

COMPANY REGISTRATION NUMBER: 01853527

CHARITY REGISTRATION NUMBER: 290458

**Petans Limited
Company Limited by Guarantee
Financial statements
30 September 2020**

Petans Limited

Company Limited by Guarantee

Financial statements

Year ended 30 September 2020

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Petans Limited

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Trustees' annual report (incorporating the directors' report)

Year ended 30 September 2020

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 30 September 2020.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Companies Act 2006 and 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 published in October 2019.

Reference and administrative details

Registered charity name	Petans Limited
Charity registration number	290458
Company registration number	01853527
Principal office and registered office	The Training Centre Imperial Way Horsham St Faith Norwich Norfolk NR10 3GJ

The trustees

The trustees who served during the year and at the date of approval were as follows:

M L Goodall (Chairman)
J W R Best
R H Burden
S P Rose

Business manager	A Marshall
Training and Operations Manager	I Richards
Company Secretary and Accountant	P Ludkin

Auditor	Lovewell Blake LLP Chartered accountants & statutory auditor Bankside 300 Peachman Way Broadland Business Park Norwich NR7 0LB
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Bankers	National Westminster Bank 11 Market Place Great Yarmouth Norfolk NR30 1LY
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Petans Limited

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) (continued)

Year ended 30 September 2020

Objectives and activities

The primary aim of the Charity is to promote and advance the theoretical and practical training and education of persons engaged in the energy industry, and the public generally. There have been no material changes in the policies of the Charity since the last annual report.

The Charity has successfully continued in these stated aims and will continue to further develop its training provision with diversification into new areas where and when appropriate.

Petans strategy for achieving this is to provide specific training that is required to allow persons to work within the energy industries. In this we have particular regard to the provision of training to standards accepted within these industries. Principal amongst these are accredited training to OPITO standards for the offshore Oil and Gas industry, STCW training for the maritime business and GWO training for Wind energy industry.

In order to provide a suitable location for this offer we develop and maintain extensive practical and theoretical training facilities at Norwich and Lowestoft.

Public Benefit

The Trustees have due regard to the Charity Commission's guidance on public benefit and review the position annually.

The charitable status of Petans allows us to offer public benefit in the following ways:

We are a fully open and non-discriminating organisation, where any person may apply for the training we offer. We do not discriminate by any status.

We operate a grant programme, funded entirely from within Petans, hitherto offering non-returnable funding of up to 33% off basic course costs for offshore, maritime or wind energy courses to eligible persons in need. Similarly, we are open to applications for grant funding from employers who offer positions to eligible persons.

This grant programme continues to operate notwithstanding the downturn experienced in training of personnel in the offshore oil and gas industry from 2014 to date. In response the Charity has introduced additional discounts for personnel who have either been made redundant from the industry or are on notice, now offering them on all refresher courses.

We continue to liaise widely with industry and business on their skills needs, to link with the forces resettlement service for ex-military and with government bodies dealing with company redundancies to outline opportunities that people affected may take up in the energy field.

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

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Trustees' annual report (incorporating the directors' report) (continued)

Year ended 30 September 2020

Achievements and performance

Although budgeted to expect a fall in sales income from 18/19, the outcome fall in sales income for 19/20 could never have been anticipated. March 23 2020, Petans like many other companies closed in response to the country wide lockdown as a result of rising Covid-19 cases. Although we continued to be available we operated with a skeleton staff as a vital part of the supply chain for oil, gas and renewable energy, but all scheduled training ceased. We had already created a scenario plan for the eventuality and were able to provide confidence to all that we were able to withstand a closure without impacting staff financially. The government's furlough scheme bought some support and cash flow was monitored closely. On May 26 2020 we resumed training. The numbers of courses were kept to a minimum, class sizes were capped at 10 to enable social distancing and Petans introduced a number of COVID-19 Secure measures to keep staff and delegates safe. The overall financial position remains at a deficit but strong performances in July and August have helped. Site running costs remain high as Covid-19 measures remain in place and if anything have been tightened again as we move into winter. Cash flow remains positive.

Although delayed from the original plan the Charity has continued with its investment strategy of funding improved site facilities and in line with the secured lease agreement (until 2031) with our Landlords, Norwich Airport, we are in the process of having our fireground props installed as the final phase of the strategy to enable more training to be delivered smoke free.

Course development has been minimal this year, however in a change of strategic direction from OPITO Petans have been accredited to deliver Helideck Landing Officer Training for Normally Unmanned Installations (HLO NUIs). This is one of a new suite of courses designed for the renewables sector with the strategic aim of supporting transfer of skilled individuals from offshore oil and gas to wider offshore energy roles. It is also in recognition to those traditionally oil and gas companies, familiar with OPITO having alternative training choice to GWO. The accreditation for remote BOSIET training is being offered free of charge by OPITO until December 31st this year. In response to the pandemic Petans will look to benefit from this offer, though it should be noted that the course cannot be fully delivered remotely and practical face to face training and assessment is still required, with no obvious demand being seen from a fairly static market. We have however invested heavily in updating the classroom technology by installing interactive white boards. This will leave us well placed for a likely move to remote/online delivery.

The planned investment in management training has been achieved. 5 out of the 6 managers now hold NEBOSH Health and Safety Qualifications. All hold ILM level 3 or above or an equivalent. Development is key for staff and managers alike and remains a key objective. The desire to have managers trained in Mental Health First Aid was not achieved this year due to the disruption caused by the pandemic, however it remains in the plans and will be completed this year, assuming circumstances allow.

Site repair and replacement of items no longer meeting legislative requirements or where the awarding bodies require upgrade are planned and budgeted for this year. As cost control continues to be key to our activities this is done through a process of priority with the decision being made using key markers such as health and safety, quality and value. We continue the aspiration of developing a proactive plan to site maintenance. March 2020 saw the UK go into lockdown due to the global pandemic. To support an inability to provide services to our clients we introduced documents to support changes required to our site to comply with COVID-19 Secure - as specified by the HSE. The health and safety of our staff, delegates and visitors continues to be the highest priority for the Charity and we are pleased to have been able to implement the changes necessary to meet this, enabling our doors to remain open.

Due to the pandemic OPITO and the MCA cancelled all audits. GWO completed as normal by visiting site in September. NQA and the Financial Audit were completed remotely. The delayed City and Guilds Audit is scheduled for an onsite visit in December 2020. We have continued to maintain our own internal audit plan and schedule although in the most part this was delayed due to the closure of Petans and the subsequent operational demands relating to the pandemic. Actions have been minimal and no non-conformities identified. We continue to work on a cycle of continuous improvement and have implemented a Management Framework focusing on the principals of Plan, Do, Check, Act.

Petans Limited

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Trustees' annual report (incorporating the directors' report) (continued)

Year ended 30 September 2020

The Charity remains strong with healthy reserves and continues to provide cost effective training of the highest calibre, focusing on quality and best value. Through careful management of our reserves and a strong base of effective cost management our cash flow position is strong even in such difficult and unprecedented times.

The Board looks forward to the Charity's continued provision of high quality training to industry and fully supports it in this aim.

Financial review

Total income amounted to £2,215,589 (2019: £2,713,037) and, after incurring charitable expenditure of £2,376,534 (2019: £2,719,852), the net expenditure in the year before gains on investment was £160,945 (2019: £6,815). Net losses on investments was £123,610 (2019: £27,199) leaving net expenditure of £284,555 (2019: £34,014).

Reserves policy

Free reserves within the general fund at 30 September 2020 amounted to £0.9m (2019: £1.2m), together with designated funds of £1.1m (2019: £0.9m).

Our policy on reserves has been to maintain them at a level equivalent to a minimum of six months income and operating costs as defence against a reduction in activity by the offshore energy companies. This policy served us very well during the recent downturn caused by price sensitivity and also Covid-19, proving our stance.

Reserves will also be held as capital for the continued development of the site to ensure equipment and assets are available to carry out our training and development plans and to replace life expired assets. Together these actions ensure we maintain our position as a provider of the best quality training using facilities specifically built for the purpose.

Investment policy

The Trustees have reviewed and considered the most appropriate method for investing our funds. A portion of the charity's funds is invested in a low risk investment plan managed by a reputable fund management organisation and the balance is held on deposit. This mix is reviewed regularly in light of interest rates available to us.

Three monthly reviews of the investments will be carried out to monitor performance.

Principal funding source

The principal funding source is from the fees charged to the groups and individuals who attend the training centre.

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Trustees' annual report (incorporating the directors' report) (continued)

Year ended 30 September 2020

Financial review (continued)

Principal risks and uncertainties

In keeping with good governance, the Trustees recognise the importance of being aware of any uncertainties faced by the Charity and to identify and record the Principal risks to the business.

The Trustees will be the owners of this, and the senior management in Petans will manage those risks, ensuring that actions or plans are in place to mitigate or minimise them. The Risk Register will be a live document and to ensure this important matter has ongoing visibility, the subject of Risk and uncertainty is a standing item on the agenda for Board meetings.

The main risks to the Charity are:

1. The downturn in the energy sector shows little sign of improving and demand has fallen further due to the changes in behaviour seen following the pandemic. Whilst this reduces the number of people to train the growing competition between the awarding bodies continues to put pressure on training providers such as Petans, as we are required to put on more courses but for fewer people meaning lower income and higher cost of sale.
2. The awarding bodies changing the standards so that fire training can no longer be completed using simulation training (gas props/modules) but requires training to only be delivered via the burning of real fuel.
3. Finding qualified and experienced staff with the appropriate and relevant background to satisfy the awarding bodies requirements. Petans are unable to train instructors in certain areas such as firefighting, emergency response and maritime and therefore have a limited pool of people to choose from who have the right background.

Plans for future periods

The Charity intends to continue the activities outlined in this report in future years. We will maintain our principal aim of delivering high quality training under an ethical governance that provides our customers with good value. As our core market continues to provide a challenge we look for appropriate areas for diversification. Any new training opportunities will continue to be reviewed researched and considered carefully, particularly where significant investment is required. We will continue to assure our clients of a quality product by maintaining our approvals and accreditations ISO, OPITO, MCA, GWO, City & Guilds and HSE approvals as appropriate. We will ensure a proactive strategy of training and development for staff and resources so that we are able to adapt and adjust to market conditions appropriately.

Our staff remain our highest asset and we will continue to ensure that they receive the training and support required to do their roles in a way that keeps everyone safe and delivers best value to our end user.

We still anticipate changes in the plans to develop Norwich Airport and have seen some changes to the land around the NDR (plans for Recycling Centre on the NDR approved June 2020). We will continue to ensure that we monitor these closely to ensure we are able to be proactive with our planning ensuring that negative and positive impacts are considered at all times.

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Trustees' annual report (incorporating the directors' report) (continued)

Year ended 30 September 2020

Structure, governance and management

Governing document

Petans Limited is a charitable company limited by guarantee, incorporated on 7 September 1984 and registered as a Charity on 16 November 1984. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £10. The company has 4 members.

Recruitment and appointment of Trustees

Trustees are recruited as necessary when a vacancy arises, from the ranks of the energy industry or from relevant onshore occupations. We seek to identify and recruit Trustees who have an awareness of the industry we serve or those who bring knowledge and experience to the Charity.

Trustee induction and training

All Trustees are provided with copies of:

- The Memorandum and Articles of the Charity
- The latest accounts of the Charity
- Charity Commission guidance notes CC3 - "The Essential Trustee - What you need to know, what you need to do."

In addition, Trustees are encouraged to read Charity Commission and other newsletters and to attend courses designed to keep them abreast of their duties and responsibilities.

Risk management

The Trustees have conducted their own review of risks to which the Charity is exposed and systems have been established to mitigate those risks. Formal Risk Assessment programmes are in place for all ongoing activities associated with the training and Task Risk Assessment is in place for every activity throughout the day-to-day operation of the site.

There is a continual management review process in place, with our ISO 9000 accreditation monitoring these practices. Environmental risks are similarly assessed during procedures set out in our ISO 14001 policy.

The Charity operates a fully integrated management system incorporating the requirements of ISO 9000 and 14001 alongside Health and Safety Management in line with the Best Practice as per ISO 45001.

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Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) (continued)

Year ended 30 September 2020

Structure, governance and management (continued)

Organisational structure

The Board of Trustees consists of four individuals, one of whom is appointed Chairman, who meet on a quarterly basis. The Company Secretary is Petans Company Accountant.

Petans operates a management framework structure where the Business Manager reports into the Trustees and provides regular updates as to the performance of the Charity. The Business Manager has overall accountability for the performance of the Management Team who are responsible for the effective day to day management of the Charity.

All staff at all levels have direct access to all members of the Management Team and to the Trustees' representative at any time.

Petans holds ISO 9000(2000) Quality Management, ISO 14001 Environmental Management and ISO 45001 Health and Safety management qualifications.

These form part of our integrated management system which clearly set out the operation and the methodology of the management of the Charity in accordance with national best practice. All qualifications and the management system itself are externally audited at least annually.

Senior management pay policy

The board of Trustees and the senior management team are the key management personnel of the charity. They are in charge of directing and controlling, running and operating the Charity on a day to day basis. All Trustees give of their time freely and no trustee received remuneration for this role in the year. Details of expenses and related party transactions are disclosed in note 28 to these accounts.

The pay of the Charity's 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 provincial charities of a similar size.

The remuneration bench-mark is the mid-point of the range paid for similar roles adjusted for a weighting of up to 30% for any additional responsibilities.

If recruitment has proven difficult in the past a market addition is also paid, but the pay maximum no greater than the highest benchmarked salary for a comparable role.

Auditor reappointment

The auditor, Lovewell Blake LLP, is willing to continue in office and a resolution to reappoint Lovewell Blake LLP will be proposed at the annual general meeting.

Petans Limited

Company Limited by Guarantee

Trustees' annual report (incorporating the directors' report) (continued)

Year ended 30 September 2020

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP 2019 (FRS102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

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

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

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

The trustees' annual report and the strategic report were approved on 16 December 2020 and signed on behalf of the board of trustees by:

M L Goodall (Chairman)
Trustee

Petans Limited

Company Limited by Guarantee

Independent auditor's report to the members of Petans Limited

Year ended 30 September 2020

Opinion

We have audited the financial statements of Petans Limited (the 'charity') for the year ended 30 September 2020 which comprise the statement of financial activities (including income and expenditure account), balance sheet, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Petans Limited

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Independent auditor's report to the members of Petans Limited (continued)

Year ended 30 September 2020

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the trustees' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Petans Limited

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Independent auditor's report to the members of Petans Limited *(continued)*

Year ended 30 September 2020

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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.

Use of our report

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

Mark Proctor FCA DChA (Senior Statutory Auditor)

For and on behalf of
Lovewell Blake LLP
Chartered accountants & statutory auditor
Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

17 December 2020

Petans Limited

Company Limited by Guarantee

Statement of financial activities (including income and expenditure account)

Year ended 30 September 2020

	Note	Unrestricted funds £	2020 Total funds £	2019 Total funds £
Income and endowments				
Charitable activities	5	2,038,720	2,038,720	2,650,561
Other trading activities	6	21,860	21,860	35,466
Investment income	7	35,186	35,186	15,955
Other income	8	119,823	119,823	11,055
Total income		<u>2,215,589</u>	<u>2,215,589</u>	<u>2,713,037</u>
Expenditure				
Raising funds				
Investment management costs	9	(4,150)	(4,150)	(4,551)
Charitable activities	10	(2,372,384)	(2,372,384)	(2,715,301)
Total expenditure		<u>(2,376,534)</u>	<u>(2,376,534)</u>	<u>(2,719,852)</u>
Net expenditure and net movements in funds before gains and losses on investments		(160,945)	(160,945)	(6,815)
Net losses on investments	11	(123,610)	(123,610)	(27,199)
Net expenditure and net movement in funds		<u>(284,555)</u>	<u>(284,555)</u>	<u>(34,014)</u>
Reconciliation of funds				
Total funds brought forward		<u>7,143,966</u>	<u>7,143,966</u>	<u>7,177,980</u>
Total funds carried forward		<u>6,859,411</u>	<u>6,859,411</u>	<u>7,143,966</u>

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

The notes on pages 15 to 26 form part of these financial statements.

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Balance sheet

30 September 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible fixed assets	15	3,157,737	3,234,677
Investments	16	1,744,432	1,838,250
		4,902,169	5,072,927
Current assets			
Debtors	17	1,212,792	1,246,399
Cash at bank and in hand		1,043,461	1,106,349
		2,256,253	2,352,748
Creditors: Amounts falling due within one year	19	(299,011)	(281,709)
Net current assets		1,957,242	2,071,039
Total assets less current liabilities		6,859,411	7,143,966
Net assets		6,859,411	7,143,966
Funds of the charity			
Unrestricted funds		6,859,411	7,143,966
Total charity funds	22	6,859,411	7,143,966

These financial statements were approved by the board of trustees and authorised for issue on 16 December 2020, and are signed on behalf of the board by:

M L Goodall (Chairman)
Trustee

Company registration number: 01853527

The notes on pages 15 to 26 form part of these financial statements.

Petans Limited

Company Limited by Guarantee

Statement of cash flows

Year ended 30 September 2020

	Note 25	2020 £	2019 £
Cash generated from operations		173,274	(673,197)
Interest received		1,244	1,972
Net cash from/(used in) operating activities		<u>174,518</u>	<u>(671,225)</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		33,942	13,983
Purchase of tangible assets		(241,556)	(1,639,948)
Purchases of other investments		(33,940)	(9,433)
Proceeds from sale of other investments		4,148	1,879,151
Net cash (used in)/from investing activities		<u>(237,406)</u>	<u>243,753</u>
Net decrease in cash and cash equivalents		(62,888)	(427,472)
Cash and cash equivalents at beginning of year		<u>1,106,349</u>	<u>1,533,821</u>
Cash and cash equivalents at end of year		<u>1,043,461</u>	<u>1,106,349</u>

The notes on pages 15 to 26 form part of these financial statements.

Petans Limited

Company Limited by Guarantee

Notes to the financial statements

Year ended 30 September 2020

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is The Training Centre, Imperial Way, Horsham St Faith, Norwich, Norfolk, NR10 3GJ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), Companies Act 2006 and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

3. Accounting policies

(a) Basis of preparation

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

(b) 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.

The trustees have taken into account the effects of Covid-19 in making this assessment.

(c) Fund accounting

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

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

Petans Limited

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Notes to the financial statements *(continued)*

Year ended 30 September 2020

3. Accounting policies *(continued)*

(d) Income

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

- Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.
- Income from charitable activities is accounted for in the period in which the service is delivered.
- Trading income is inclusive of income generated from lunches and rental income.

(e) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

(f) Tangible assets

All fixed assets are initially recorded at cost. Capital expenditure of less than £1,000 is charged to the Statement of Financial Activities in the year in which it is incurred.

(g) Depreciation

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

Leasehold property	- 2% - 33% straight line
Training equipment	- 5% - 50% straight line
Plant and machinery	- 5% - 25% straight line
Office equipment	- 20% - 50% straight line

Assets under construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

Petans Limited

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 30 September 2020

3. Accounting policies *(continued)*

(h) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains/(losses)' on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably.

(i) Operating leases

Rents payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

(j) Financial instruments

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

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

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

(k) Redundancy

Where an obligation to make a redundancy or termination payment exists, the costs incurred by the charity are accounted for on an accruals basis and included within employee benefits.

(l) Defined contribution plans

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expenses as they become payable.

4. Limited by guarantee

Petans Limited is a registered charity and company limited by guarantee with no share capital. The liability of each member in the event of a winding up is limited to £1.

Petans Limited

Company Limited by Guarantee

Notes to the financial statements (*continued*)

Year ended 30 September 2020

5. Charitable activities

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Survival at sea	766,289	766,289	967,050	967,050
Offshore helicopter operations	283,341	283,341	453,590	453,590
Seagoing safety - OSTP	153,525	153,525	220,199	220,199
Fire fighting	297,628	297,628	393,501	393,501
Practical safety	95,274	95,274	129,122	129,122
Management safety	42,614	42,614	47,119	47,119
STCW	142,388	142,388	189,595	189,595
Opito registration	71,054	71,054	86,405	86,405
GWO	186,607	186,607	163,980	163,980
	<u>2,038,720</u>	<u>2,038,720</u>	<u>2,650,561</u>	<u>2,650,561</u>

6. Other trading activities

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Rental income	11,689	11,689	23,275	23,275
Lunch money	10,171	10,171	12,191	12,191
	<u>21,860</u>	<u>21,860</u>	<u>35,466</u>	<u>35,466</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Income from listed investments	33,942	33,942	13,983	13,983
Interest received	1,244	1,244	1,972	1,972
	<u>35,186</u>	<u>35,186</u>	<u>15,955</u>	<u>15,955</u>

8. Other income

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Other income	3,097	3,097	11,055	11,055
Covid-19 Job Retention Scheme	116,726	116,726	—	—
	<u>119,823</u>	<u>119,823</u>	<u>11,055</u>	<u>11,055</u>

9. Investment management costs

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Portfolio management	4,150	4,150	4,551	4,551

Petans Limited

Company Limited by Guarantee

Notes to the financial statements (*continued*)

Year ended 30 September 2020

10. Expenditure on charitable activities

	Activities undertaken directly	Support costs	Total funds 2020	Total fund 2019
	£	£	£	£
Staff costs	1,020,917	197,289	1,218,206	1,442,799
Consultancy fees	10,500	—	10,500	8,550
External costs	419,083	—	419,083	541,312
Meals	107,932	—	107,932	129,810
Other direct costs	181,596	—	181,596	194,841
Support costs	—	102,580	102,580	142,776
Depreciation	318,496	—	318,496	238,400
Governance costs	—	13,991	13,991	16,813
	<u>2,058,524</u>	<u>313,860</u>	<u>2,372,384</u>	<u>2,715,301</u>

Analysis of governance costs:

	2020	2019
	£	£
Audit fees	8,160	7,660
Auditors remuneration for non audit services	5,831	5,040
Trustee indemnity insurance	—	4,113
	<u>13,991</u>	<u>16,813</u>

During the years ended 30 September 2020 and 2019 all expenditure in respect of costs of charitable activities was unrestricted.

11. Net losses on investments

	Unrestricted Funds	Total Funds 2020	Unrestricted Funds	Total Funds 2019
	£	£	£	£
Gains/(losses) on listed investments	(123,610)	(123,610)	(27,199)	(27,199)

12. Net expenditure

Net expenditure is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation of tangible fixed assets	318,496	238,400
Fees payable for the audit of the financial statements	8,160	7,660
Operating lease rentals	81,793	82,664
Fees payable from non-audit services	5,831	5,040

Petans Limited

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 30 September 2020

13. Staff costs

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

	2020	2019
	£	£
Wages and salaries	1,067,291	1,204,828
Social security costs	86,163	97,826
Employer contributions to pension plans	64,752	140,145
	<hr/>	<hr/>
	1,218,206	1,442,799

Total redundancy/termination payments amount to £19,150 (2019: £128,147). There were no amounts outstanding at the year end.

The average head count of employees during the year was 53 (2019: 56).

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

	2020	2019
	No.	No.
£60,000 to £69,999	1	1
£90,000 to £99,999	—	1
	<hr/>	<hr/>
	1	2

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £193,215 (2019: £254,452).

14. Trustee remuneration and expenses

No Trustees received any remuneration or expenses payments during the year.

For payments to organisations to which the Trustees are related, please refer to note 28.

Petans Limited

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 30 September 2020

15. Tangible fixed assets

	Leasehold property £	Training equipment £	Plant and machinery £	Office equipment £	Assets under construction £	Total £
Cost						
At 1 Oct 2019	4,694,595	2,271,652	655,370	199,972	–	7,821,589
Additions	89,610	79,673	–	7,373	64,900	241,556
At 30 Sep 2020	4,784,205	2,351,325	655,370	207,345	64,900	8,063,145
Depreciation						
At 1 Oct 2019	3,365,702	403,965	644,068	173,177	–	4,586,912
Charge for the year	130,904	168,877	9,554	9,161	–	318,496
At 30 Sep 2020	3,496,606	572,842	653,622	182,338	–	4,905,408
Carrying amount						
At 30 Sep 2020	1,287,599	1,778,483	1,748	25,007	64,900	3,157,737
At 30 Sep 2019	1,328,893	1,867,687	11,302	26,795	–	3,234,677

16. Investments

	Listed investments £
Cost or valuation	
At 1 October 2019	1,838,250
Additions	33,940
Disposals	(4,148)
Fair value movements	(123,610)
At 30 September 2020	1,744,432
Impairment	
At 1 October 2019 and 30 September 2020	
Carrying amount	
At 30 September 2020	1,744,432
At 30 September 2019	1,838,250

All investments shown above are held at valuation.

Financial assets held at fair value

The fair value of listed investments is determined by reference to the quoted price for these assets in an active market at the balance sheet date.

Petans Limited

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 30 September 2020

16. Investments *(continued)*

Investments comprise the following:

	2020 £	2019 £
Listed securities	<u>1,744,432</u>	<u>1,838,250</u>

A significant loss on investments is shown for the year, this is due to market volatility from the impact of Brexit and Covid-19. Since the year end the value per share has increased from 122.05p to 130.01p as at 3 December 2020.

17. Debtors

	2020 £	2019 £
Trade debtors	292,224	272,464
Prepayments and accrued income	920,414	973,757
Other debtors	154	178
	<u>1,212,792</u>	<u>1,246,399</u>

Included in prepayments is £879,320 (2019: £931,450) relating to an advanced lease charge for the land occupied by the charity under lease until 2031. Of the £879,320 included in prepayments £813,132 was due after more than 1 year.

18. Cash and cash equivalents

Cash and cash equivalents consist of:

	2020 £	2019 £
Cash at bank and in hand	1,457	5,943
Short term deposits	1,041,870	1,100,273
Petty cash	134	133
	<u>1,043,461</u>	<u>1,106,349</u>

19. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	99,088	63,650
Accruals and deferred income	86,189	116,481
Social security and other taxes	108,102	95,155
Other creditors	5,632	6,423
	<u>299,011</u>	<u>281,709</u>

Petans Limited

Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year ended 30 September 2020

20. Deferred income

	2020	2019
	£	£
At 1 October 2019	81,946	51,305
Amount released to income	(81,946)	(51,305)
Amount deferred in year	<u>58,741</u>	<u>81,946</u>
At 30 September 2020	<u>58,741</u>	<u>81,946</u>

Deferred income relates to monies received in advance of courses for the 2020/21 financial year.

21. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £64,752 (2019: £140,145).

Petans Limited

Company Limited by Guarantee

Notes to the financial statements (*continued*)

Year ended 30 September 2020

22. Analysis of charitable funds

Year ended 30 September 2020

	At 1 October 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 30 September 2020 £
Unrestricted Income Funds						
Decommissioning Fund						
(Designated) Capital Projects Fund	400,000	–	–	200,000	–	600,000
(Designated) General Funds	500,000 6,243,966	– 2,215,589	– (2,376,534)	– (200,000)	– (123,610)	500,000 5,759,411
	<u>7,143,966</u>	<u>2,215,589</u>	<u>(2,376,534)</u>	<u>–</u>	<u>(123,610)</u>	<u>6,859,411</u>

Year ended 30 September 2019

	At 1 October 2018 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 30 September 2019 £
Unrestricted Income Funds						
Decommissioning Fund						
(Designated) Capital Projects Fund	200,000	–	–	200,000	–	400,000
(Designated) General Funds	1,400,000 5,577,980	– 2,713,037	– (2,719,852)	(900,000) 700,000	– (27,199)	500,000 6,243,966
	<u>7,177,980</u>	<u>2,713,037</u>	<u>(2,719,852)</u>	<u>–</u>	<u>(27,199)</u>	<u>7,143,966</u>

The Capital Projects Fund was set up by the Trustees to set aside funds for capital expenditure.

The Decommissioning Fund was set up by the Trustees to set aside funds for the potential future clearance of the site that the charity occupies.

Petans Limited

Company Limited by Guarantee

Notes to the financial statements (*continued*)

Year ended 30 September 2020

23. Analysis of net assets between funds

Year ended 30 September 2020

	Tangible fixed assets £	Investments £	Net current assets £	Total £
Unrestricted Income Funds				
Designated Funds	—	—	1,100,000	1,100,000
General Funds	3,157,737	1,744,432	857,242	5,759,411
	<u>3,157,737</u>	<u>1,744,432</u>	<u>1,957,242</u>	<u>6,859,411</u>

Year ended 30 September 2019

	Tangible fixed assets £	Investments £	Net current assets £	Total £
Unrestricted Income Funds				
Designated Funds	—	—	900,000	900,000
General Funds	3,234,677	1,838,250	1,171,039	6,243,966
	<u>3,234,677</u>	<u>1,838,250</u>	<u>2,071,039</u>	<u>7,143,966</u>

24. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2020 £	2019 £
Financial assets measured at fair value through income and expenditure		
Fixed asset listed investments (note 16)	<u>1,744,432</u>	<u>1,838,250</u>

25. Cash generated from operations

	2020 £	2019 £
Net expenditure	(284,555)	(34,014)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	318,496	238,400
Net losses on investments	123,610	27,199
Dividends, interest and rents from investments	(33,942)	(13,983)
Other interest receivable and similar income	(1,244)	(1,972)
<i>Changes in:</i>		
Stocks	—	10,481
Trade and other debtors	33,607	186,927
Trade and other creditors	17,302	(1,086,235)
	<u>173,274</u>	<u>(673,197)</u>

Petans Limited

Company Limited by Guarantee

Notes to the financial statements (*continued*)

Year ended 30 September 2020

26. Analysis of changes in net debt

	At 1 October 2019	Cash flows	At 30 September 2020
	£	£	£
Cash at bank and in hand	<u>1,106,349</u>	<u>(62,888)</u>	<u>1,043,461</u>

27. Operating lease commitments

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

	2020	2019
	£	£
Not later than 1 year	30,785	25,995
Later than 1 year and not later than 5 years	105,265	96,755
Later than 5 years	94,431	116,650
	<u>230,481</u>	<u>239,400</u>

28. Related parties

In the normal course of its activities, the Charity provides courses to various companies in which a number of the trustees are also directors.

Further consultancy advice was provided by R Burden, a Trustee of the charity. The income received by R Burden in relation to this amounted to £3,454 (2019: £6,161) with £Nil (2019: £86) balance owing by the Charity at the year end.

The Charity obtained membership and an exhibition stand from the East of England Energy Group, a company of which M Goodall is a director. The expenditure in relation to this amount to £2,855 (2019: £1,290) with £1,548 (2019: £1,548) balance owing by the Charity at the year end.

During the year a member of key management personnel direct family member was employed by the Charity. Total remuneration for M Ludkin for the year was £5,309. The appointment was made in open competition and the member of key management personnel was not involved in the decision making process regarding the appointment.

29. Commitment

During the year a project commenced to purchase new fire props. A deposit of £64,900 was paid in the year and is included in assets under construction. There is a commitment at the year end for the remaining cost of this project of £104,593. This work was completed in November 2020.