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Charity Registration No. 528635

Company Registration No. 00926888 (England and Wales)

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	E Sims D Edwards P Smith D Bentley I Raeside A Sims L Stephenson
Secretary	P Smith
Chief Executive Officer	P Williams
Charity number	528635
Company number	00926888
Registered office	Hanley Technical Institute 151-153 Marsh Street North Hanley Stoke-on-Trent Staffs ST1 5HR
Independent examiner	K V Staley FCA BSc Geens Limited 68 Liverpool Road Stoke-on-Trent ST4 1BG
Bankers	National Westminster Bank plc 1 Upper Market Square Hanley Stoke-on-Trent ST1 1NS
Solicitors	Freeth Cartwright LLP Federation House Station Road Stoke on Trent ST4 2SA

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

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NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their report and the financial statements and business plan for the year ended 31 August 2021. The trustees, who are also directors for the purposes of company law and who served during the year and up to the date of this report are set out in the Reference and Administrative Information.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's governing document, the 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 (FRS 102) (effective 1 January 2019)".

Objectives and activities

The charitable company's objects and activities, which provide for a public benefit, are as follows:

To promote, organize and arrange the provision of training for persons employed or intended to be employed in the engineering industry and to provide support to employers.

This has been achieved in a number of ways over the last year in our apprenticeships and our enhanced apprenticeships, and in our advanced program of apprenticeships, there has also been a small number of traineeships, something the group will be looking at expanding over the coming months.

Our sector based work academy (The ACE-Academy) that offers upskilling to the unemployed and those seeking engineering careers, the results continue to be excellent and show an overall progression to full time employment or training of approx. 83.3% of those who attend the academy and a 100% success rate of those who complete the training programme, continues to be a great success and even better than the previous year.

This upskilling of the unemployed means the demographic for the group has shifted over the last few years as we now support more and more older people with our numbers increasing substantially which has increased our income considerably. We are also supportive to those with learning disabilities or a low educational level attainment, registered as disability confident we take pride in our achievements and it has been shown this particular demographic greatly benefit from the academy hands on approach.

One other area for the Ace Academy also worth noting is that a good proportion of those attending continues to be female which as a result means that more are going into engineering and full time employment which is pleasing.

The areas for training continue to be in welding and CNC operating, and nothing has changed from the decision to offer the training in these areas when the academy was first opened due to the continued demand from our members for these skills. Consultation continues, and we are able to act quickly should the demand change and new skill sets are required due to our reserves policy.

The group has experienced difficulty in maintaining its involvement with local enterprise, improvement and steering groups over the last 12mths, due to the confines of the pandemic, but we have a strong commitment to return to these groups as soon as they start up again. Visiting schools has also been affected due to the pandemic but we are slowly getting back to doing this once more as schools begin to open their doors.

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Our continued investments, in the services and support we offer to the local community gives the group the ability to give free advice and guidance to all sectors as we bring in industry and employment expertise to assist if required. Our Education and Skills Funding expertise continues to ensure that there is fair and equal access to funding for training employees to the group's members and associates. Government incentive information is regularly sent out via e-mails telephone calls and our newsletter, our team of training officers are briefed regularly on incentive payments and then pass on relevant information to employers.

We continue to offer education, apprenticeship and training information in all forms to ensure we reach all areas of our demographic in the form of media releases information given with leaflets, e-mail bulletins and special arranged zoom meetings, giving group presentations and face to face support via our new studio's during the difficult times.

The group offers an advisory service to discuss training and training programs free to engineering sector companies. It offers a free recruitment and testing service to enable smaller companies to receive direct support. It has applied on behalf of the members and has given advice enabling them to receive assisted financial support with areas such as age grant and incentive payments, which are available to certain companies to boost and promote engineering apprenticeships.

The group has carried out training needs analysis for members on request and sends information, advice and guidance on health and safety issues via its website, information days and newsletters. Feedback from the members has been good again this year with 100% saying they would recommend our services to either an employer or friend.

We continue to offer advice on career paths and apprenticeships at different levels and give taster sessions to school pupils on engineering activities when we can (somewhat difficult at this moment) using the equipment purchased to help them understand engineering and the different roles better, this has gained special recognition from the Matrix standard for advice and guidance, with the group being represented on their website as examples of good practice.

The group has participated in career events at local schools and also been involved with a mentoring scheme designed to offer support to local schools, this service to local schools has been severely hampered by the school's closure due to corona virus and the group will be working closely to try to reduce the impact on the social wellbeing and career opportunities for the young people of stoke on Trent and the surrounding area now that the social distancing rules have reduced, although keeping a cautionary approach.

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2021**

The group's apprenticeship numbers have taken a hit due to the pandemic currently the numbers are only slightly up from the previous year and currently stand at 110 apprenticeships, but we have tempered our ambition to increase numbers significantly owing to a change in approach, as a prime apprenticeship provider the group signed up its first fully supported NSEGTA apprentices in February 2021, we have focused resources to ensure that the quality of delivery is to a high level and meets the standards expected.

Our support to members and other companies in meeting their obligations and legislative requirements in health and safety, has again being completed successfully and is subsidized by any surplus the group make, this has been very important due to the pandemic and the group launched its support pack for corona virus to all its members from the outset and this has continued throughout, the group continue to offer this service and will do until things change.

Membership costs have remained static again but we have offered even more levels of support, and our membership numbers stay consistent.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our investments which influence future activities and believe we have accomplished this. We have made surplus monies over a number of years which have supported our continual investments designed to improve the chances for local people and support the needs of local engineering companies in line with our public benefit objectives.

This year on year continual investment made in technology and equipment, has given the group the ability to continue to improve what it does and reach out too many more people when representing the sector and we have exciting proposals for the future with a new apprenticeship program, in partnership with Stoke on Trent college, giving access to level 3 apprenticeship for our students.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charitable company should undertake and this enables that to continue and expand.

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Achievements and performance

NSEGTA report that our retention and achievement performance in apprenticeships again this year remains well above national averages.

We have taken on more staff once again who have been employed in brand new areas of delivery for the group in functional and employability skills.

The continued development of the sector based work academy (ACE Academy) which has seen continued significant investment with additional equipment continues to be very successful this year in helping to up skill local people, giving them a chance to achieve a career in engineering.

Apprentice numbers for successful completion was 65 for this year at all levels, with succession rates at 74.36, which is above the national average.

The group helped over 128 unemployed people to gain skills in welding and CNC programing with 83.3% going on to gain full time employment or further training.

All our completed apprentices went on to get full time employment, with local engineering companies. Contracts remain in place with PM Training. A new contract is being agreed with Warrington & Vale Royal College and Stoke on Trent college.

The health and safety service shows that we are delivering health and safety support to more members and our training courses are still doing well, the group have been able to continue to offer a larger range of courses, all accredited by QCA and we continue to support companies with their health and safety obligations.

Accreditation with the Institute of Mechanical Engineers, the British Safety Council, the Institute of Occupational Safety and Health, the Matrix standard for advice and guidance, the awarding bodies for EAL, and the AoFA regulated health and safety national standard, have all been accredited to the group again this year.

The group are looking forward to playing an active role on the Industrial advisory board, the advanced manufacturing group, the Staffordshire providers group and Project schools and STEM development once they are once again up and running following a gap due to the pandemic.

Financial review

Designated funds

To ensure that monies surplus are channelled to enhance the groups not for profit services NSEGTA has decided to have 3 areas which are now designated from surplus and its current assets.

•	£628,912	Fixed Assets (capital investment building and equipment)
•	£116,000	Staff Contingencies (redundancy payments etc.)
•	£330,000	Strategic Development Fund

These areas will be shown on the balance sheet and constitute a commitment to develop its charitable activities.

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

The trustees have reviewed the reserves of the charity. Cash reserves are required to fund new service opportunities for members and cover the cost of potential repairs on the group's capital investment. The cash reserves of approximately £210,000 (after deducting certain fund designations) meet these requirements.

Investment powers, policy and performance

The trustees have considered the most appropriate policy for investing funds surplus to immediate needs. They have decided that this should be to maximize the return whilst minimizing the risk of loss of funds. Accordingly, funds are invested in bank deposit accounts and building society accounts. Higher risk investments are not permitted.

Financial performance

A surplus has been made this year, some of which has been invested in non-risk bonds and some reinvested in the group's assets throughout the year. The designation has been tailored in-line with any surplus made, to ensure maximum investment goes back into the group to help it meet and improve its services and charitable objectives.

The trustees have assessed the major risks to which the charitable company is exposed and are satisfied that systems are in place to mitigate exposure to those major risks.

Plans for the future

We will continue to offer low cost training for both on and off the job in our traditional areas. The health and safety services will continue to offer local companies subsidised support in that crucial area.

A strategic plan for the next few years has been developed which will require designated funds in preparation for the changes to apprenticeships and the transfer to apprenticeship standards and our partnership with Stoke on Trent College and the enhanced apprenticeship work experience program.

The group will continue developing its Ace academy to offer more places in more areas of engineering skills, therefore employing a specialist in training and the purchase of more equipment. Improved publications and stationery to complement the group's direction to include the new ACE-Academy arm of the organisation will be looked at.

We will be looking to invest into more equipment, larger equipment, and technologically up to date equipment so that we can support and give greater understanding of engineering in today's manufacturing arena.

The benefit of this will not be instantly felt by the group and it may be a few years to set up completely, but the development is designed to give increased support, more choice and more opportunities to those looking for an engineering career. It is also designed to appeal to more of a cross section of society and those who find themselves unemployed. It gives the group a more sustainable structure for its clients and employees and forms part of its longer term strategy to work closely with Job Centre Plus.

Trustees also feel that it would be prudent due to the continuing success and popularity of the group's latest activates such as the Ace academy, that money for relocation to larger premises with the inclusion of a work shop, should be considered and form part of our strategic objectives, the trustees believe that this will need a substantial reserves policy and expansion should form a major part in the group's overall strategic objectives.

Therefore, an additional designation of £150,000 from the group's cash reserves have been allocated to this.

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management

Governing document

North Staffordshire Engineering Group Training Association Limited (NSEGTA) is a company limited by guarantee, and is a registered charity governed by its Memorandum and Articles of Association which were last amended in November 2001.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

E Sims

D Edwards

P Smith

D Bentley

I Raeside

M Jobson

(Resigned 25 March 2021)

A Sims

L Stephenson

Organisational structure

A board of trustees administers the charity. It endeavours to meet bi-monthly and at other times when required. It has power to appoint sub-committees consisting of not less than two trustees for the purposes of making inquiry into or supervising or performing any function or duty which in the opinion of the trustees would be more conveniently undertaken or carried out by a sub-committee provided that all acts and proceedings of any such sub-committees shall be fully and promptly reported to the trustees. A chief executive is appointed by the trustees to manage the day to day operations of the charity. The pay scales of senior staff are set by the trustees and are benchmarked against similar sized organisations operating in the area. Pay of individual members are reviewed annually and this review takes into account performance and any other additional responsibilities undertaken.

Difficulties this year with corona virus, has hindered meetings, but constant communication via reports / e-mails. have been used during this time.

The trustees' report was approved by the Board of Trustees.



D Bentley

Trustee

Dated: 13 October 2021

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

I report to the trustees on my examination of the financial statements of North Staffordshire Engineering Group Training Association Limited (the charitable company) for the year ended 31 August 2021.

Responsibilities and basis of report

As the trustees of the charitable company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charitable company's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

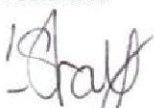
Independent examiner's statement

Since the charitable company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England & Wales (ICAEW), which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



K V Staley FCA BSc

Geens Limited
68 Liverpool Road
Stoke-on-Trent
ST4 1BG

Dated: 13 October 2021

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds 2021 £	Designated funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Designated funds 2020 £	Total 2020 £
Income from:							
Charitable activities	3	827,571	-	827,571	621,951	-	621,951
Investments	4	1,518	-	1,518	2,567	-	2,567
Total income		829,089	-	829,089	624,518	-	624,518
Expenditure on:							
Charitable activities	5	536,040	48,116	584,156	534,635	48,375	583,010
Net incoming resources before transfers		293,049	(48,116)	244,933	89,883	(48,375)	41,508
Gross transfers between funds		(220,750)	220,750	-	(118,818)	118,818	-
Net income for the year/ Net movement in funds		72,299	172,634	244,933	(28,935)	70,443	41,508
Fund balances at 1 September 2020		145,585	902,278	1,047,863	174,520	831,835	1,006,355
Fund balances at 31 August 2021		217,884	1,074,912	1,292,796	145,585	902,278	1,047,863

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	8		628,912		619,278
Current assets					
Debtors	9	41,701		47,459	
Cash at bank and in hand		655,725		422,709	
		<u>697,426</u>		<u>470,168</u>	
Creditors: amounts falling due within one year	11	(14,753)		(15,743)	
Net current assets			682,673		454,425
Total assets less current liabilities			1,311,585		1,073,703
Creditors: amounts falling due after more than one year	12		(18,789)		(25,840)
Net assets			<u>1,292,796</u>		<u>1,047,863</u>
Income funds					
<u>Unrestricted funds</u>					
Designated funds	13	1,074,912		902,278	
General unrestricted funds		217,884		145,585	
		<u>1,292,796</u>		<u>1,047,863</u>	
		<u>1,292,796</u>		<u>1,047,863</u>	

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2021

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2021.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 13 October 2021



D Bentley
Trustee

Company Registration No. 00926888

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	17		295,100		143,519
Investing activities					
Purchase of tangible fixed assets		(57,751)		(80,947)	
Repayment of investment loans and receivables		1,200		(1,800)	
Investment income received		1,518		2,567	
Net cash used in investing activities			(55,033)		(80,180)
Financing activities					
Payment of obligations under finance leases		(7,051)		19,729	
Net cash (used in)/generated from financing activities			(7,051)		19,729
Net increase in cash and cash equivalents			233,016		83,068
Cash and cash equivalents at beginning of year			422,709		339,641
Cash and cash equivalents at end of year			655,725		422,709

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Charity information

North Staffordshire Engineering Group Training Association Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Hanley Technical Institute, 151-153 Marsh Street North, Hanley, Stoke-on-Trent, Staffs, ST1 5HR.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's governing document, the 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 (FRS 102) (effective 1 January 2019)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

Despite the coronavirus pandemic and, as explained more in note 16, at the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

1.4 Income

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy.

1.5 Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	2% p.a.
Fixtures, fittings & equipment	10% p.a. to 25% p.a. straight line
Motor vehicles	25% reducing balance

1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.13 Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 8 for the carrying amount of fixed assets, and note 1.6 for the useful economic lives for each class of assets.

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

3 Charitable activities

	Training and education 2021 £	Training and education 2020 £
Membership fees	30,703	28,634
Services to managing agents	358,383	324,091
Courses	56,220	47,007
Safety services	7,762	7,224
ESFA Funding	50,049	-
Enhanced apprenticeships	3,320	2,634
Ace Academy	321,134	212,361
	<u>827,571</u>	<u>621,951</u>

4 Investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Interest receivable	<u>1,518</u>	<u>2,567</u>

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

5 Charitable activities

	Training and education 2021 £	Training and education 2020 £
Staff costs	421,031	428,655
Depreciation and impairment	48,116	40,504
Course expenses (inc NSEG costs)	21,480	16,062
Rent, rates and insurance	11,090	10,508
Heat, light and water	5,202	4,235
Minor equipment, maintenance and premises expenses	14,227	9,552
Printing, stationery and telephone	8,530	9,375
Publicity (including website)	1,188	11,008
Motor and travelling expenses	4,710	7,568
Independent examiner's fees	1,835	1,750
Sundry expenses	11,019	7,998
EAL charges	11,844	15,378
Subscriptions and donations	5,954	3,604
Vehicle leasing	-	1,287
Irrecoverable VAT	6,984	8,074
Health and safety service expenses	565	704
Ace Academy expenses	8,432	5,444
Hire purchase interest	1,949	1,304
	<u>584,156</u>	<u>583,010</u>
	<u><u>584,156</u></u>	<u><u>583,010</u></u>
Analysis by fund		
Unrestricted funds	536,040	534,635
Unrestricted funds - designated	48,116	48,375
	<u>584,156</u>	<u>583,010</u>
	<u><u>584,156</u></u>	<u><u>583,010</u></u>

6 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, and none of them were reimbursed any expenses (2020- none).

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

7 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	14	14
	<u>14</u>	<u>14</u>
Employment costs	2021	2020
	£	£
Wages and salaries	374,749	379,695
Social security costs	32,945	33,230
Other pension costs	13,337	15,730
	<u>421,031</u>	<u>428,655</u>
	<u>421,031</u>	<u>428,655</u>

The total amount of employee benefits paid to its key management personnel, including the trustees, amounted to £58,570 (2020 £59,627).

There were no employees whose annual remuneration was £60,000 or more.

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

8 Tangible fixed assets

	Land and buildings	Fixtures, Motor vehicles fittings & equipment		Total
	£	£	£	£
Cost				
At 1 September 2020	483,284	210,946	49,516	743,746
Additions	30,500	21,256	5,995	57,751
Disposals	-	(47,616)	-	(47,616)
At 31 August 2021	513,784	184,586	55,511	753,881
Depreciation and impairment				
At 1 September 2020	32,484	78,003	13,981	124,468
Depreciation charged in the year	7,180	31,911	9,026	48,117
Eliminated in respect of disposals	-	(47,616)	-	(47,616)
At 31 August 2021	39,664	62,298	23,007	124,969
Carrying amount				
At 31 August 2021	474,120	122,288	32,504	628,912
At 31 August 2020	450,800	132,943	35,535	619,278

9 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	30,885	38,056
Other debtors	448	1,274
Prepayments and accrued income	10,368	8,129
	41,701	47,459

10 Finance lease commitments

Future minimum lease payments due under finance leases:	2021 £	2020 £
Within one year	7,050	7,050
Within two and five years	18,789	25,840
	25,839	32,890

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

11 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Obligations under finance leases	10	7,050	7,050
Trade creditors		5,773	5,188
Accruals and deferred income		1,930	3,505
		<u>14,753</u>	<u>15,743</u>

The hire purchase obligation is secured over the relevant asset included within motor vehicles.

12 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Obligations under finance leases	10	<u>18,789</u>	<u>25,840</u>

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

13 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 September 2019 £	Resources expended £	Transfers £	Balance at 1 September 2020 £	Resources expended £	Transfers £	Balance at 31 August 2021 £
Fixed Assets	578,835	(40,504)	80,947	619,278	(48,116)	57,750	628,912
Staff Contingencies	93,000	-	10,000	103,000	-	13,000	116,000
Strategic Development Fund	160,000	(7,871)	27,871	180,000	-	150,000	330,000
	<u>831,835</u>	<u>(48,375)</u>	<u>118,818</u>	<u>902,278</u>	<u>(48,116)</u>	<u>220,750</u>	<u>1,074,912</u>

Fixed Assets. This fund represents the net book value of the fixed assets held by the charity.

Staff Contingencies. This fund is to provide resources should the services of the charity be affected by sickness or other absence of staff or should the charity have to make staff redundant.

Strategic Development Fund. This is a fund set aside to ensure the charity's sustainability and ability to implement any possible rapid capital investment due to proposed changes in apprenticeship delivery. Changes coming in July 2020 as apprenticeship change from traditional frameworks to standards will influence delivery models for apprenticeships, these delivery models could have a significant impact on the charity. The charity will rely on its ability to react quickly to those changes if its current approach and its desire to work with local colleges does not bear fruit. A workshop and equipment required to deliver foundation units of engineering will be required, this will be at significant cost to the charity and must be accounted for and monies designated in preparation.

14 Analysis of net assets between funds

	Unrestricted funds 2021 £	Designated funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Designated funds 2020 £	Total 2020 £
Fund balances at 31 August 2021 are represented by:						
Tangible assets	-	628,912	628,912	-	619,278	619,278
Current assets/ (liabilities)	236,673	446,000	682,673	171,425	283,000	454,425
Long term liabilities	(18,789)	-	(18,789)	(25,840)	-	(25,840)
	<u>217,884</u>	<u>1,074,912</u>	<u>1,292,796</u>	<u>145,585</u>	<u>902,278</u>	<u>1,047,863</u>

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

15 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	-	588

16 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

17 Cash generated from operations

	2021 £	2020 £
Surplus for the year	244,934	41,508
Adjustments for:		
Investment income recognised in statement of financial activities	(1,518)	(2,567)
Depreciation and impairment of tangible fixed assets	48,116	40,504
Movements in working capital:		
Decrease in debtors	4,558	65,191
(Decrease) in creditors	(990)	(1,117)
Cash generated from operations	295,100	143,519

18 Analysis of changes in net funds

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	422,709	233,016	655,725
Obligations under finance leases	(32,890)	7,051	(25,839)
	389,819	240,067	629,886