The board ensures that all necessary training is provided to trustees and staff managing the charity. The company's staff comprises of administrators and those dealing directly with the fulfilment of the charity's aims. The day to day management of the charity is delegated by the board jointly to the project managers Mr Gordon McGarvie and Mr William White. The overall management of finances is strictly monitored by a system of internal controls and internal audit put in place by the company's ultimate holding company Robert Bosch GmbH.

Related parties

The charity has a close relationship with Lagta Limited which acts as guarantor for the charity. In addition the charitable company rents property used in the fulfilment of its aims from Lagta Limited and receives financial support. The charity also transacts with Valley Forge (UK) Limited, the holding company of Lagta Limited and with Robert Bosch GmbH group the ultimate controlling party. The other group companies have pledged to support the charity in the current trading difficulties

OBJECTS OF THE CHARITY AND PRINCIPAL ACTIVITIES

The Charity's objects and principal activities continue to be that of the provision of opportunities for people of all ages in Scotland to pursue training and further education (specialising within the automotive and logistics industries) which in turn allows personal advancement and provides added value to individuals and organisations. The Charity provides services of public benefit by offering learning experiences to the general public.

REVIEW OF THE ACTIVITIES, ACHIEVEMENTS AND DEVELOPMENTS DURING THE PERIOD

During the year the charitable company continued to offer training to a wide range of individuals and organisations at two separate locations within Central Scotland. As an approved supplier the company provides courses to allow LGV licence holders to comply with Drivers' CPC requirements. The company also works closely with individuals seeking ILA funding through its approval by Learn Direct Scotland. The company delivers Employability Fund training on behalf of Skills Development Scotland.

The work of the charity altered during the year following a major change in government funded training schemes. There was an increase in privately funded training and in the use of sub contracted trainers.

Full details of the results for the year are given in the financial statements. The fall in charitable trading income of 14% from £1,317,335 to £1,070,110 was expected given the significant change in government funded training schemes through Skills Development Scotland. However excluding the exceptional donation of £150,000 from Lagta Limited there was an increase of only £27,000 in the amount of deficit incurred during this year compared with that of the previous year indicating a similar proportional reduction in costs from the previous year.

The following is an extract from the financial statements:

	Dec 2013	Dec 2012
Total incoming resources for the year amounted to	1,070,110	1,467,335
Donated by LAGTA Limited	-	150,000
The Statement of Financial Activities shows a surplus/(deficit) for the year of	(232,793)	(55,579)
The net assets/(liabilities) of the company at the year end amounted to	(332,133)	(99,340)
Total wages costs for the year amounted to	570,724	661,023

FUTURE DEVELOPMENTS AND GOING CONCERN

The financing risks are mitigated by a letter of financial support from Bosch Automotive Service Solutions Ltd (a fellow group company) that undertakes an intention to provide the financial support necessary to enable the charitable company to pay its debts as and when they become payable. This support is provided for a period of not less than twelve months from the date the Trustee's Report has been signed for the accounts for the period ended 31 December 2013.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

RESERVES POLICY AND RISK MANAGEMENT

The Board of trustees were concerned about the level of funding and its adequacy to support the continuation of operations. Cost cutting exercises have been undertaken and systems to improve income initiated. The ultimate holding company have confirmed their support of Lagta Group Training Limited and its continuing operations as a going concern through its network of companies.

In addition the charity has safeguards in place in relation to the loss of key personnel and training venues. It also has a regulated system of internal controls and audit to minimise risk of financial discrepancies.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the trustees are required to:

- i) select suitable accounting policies and the apply them consistently;
- ii) make judgements and estimates that are reasonable and prudent;
- iii) state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- iv) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each trustee has taken all the steps that he ought to have taken as a trustee and director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Cahill Jack Associates, will be proposed for re-appointment at the forthcoming Annual General Meeting.

APPROVAL

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



Mr A R Castle
Director

Dated: 17.09.2014

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF
LAGTA GROUP TRAINING LIMITED (Registered number: SC099063)**

FOR THE YEAR ENDED 31 DECEMBER 2013

We have audited the financial statements of Lagta Group Training Limited for the year ended 31 December 2013 which comprise the Statement of Financial Activities, Balance Sheet and related notes. The financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made exclusively to the members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006 and to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the members and charity's trustees 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 charity, its members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' (who are also directors of the company for the purposes of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities on page 3.

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with those Acts.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and whether the information given in the Trustees' Annual Report is consistent with those financial statements.

We also report to you if, in our opinion, the charity has not kept adequate and proper accounting records, if the charity's financial statements are not in agreement with those accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Annual Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 31 December 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended. The financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and the information given in the Trustees' Annual Report is consistent with the financial statements.



Audrey Wolfson, Senior Statutory Auditor

for and on behalf of Cahill Jack Associates Limited, Statutory Auditors

**Cahill Jack Associates Limited is eligible to act as auditor in terms of section 1212 of the Companies Act 2006
91 Alexander Street**

Airdrie

ML6 0BD

Dated: 19/9/14

LAGTA GROUP TRAINING LIMITED (Registered number: SC099063)

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Notes	Unrestricted Funds £	Restricted Funds £	Dec 2013 Total £	Dec 2012 Total £
Incoming resources					
<i>Incoming resources from generated funds</i>					
<i>Voluntary income</i>					
Grants and donations	2	-	-	-	150,000
<i>Incoming resources from charitable activities</i>					
Charitable trading income and grants received	3	1,070,110	-	1,070,110	1,317,335
Total incoming resources		1,070,110	-	1,070,110	1,467,335
Resources expended					
<i>Costs of generating funds</i>					
Fundraising and publicity	4	31,923	-	31,923	30,892
<i>Charitable activities</i>					
Charitable activities expenditure	5	1,259,754	-	1,259,754	1,477,956
<i>Governance costs</i>					
	6	11,226	-	11,226	14,066
Total resources expended		1,302,903	-	1,302,903	1,522,914
Net movement in funds	8	(232,793)	-	(232,793)	(55,579)
Total funds brought forward		(99,340)	-	(99,340)	(43,761)
Total funds carried forward		(332,133)	-	(332,133)	(99,340)

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

All incoming resources and resources expended derive from continuing activities.

The notes on pages 7 to 12 form part of these financial statements.

LAGTA GROUP TRAINING LIMITED (Registered number: SC099063)

BALANCE SHEET
AS AT 31 DECEMBER 2013

	Notes	£	2013 £	£	2012 £
Current Assets					
Debtors	9	41,202		58,073	
Cash at bank and in hand		34,620		25,663	
		75,822		83,736	
Creditors - amounts falling due within one year	10	(407,955)		(183,076)	
Net Current Assets/(Liabilities)			(332,133)		(99,340)
Total Net Assets			(332,133)		(99,340)
The funds of the charity					
General funds (All unrestricted)			(332,133)		(99,340)
Total Funds	11		(332,133)		(99,340)

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the board of trustees and signed on its behalf by:


Mr A R Castle

Dated : 17.09.2014

The notes on pages 7 to 12 form part of these financial statements.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2013

1 ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the charity's financial statements.

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005) and the Companies Act 2006.

In addition, advantage has been taken of provisions in the Companies Act 2006 in adapting the primary statements and notes to meet the requirements of the special nature of the company's business.

Incoming resources

All incoming resources relate to the company's main activity which is described in the trustees' report, and is continuing and unrestricted.

Charitable trading activities

In common with other organisations in the road transport industry training field, the company raises an invoice at the time when a reservation is made for a course. The company does not recognise this income in the profit and loss account until the commencement of the course to which it relates based on achieving certain milestones. Where invoices are raised for courses taken after the year end, these sales are included within creditors as deferred income. If an invoice is raised after the year end for courses taken before the year end these sales are included within debtors as accrued income.

Government grants and funding

The charity receives funding from Skills Development Scotland with regards to the provision of training under the Employability Fund and Modern Apprenticeship Schemes. All income received in respect of this funding are included within turnover as they relate to the company's main activities.

The charity previously provided training in respect of the Skillseekers training programmes and received progress payments over the duration of the training with a final outcome payment when students successfully completed their training. 25% of the final outcome payment was previously accrued where a trainee reached milestone 8 of their training. This policy was revised during the year and outcome payments are now only included on full completion of training. The result of this change is a negative effect of approximately £27,000 on the charity's income for the year.

Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered due to partial exemption which is shown as a separate cost.

Expenditure which is directly attributable to specific activities has been included in direct charitable expenditure. Where costs are attributable to more than one activity, they have been apportioned across the cost categories of direct charitable costs and management and administration costs on a basis consistent with the use of these resources.

Cost of generating funds and publicity costs include advertising costs.

Governance costs include legal, audit and accountancy fees.

**NOTES TO THE ACCOUNTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2013**

1 ACCOUNTING POLICIES - continued

Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

Taxation

No provision has been made for corporation tax or deferred tax as the company is a registered charity and applies all its income to its charitable purposes.

Value Added Tax

Part of Lagta Group Training Limited's activities are classified as exempt for the purposes of Value Added Tax ('VAT') and therefore Lagta Group Training Limited is unable to reclaim all the VAT which it suffers on its expenditure. The disallowed proportion is included as a separate cost within expenditure for the year.

Pension costs

The charity operates defined contribution pension schemes open to all members of staff. The assets of the schemes are held separately from those of the charity, being invested with insurance companies. Pension costs charged in the Statement of Financial Activities represent the contributions payable by the charity in the year.

Fund accounting

Funds held by the charitable company are all classified as unrestricted general funds which can be used in accordance with the charitable objectives at the discretion of the board of trustees.

2 INCOMING RESOURCES FROM GENERATED FUNDS

	2013	2012
	£	£
Donations		
Donated by LAGTA Limited	-	150,000
	<u>-</u>	<u>150,000</u>

3 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2013	2012
	£	£
Activities in furtherance of the charity's objectives		
Provision of training	369,497	300,963
Qualification related income (including government funding)	696,834	976,953
Special projects training	3,779	39,419
	<u>1,070,110</u>	<u>1,317,335</u>

NOTES TO THE ACCOUNTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2013

4 COSTS OF GENERATING FUNDS	2013	2012
	£	£
Fundraising and publicity		
Salaries costs	27,904	25,720
Advertising	4,019	5,172
	<u>31,923</u>	<u>30,892</u>
5 CHARITABLE ACTIVITIES EXPENDITURE	2013	2012
	£	£
Direct charitable expenditure		
Vehicle maintenance and repairs	59,620	55,970
Lecturers and instructors costs	85,619	42,017
Training aids	11,996	12,258
Consumables	6,919	7,707
Skillseekers' allowances and payments	38,081	131,963
Training for work expenses	26,355	33,199
Tools and overalls	1,442	1,315
Sales expenses	13,266	22,826
Test and exam fees	83,148	94,092
	<u>326,446</u>	<u>401,347</u>
Direct charitable expenditure support costs		
Wages and salaries costs	461,871	549,483
	<u>461,871</u>	<u>549,483</u>
Management and administration		
Wages and salaries costs	80,949	85,820
Light and heat	43,793	48,563
Rent, rates and water	71,051	70,275
Repairs	16,577	26,055
Telephone	13,973	13,558
Printing, postage and stationery	10,091	10,350
Insurance	16,956	28,591
Motor, travel and staff expenses	70,657	74,509
General expenses	1,573	1,927
Security and cleaning	27,101	25,608
Computer expenses	6,507	9,822
Management charges	9,600	9,600
Bad debts	2,018	-
Service charges	48,000	59,686
Vat disallowed	35,971	46,114
Equipment hire (short term operating leases)	16,133	16,133
Interest paid to other group members	487	515
	<u>471,437</u>	<u>527,126</u>
Total charitable activities expenditure	<u>1,259,754</u>	<u>1,477,956</u>

NOTES TO THE ACCOUNTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	£	£
6 GOVERNANCE COSTS		
Professional fees	7,226	10,066
Audit fee	2,000	2,000
Accountancy fees	2,000	2,000
	<u>11,226</u>	<u>14,066</u>

	2013	2012
	£	£
7 STAFF COSTS AND TRUSTEES' REMUNERATION		
Wages and salaries	505,954	589,194
Social security costs	47,452	55,159
Pension costs	17,318	16,670
	<u>570,724</u>	<u>661,023</u>

The average weekly number of staff employed was as follows:

	Number	Number
Co-ordinators, assessors and direct charitable work	10	14
Administrative	9	10
	<u>19</u>	<u>24</u>

No employee received remuneration of more than £60,000.

There were no trustees' emoluments or expense payments for the year (2012: nil).

Retirement benefits are accruing for employees under defined contribution pension schemes.

	2013	2012
	£	£
8 MOVEMENT IN FUNDS FOR PERIOD		
This is stated after charging:		
Auditors' remuneration	2,000	2,000
Auditors' other fees	2,000	2,000
Lecturers and instructors costs	85,619	42,017
Operating lease payments (plant and machinery)	<u>16,133</u>	<u>16,133</u>

	2013	2012
	£	£
9 DEBTORS		
(All due within one year)		
Trade debtors	25,959	11,980
Prepayments	13,572	17,377
Accrued income (relating to grant claims and provision of training income)	1,671	28,716
	<u>41,202</u>	<u>58,073</u>

NOTES TO THE ACCOUNTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2013

10 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade creditors	24,419	23,992
Amounts owed to associated companies	284,968	69,283
Accruals	39,384	33,853
Pensions accruals	2,761	2,112
Deferred income	35,854	33,055
PAYE/NIC outstanding	14,177	15,485
VAT outstanding	6,392	5,296
	<u>407,955</u>	<u>183,076</u>

Deferred income

Income is deferred where a sales invoice has been raised prior to the year end and training dates are carried out after the year end.

The movement on deferred income can be summarised as follows:

	2013 £	2012 £
Deferred income at 1 January 2013	33,055	48,645
Deferred income released during the year	(33,055)	(48,645)
Income deferred during the year	35,854	33,055
Balance as at 31 December 2013	<u>35,854</u>	<u>33,055</u>

11 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	2013 £	2012 £
General fund (unrestricted)		
Cash at bank and in hand	34,620	25,663
Other net current assets/(liabilities)	(366,753)	(125,003)
Balance as at 31 December 2013	<u>(332,133)</u>	<u>(99,340)</u>

12 OPERATING LEASE COMMITMENTS

At 31 December 2013 the charity had annual commitments under non-cancellable operating leases as follows:

	Plant and Machinery	
	2013 £	2012 £
Lease expires:		
Within one year	19,563	19,563
Between one and five years	-	-
	<u>19,563</u>	<u>19,563</u>

13 PENSION COSTS

Staff are eligible for participation in the company's defined contribution pension schemes which are managed by Standard Life and Scottish Life. The company has agreed to contribute to the personal pension funds of staff in lieu of contributions to the company scheme. The company contributes the following percentages of pensionable salary:

Standard Life	5%
Scottish Life	2% and 9%
Bosch Pension Scheme	Matched to employee contributions up to 8%

NOTES TO THE ACCOUNTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2013

14 CONTROLLING PARTY AND RELATED PARTY TRANSACTIONS

The charity is controlled immediately by Lagta Limited its main guarantor. The smallest group to which the charity belongs is headed by Lagta Limited which has prepared consolidated group accounts. Lagta Limited is based in Scotland.

The ultimate parent company and controlling party is Robert Bosch GmbH, a company incorporated in Germany with a registered office at Robert-Bosch-Platz 1, 70839 Gerlingen-Schillerhöhe, Gerlingen, Germany.

During the year Lagta Limited charged the following to Lagta Group Training Limited:

	2013	2012
	£	£
Management charges	9,600	9,600
Service charges	48,000	48,000
Rental of premises	<u>48,000</u>	<u>48,000</u>

Lagta Group Training Limited recharged Lagta Limited facility charges of £13,650 (2012: £12,399).

Valley Forge (UK) Limited (another group company member) recharged expenses to Lagta Group Training Limited of £47,853 (2012: £130,788). The ultimate parent company Robert Bosch GmbH recharged expenses of £23,093.

Lagta Group Training Limited charged Valley Forge (UK) Limited management charges of £20,783 (2012: £17,983) in respect of charges relating to administration and training carried out by Lagta Group Training Limited and recharged other costs (including salaries) of £9,870 (2012: £6,531). A similar recharge of expenses of £6,378 was made to Robert Bosch GmbH during the year.

Included within creditors due within one year (amounts due to associated companies) are the following:

	2013	2012
	£	£
Lagta Limited	280,706	53,663
Valley Forge (UK) Limited	4,262	15,620

15 GOING CONCERN

The trustees consider the charity to be a going concern given the continued pledged support of other group members which will not be withdrawn for at least 12 months from the signing date of these accounts. The accounts have therefore been prepared on a going concern basis.