

Charity Number: 1061605
Company Number: 03163754

Training and Development Resource Ltd
(a company limited by guarantee)

**Report of the Trustees and
Financial Statements**

For the year ended 31 July 2021

Training and Development Resource Limited

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Training and Development Resource Limited

Board of Trustees Reporting For the year ended 31 July 2021

Company Registration Number: 03163754
Registered in England and Wales

Charity Registration Number: 1061605

Registered Office: Q1 Quorum Business Park
Benton Lane
Newcastle upon Tyne
NE12 8EX

Board of Trustees:	O Grant OBE DL	Chair
	T Bowman	Resigned 02 July 2021
	D Trotter	Resigned 13 December 2020
	R Dodd MBE	
	I Young	
	D Kilkenny	
	J Smith	
	M Collins	
	K O'Brien	

Company secretary: Li Xue

Bankers: Lloyds Bank Plc
102 Grey Street
Newcastle upon Tyne
NE99 1SL

Auditors: Haines Watts North East Audit LLP
17 Queens Lane
Newcastle upon Tyne
NE1 1RN

Training and Development Resource Limited

Board of Trustees Report (Continued) **For the year ended 31 July 2021**

The trustees are pleased to present their annual report together with the consolidated financial statements of the charitable company for the year ended 31 July 2021.

The financial statements comply with the Memorandum and Articles of Association and the requirements of the Charities Act 2011, 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 (FRS102) (effective 1 January 2015).

PUBLIC BENEFIT STATEMENT

The Trustees have referred to the guidelines contained in the Charity Commission's general guidance on public benefit when reviewing the year's aims and objectives and in planning future activities. The charity's aims and objectives above are reported clearly below to provide clear and demonstrable public benefit.

GOVERNING DOCUMENT

Training and Development Resource Limited is a registered charity (No. 1061605). It is governed by Articles of Association that were last revised on 21 February 2018.

TRUSTEE INDUCTION AND TRAINING

On appointment, each Trustee receives a full briefing and induction on the extensive activities of the Charity and subsidiary. This includes strategy, finance, organisation and systems. In addition, meetings are arranged with all key staff executing the day-to-day activities of TDR and its subsidiary company TDR Training Ltd. There is a particular focus on:

- Obligations of Trustees,
- The governing documents,
- The operational framework,
- Reserves and current financial position, Future plans and objectives.

ACHIEVEMENTS & PERFORMANCE

For the first part of 2020/21 TDR's training intake number was broadly in line with the business plan, budget and comparable to previous years. However, the onset on the COVID-19 pandemic and the introduction of National lockdowns in late March 2020 had a significant effect on planned income across a number of delivery streams between then and the remainder of the year.

TDR's aim in response to the pandemic was to deliver a seamless "Business as usual" service to clients, learners, employers, partners and stakeholders. TDR rapidly responded by developing and implementing new working practices and procedures, working closely with regulators to establish new and approved delivery methods. TDR achieved its aim of a "business as usual" service with no detriment to learners in completion of training provision. In March 2020, TDR was Ofsted inspected; this was a short inspection with the mandatory 2 days' notice. TDR received an overall rating of "Good".

During the year, TDR broadened the range of expertise of the Board of Trustees with the appointment of highly experienced candidates from finance, manufacturing and property sectors. TDR has continued to build strong partnerships with local authorities, colleges, local Enterprise Partnership (LEP) and local Universities.

AIMS AND OBJECTIVES

TDR was originally set up by the business sector in the North East of England and was incorporated in 1998. The initial imperative was to resolve a major shortfall in young people considering a career as an apprentice in the regional engineering sector. TDR has evolved progressively into an independent, regional, not-for-profit charity that connects learners, their parents and education staff with the business marketplace. TDR Training Limited, the subsidiary company, provides high quality apprenticeships while promoting science and engineering technology as potential career options for young people.

TDR continuously strives for excellence and to act in the best interests of learners by providing opportunity for all to learn new skills and to develop marketable expertise. TDR recognises, promotes and benefits from inclusion and seeks to expand the skills development and progression of individuals to ensure sufficient resource of operators, technicians, engineers and scientists who are adequately equipped to keep pace with the latest technologies and standards. In parallel with this approach, TDR is totally committed to safeguarding its clients. Its procedures and outcomes are formally reviewed and updated at Trustee meetings, where directors are fully briefed and involved with the policy development and execution of this important issue.

TDR is committed to increasing its impact, influence and public benefit along with its scope and scale. The services provided by TDR are underpinned by core values that mandate professionalism, continuous improvement, a focus on excellence and progression. TDR aim to provide employers with imaginative, enthusiastic, ambitious, able and employable people who are ready to enter the technology-sector workforce and add value to their employers.

TDR's "Objects" as set out in the Articles of Association are to:-

- Promote and provide learning, vocational education and training to employees and individuals in pursuit of employment.
- Specialise in the fields of science, engineering, manufacturing, commerce, enterprise and professional services in industry.

ENSURING TDR DELIVERS THE OBJECTIVES

The Trustees meet quarterly as a Board and review outcomes, strategy and plans. The review looks at what was achieved along with outcomes compared to the plan. The overall strategic direction is therefore considered and amended in the light of current and expected circumstances. TDR have referred to the suggestions contained in the Charities Commission guidance on Public Benefit when reviewing the aims and objectives.

Training and Development Resource Limited

Board of Trustees Report (*Continued*)

For the year ended 31 July 2021

FINANCIAL REVIEW

The financial position for the year shows a group deficit of £10,387 (2020 – £16,358). The outturn was largely as a result of targets for commercial income and apprenticeship numbers and, therefore, income projections not being met in the trading subsidiary, TDR Training Ltd.

The trustees have supported a consolidation of activities in a challenging year for training generally. At the year end the overall fund balance of the group stood at £1,340,687 (2020 - £1,351,074) represented in a large part by fixed assets, with net current liabilities of £139,106 (2020 - £104,016). The trustees have prepared income and expenditure, balance sheet and cash flow forecasts for the period July 2023 and have a reasonable expectation that the company has sufficient resources to continue in operational existence for a period of at least 12 months from the date of approving these financial statements. Further detail is given in the going concern accounting policy on page 18.

The charity does not actively fundraise and does not work with any third party fundraisers. TDR complies with relevant fundraising standards and there have been no fundraising complaints in the year.

The financial statements, which have been prepared in accordance with the Charity SORP (FRS102) 2019, conform to current statutory requirements and comply with the Charity's governing documents.

RESERVES POLICY

The Trustees have reviewed the reserves of the Group. This review encompassed the nature of the income and expenditure streams, the needs to match variable income and fixed commitments and the nature of the reserves to enable the Group to effectively deliver its two key objectives.

The Trustees have concluded that the Group requires a general reserve fund equating to approximately three months of unrestricted fund expenditure which equates to approx. £600k.

Unrestricted funds amounts to £1,223,068 (2020 - £1,233,455) for the group at the end of the year. Restricted funds totalled £117,619 (2020 - £117,619). Of the unrestricted reserves £2,220,287 is represented by fixed assets and £760,114 is an associated secured bank loan. The free reserves are in a deficit of £256,725 (2020 - £205,284). Forecasts show surpluses for the coming period for the group and the board intend to retain these to strengthen the balance sheet and to increase the working capital, building the reserves up to the desired level..

INVESTMENTS POWERS AND RESTRICTIONS

The Trustees can invest any sums or investments received by them in investments in which they are by law authorised to invest money, with power from time to time to change to others of a like nature.

PLANS FOR THE FUTURE

TDR's future plans are to continue to make a difference by creating a world-class skills pool to sustain the people's needs of the Science, Technology, Engineering and Manufacturing (STEM) industries, whilst strategically enhancing the engagement with local schools and authorities and offering advice and guidance on STEM activities.

TDR Training has continued to improve its performance since the Covid Pandemic influenced apprenticeship recruitment and training course numbers. An increased focus on raising the company's profile utilising social media, attending networking events and engaging with organisations such as North East Local Enterprise, North East Ambition and The North East of England Chamber of Commerce, all with the vision of engaging with new stakeholders in the region.

TDR have employed a Business Development Manager with a team of people dedicated to engaging with our current and new employers.

During 2021 TDR Training became part of a consortium headed by Sunderland University. The University won a large European Social Fund contract, which allowed independent training organisations, such as TDR Training the opportunity to deliver upskilling, and retraining of the Northeast workforce. The contract runs from January 2022 until September 2023. The training is fully funded by the ESF contract, which, means employers do not have to pay for their employees to attend. TDR will deliver the following disciplines.

- 15 Engineering Courses
- 3 Health & Safety Courses
- 4 Science & Process Courses

The courses are released on a monthly basis, and we are already seeing high interest with places being snapped up very quickly.

TDR continue to engage with new and existing organisations, with negotiations ongoing with significant Northeast employers to set up training partnerships which will secure TDR's position as the leading Independent Training Organisation in the region.

To help support the future growth plans TDR have decided to relocate its practical training centre currently based on Scotswood Road in Newcastle to the company head office at Quorum Business Park. An incredible donation of £100k by TDR's long standing partner British Engines has been used to support the move.

A Teaching and Learning Suite is being created on the second floor of the Q1 premises, this will consist of 7 purpose-built classrooms, student canteen and breakout area as well as the potential of a 6,000 square feet conference facility which can be used for corporate events.

The ground floor is being renovated to accept the practical machines, such as Milling, Turning, Welding and Electrical delivery, this will create a practical delivery workshop designed to deliver to not only apprenticeships but ongoing upskilling for the people of the North East.

TDR will start to deliver Higher National Certificate (HNC) from September 2022. This is a huge growth area, as we currently outsource this provision to a local college. Many of our stakeholders are keen for TDR to start this delivery.

By delivering HNC, TDR will become the only independent training organisation in the region to deliver all aspects of engineering apprenticeship from Level 2 – 4. This is a huge selling point for the business.

Training and Development Resource Limited

Board of Trustees Report (*Continued*)

For the year ended 31 July 2021

The Trustees will continue to work on achieving its main objectives to:

- Engage with local school and authorities to provide STEM information, advice, and guidance to help people make informed choices about their further education and career progression;
- Generate a high-calibre pool of capable potential employees who are ready willing and able to contribute positively to the UK economy;
- Combine the two operational sites in order to offer one-stop-shop training facility for Science, Technology, Engineering and Manufacturing (STEM) industries;
- Better utilisation of the organisational resource and ensure maximum capitalise on future growth opportunities;
- Continually expand curriculum design and delivery model to meet employer and learner needs;
- Deliver TDR Trust Awards Ceremony to recognise apprentice achievement and employer contribution to training and development in the region.
- TDR will continue to actively promote Engineering & Science as a worthwhile career; develop Engineering & Science Apprenticeship opportunities, Scholarships and diversify the TDR Trust School Programs. Additionally responding to the COVID-19 pandemic feature in our plans for the future.

Training and Development Resource Limited

Board of Trustees Report (*Continued*)

For the year ended 31 July 2021

REFERENCE AND ADMINISTRATION DETAILS

Registered Charity Number	1061605
Company Number	03163754
Registered Office	Q1 Quorum Business Park, Benton Lane, Newcastle upon Tyne, NE12 8EX

Trustees

The trustees who served the charity during the period were as follows;

O Grant OBE DL
T Bowman
R Dodd MBE
I Young
D Kilkenny
J Smith
M Collins

Key Management Personnel

A Wilson	Chief Executive Officer
L Xue	HR and Finance Director
A Proud	Business Development Director

Auditors

In accordance with the company's Articles, a resolution proposing that Haines Watts North East Audit LLP be reappointed as auditor of the company will be put at a General Meeting.

Training and Development Resource Limited

Board of Trustees Report (*Continued*)

For the year ended 31 July 2021

STRUCTURE, GOVERNANCE & MANAGEMENT

Training and Development Resource Limited (TDR) is governed by a Board of up to eight Trustees. There are specific selection criteria laid down regarding the qualities required for a person to be considered suitable. The nomination and selection process involves all Trustees and is democratic and transparent. Appointments are made at the quarterly meetings of the Board.

TDR Training Limited is the wholly owned subsidiary Company of TDR, The TDR Training executive team is led by a Managing Director, along with a senior management team, which has delegated operational responsibility. TDR Training Ltd employees participate in an annual Performance Management process to reinforce Company ethos and culture and set objectives and targets for the coming year. Detailed operational budgets are established, monitored and formally reviewed by the Trustees and Managing Director supported by the Finance Department. During the year the Managing Director and senior management team undertook much of their work 'remotely' using Zoom for meetings as direct association was restricted because of Government guidelines regarding Health and safety and the effects of Covid. Training Board meetings were likewise remotely organised.

The Managing Director decided that he wished to retire at the end of March 2021. The decision was made to seek to appoint a new head of the executive team from within the senior team, only if that proved unsuccessful would a decision have been taken to recruit externally. After a due and proper process and following interviews, Alan Wilson was appointed as the Chief Executive. The Trustees determined that Chief Executive allowed for proper separation of duties in the early period of the appointment. This can be reviewed subsequently should that prove beneficial.

RECRUITMENT AND APPOINTMENT OF TRUSTEES

Nominated Trustees are appointed at a Trustees meeting. Election is by majority vote, including any proxy votes tendered. Trustees are appointed for a three-year term. Prior to inviting nominees, the Chair review the experience base of the existing Trustees in order to then attract members with relevant and complementary skills, along with sector knowledge, to the Board.

During the year several new Trustees recruitment took place:

David Kilkenny the Deputy Managing Director of Komatsu, an engineer of vast experience joined the Board, as did Martyn Collins an experienced Board member from education circles and also very experienced in property management issues joined as Trustees. In addition, John Smith joined as a Trustee, having been associated with TDR since its inception and latterly having been Finance Director then Deputy Chief Executive of a Further Education College. He brings both finance and education experience to the Board. During the year the trustees were saddened to know that a long standing and exceptional Trustee Board member, David Trotter, had extensive periods of illness. Sadly, David Trotter died in December 2020.

Tracey Bowman had been a long-standing Trustee and Board member, she resigned from the Board in June 2021 as she was leaving the area. The Board has been immensely grateful to her for her help and service. In June 2021 the Board agreed to the appointment of Katie O'Brien as a Trustee and board member. Katie brings substantial Human Resources expertise in several business sectors and was welcomed to the Trustee Board.

Training and Development Resource Limited

Board of Trustees Report (Continued)

For the year ended 31 July 2021

PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

The Trustees consider that key management comprise the charity's Trustees and the senior management team who are in charge of directing and controlling, running and operating the charity on a day to day basis.

All Trustees give their time freely and no Trustee received remuneration in the year in their role as Trustee. Details of Trustees' expenses and related party transactions are disclosed in note 12 to the accounts.

Salary levels of the senior management team are reviewed annually by the Trustees based on sector benchmarking.

RISK MANAGEMENT

As part of the business planning process the Trustees consider risk at all quarterly meetings. As a result there is a continued focus on highlighting any evolving risk, clarifying the key elements to mitigate and then taking the necessary steps to maximise the impact of the actions agreed.

Maintaining a strong financial base is a key ongoing factor in minimising risk.

The Trustees have assessed the major risks to which the Charity is exposed, in particular those relating to the operations and finances of the Charity and are satisfied that systems are in place to mitigate exposure to major risks.

The challenges facing TDR are:

- Adapting to changes in funding as a result of the apprenticeship levy.
- Keeping abreast of developments, changes and contents of apprenticeships and consequent learning requirements.
- Retaining high calibre staff to ensure the Charity can continue to manage its affairs to meet the levels of support to the learner.
- The impact of COVID-19 and continuing to deliver training amidst the challenges of apprentice recruitment.
- Maximising other income streams.
- Effective use of facilities and space.

Trustees are confident from regular review that these risks are managed effectively.

Training and Development Resource Limited

Board of Trustees Report (*Continued*)

For the year ended 31 July 2021

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure of the charity. In preparing these financial statements, the trustees are required to:

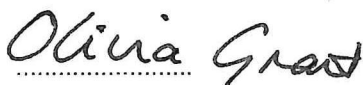
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 Charities Act 2011. 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.

So far as each of the trustees is aware at the time the report is approved:

- there is no relevant audit information of which the charities auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report was approved by the trustees on 22 February 2022 and signed on its behalf, by;



O Grant OBE DL

Chair

Training and Development Resource Limited
(A company limited by guarantee)

Independent Auditors' Report to the members of Training and Development Resource Limited
For the year ended 31 July 2021

Opinion

We have audited the financial statements of Training and Development Resource Limited (the 'charitable company') and its subsidiary (the 'group') for the year ended 31 July 2021 which comprise the Statement of Financial Activities, Group and Charitable Company, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charitable company's affairs as at 31 July 2021, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 group's or charitable company's ability to continue to adopt the going concern basis of accounting for a year of at least twelve months from the date when the financial statements are authorised for issue.

However, not all future events or conditions can be predicted. The Covid-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and wider economy. The Trustees' view on the impact of Covid-19 is disclosed in the accounting policies on page 18.

Other information

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

Independent Auditors' Report to the members of Training and Development Resource Limited (Continued)
For the year ended 31 July 2021

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 directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditors' Report to the members of Training and Development Resource Limited (Continued)
For the year ended 31 July 2021

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- confirming with the trustees and management whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the risk of management override including identifying and testing a sample of journal entries;
- confirmation received from the banks to verify the balance as on the last day of the accounting year;
- reviewing minutes of meetings of those charged with governance; and
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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

Use of this report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Donna Bulmer BA (Hons) ACA (Senior Statutory Auditor)
For and on behalf of Haines Watts North East Audit LLP

15 March 2022

Statutory Auditors & Chartered Accountants

17 Queens Lane
Newcastle upon Tyne
NE1 1RN

Training and Development Resource Limited
(A company limited by guarantee)

Consolidated Statement of Financial Activities
For the year ended 31 July 2021

		Unrestricted			
		General	Restricted	Total	Total
	Notes	Fund	Funds	2021	2020
Income from:					
Donations and legacies	4	13,700	-	13,700	97,100
Charitable activities	5	1,635,273	-	1,635,273	2,027,894
Other trading activities	6	-	-	-	104,846
Other income	7	141,960	-	141,960	96,966
Total income		<u>1,790,933</u>	<u>-</u>	<u>1,790,933</u>	<u>2,326,806</u>
Expenditure on:					
Charitable activities	9	1,801,320	-	1,801,320	2,343,164
Total expenditure		<u>1,801,320</u>	<u>-</u>	<u>1,801,320</u>	<u>2,343,164</u>
Net movement in funds		(10,387)	-	(10,387)	(16,358)
Reconciliation of funds:					
Total funds brought forward		1,233,455	117,619	1,351,074	1,367,432
Total funds carried forward		<u>1,223,068</u>	<u>117,619</u>	<u>1,340,687</u>	<u>1,351,074</u>

There were no unrecognised gains or losses other than the surplus for the year.

Training and Development Resource Limited

Consolidated Balance Sheet

As at 31 July 2021

	Notes	2021	2020
Fixed assets			
Negative goodwill	13	-	(2,499)
Tangible assets	14	2,220,287	2,221,471
		<u>2,220,287</u>	<u>2,218,972</u>
Current assets			
Debtors	16	268,004	227,117
Cash at bank and in hand		477	2,708
		<u>268,481</u>	<u>229,825</u>
Creditors: amounts falling due within one year	17	(407,587)	(333,841)
Net current liabilities		<u>(139,106)</u>	<u>(104,016)</u>
Total assets less current liabilities		<u>2,081,181</u>	<u>2,114,956</u>
Creditors: amounts falling due after more than one year	18	(740,494)	(763,882)
		<u>1,340,687</u>	<u>1,351,074</u>
Charity Funds			
Restricted funds	21	117,619	117,619
Unrestricted funds	22	1,223,068	1,233,455
Total funds		<u>1,340,687</u>	<u>1,351,074</u>

The financial statements were approved and authorised for issue by the Trustees on 22 February and signed on their behalf by:

Olivia Grant

O Grant OBE DL
Chair

The notes on pages 18 to 34 form part of these financial statements.

Training and Development Resource Limited

Charity Balance Sheet As at 31 July 2021

	Notes	2021	2020
		£	£
Fixed assets			
Tangible assets	14	2,216,910	2,225,846
Investments	15	1	1
		<u>2,216,911</u>	<u>2,225,847</u>
Current assets			
Debtors	16	29,753	110,992
Cash at bank and in hand		442	715
		<u>30,195</u>	<u>111,707</u>
Creditors: amounts falling due within one year	17	(269,547)	(93,218)
Net current liabilities		<u>(239,352)</u>	<u>18,489</u>
Total assets less current liabilities		<u>1,977,559</u>	<u>2,244,336</u>
Creditors: amounts falling due in more than one year	18	(740,494)	(769,354)
Net assets		<u>1,237,065</u>	<u>1,474,982</u>
The funds of the charity:			
Restricted income funds	21	117,619	117,619
Unrestricted income funds	22	1,119,446	1,357,363
Total charity funds		<u>1,237,065</u>	<u>1,474,982</u>

These financial statements were approved by the Board of Trustees on 22 February and are signed on their behalf by:

Olive Grant

O Grant OBE DL
Chair

The notes on pages 18 to 34 form part of these financial statements.

Training and Development Resource Limited

Cash flow statement

For the year ended 31 July 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
<i>Net cash (used in)/provided by operating activities</i>	29	111,415	20,012
Cash flows from investing activities			
Purchase of tangible fixed assets		(12,118)	(302)
<i>Net cash provided by investing activities</i>		(12,118)	(302)
Cash flows from financing activities			
Interest paid		(35,054)	(38,952)
Repayment of borrowings		(25,567)	(40,906)
<i>Net cash used in financing activities</i>		(60,621)	(79,858)
Change in cash and cash equivalents		38,676	(60,148)
Cash and cash equivalents at the beginning of the year		(133,807)	(73,659)
Cash and cash equivalents at the end of the year		(95,131)	(133,807)
Breakdown of cash and cash equivalents			
Cash at bank and in hand		477	2,708
Bank overdrafts		(95,608)	(136,515)

Notes to the financial statements
for the year ended 31 July 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

Training and Development Resource Limited meets the definition of a public benefit under FRS 102. The financial statements are prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are prepared in Sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Going concern

In the year ending 31 July 2021, a deficit of £10,387 was achieved. The group has a net asset position of £1,340,687 (2020 - £1,351,074). This includes net current liabilities of £139,106 (2020 - £104,016).

The financial statements have been prepared on a going concern basis, which means that the group and entity has a reasonable expectation that the entity has sufficient resources to continue in operational existence for a period of at least 12 months from the date of approving these financial statements. The group has an overdraft facility of £200,000 in place with Lloyds Bank until August 2022, together with a bank loan/mortgage of £760,114 as at 31 July 2021. Based on discussions with the bank, the Trustees have a reasonable expectation that the overdraft facility will be reviewed on an equivalent basis at the renewal date.

The senior management team have prepared a case cash flow forecast for the period ending August 2023. This has been used to establish and assure the validity of the business as a going concern. The senior management team have also prepared a severe downside scenario forecast as part of this assessment. The assumptions in the downside scenario forecast include the following:

Only contracted commercial income has been recognised i.e no new commercial income despite the business continuing to seek additional source of income.

No external rental income in the period to July 2022.

Under performance in certain aspects of other income activities.

Staff cost mitigation savings as a result of the above.

Both the base case forecast, and the severe downside forecast show that the group and the company are expected to operate within the current overdraft facility and will maintain sufficient cash funds to continue to trade.

Consequently, the Trustees are confident that the group and the company will have sufficient funds to continue to meet their liabilities as they fall due and for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.3 Basis of consolidation

The group financial statements consolidate the financial statements of the charitable company and its subsidiary undertaking, TDR Training Limited, on a line-by-line basis. A separate Statement of Financial Activities for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

Notes to the financial statements (*Continued*)
for the year ended 31 July 2021

1.4 Charitable funds

Unrestricted funds donations and other incoming resources received or generated for the charitable purposes. Unrestricted funds are available to spend on activities that further any of the general objectives of the charity.

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund.

1.5 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:

Long leasehold land and buildings	See Below
Plant and equipment	Straight line over 4 - 5 years
Fixtures & fittings	Straight line over 2 - 20 years
Computer equipment	Straight line over 3 - 4 years

The gain or loss on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to income or expenditure. Subsequent costs, including replacement parts, are capitalised only when it is probable that such costs will generate future economic benefits. Any replaced parts or remaining carrying amounts are derecognised. All other costs of repairs and maintenance are charged to the Statement of Financial Activities.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at the revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated equity, except to the extent that a revaluation gain reserves a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluations gains recognised in equity, such gains and losses are recognised in the Statement of Financial Activities.

1.6 Impairment of fixed assets

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

1.7 Fixed asset investments

In the separate accounts of the charity, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses are recognised immediately in expenditure.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement after allowing for any trade discounts due.

1.11 Financial instruments

The charitable group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.12 Income

Income is recognised when the group has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from charitable activities is recognised as earned, as the related services are provided.

Income from donations and legacies includes core funding and funding of a general nature and is recognised where there is entitlement, receipt is probable and the amount can be measured with sufficient reliability.

Deferred income represents amounts received for future years and is released to incoming resources in the year for which it is entitled.

Income from trading activities and investment income is recognised on a receivable basis.

Government grants are recognised at fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where the grant does not specify performance conditions it is recognised in income when proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.16 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following headings:

Resources expended are included in the Statement of Financial Activities on an accrual basis, exclusive of VAT with irrecoverable VAT shown as a separate cost line. They include:

Charitable activities include all the costs relating to activities where the primary aim is part of the objects of the charity along with the associated indirect costs.

Governance costs relate to costs incurred in compliance with the constitutional and statutory requirements of the group.

1.17 Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back off costs, personnel, payroll and governance costs which support the charity's (and the group's) activities. These costs, which have not been directly apportioned, have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in the support costs note.

1.18 Operating leases

An asset and corresponding liability are recognised for leasing agreements that transfer to the charity substantially all of the risks and rewards incidental to ownership ('Finance Leases'). All other leases are operating leases.

Operating leases – the group as a lessee

The group classifies the lease of properties and equipment as operating leases. Rental charges are charged to the statement of financial activities on a straight line basis over the period of the lease.

Rent free periods or incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised on a straight line basis over the lease term.

Operating leases – the group as a lessor

Rental income from operating leases is recognised on a straight line basis over the term of the lease.

1.19 Critical accounting estimates and areas of judgement

In the application of the group'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. The following estimates are included within the financial statements;

- Bad debt provision
- Impairment and valuation of the building

Training and Development Resource Limited

Notes to the financial statements *(Continued)* for the year ended 31 July 2021

2. Company structure

The company is limited by guarantee. Every member of the company undertakes to contribute to the assets if the company is wound up while he/she is a member or within one year of ceasing to be a member, such amount as may be required not exceeding £1.

3. Comparative Statement of Financial Activities

	Unrestricted General Fund	Restricted Funds	Total 2020	Total 2019
Income from:				
Donations and legacies	97,100	-	97,100	35,467
Charitable activities	2,027,894	-	2,027,894	2,171,882
Other trading activities	104,846	-	104,846	141,059
Other income	96,966	-	96,966	-
Total income	<u>2,326,806</u>	<u>-</u>	<u>2,326,806</u>	<u>2,348,408</u>
Expenditure on:				
Charitable activities	2,234,164	-	2,343,164	2,542,265
Total expenditure	<u>2,234,164</u>	<u>-</u>	<u>2,343,164</u>	<u>2,542,265</u>
Net movement in funds	(16,538)	-	(16,358)	(193,857)
Reconciliation of funds:				
Total funds brought forward	1,240,813	117,619	1,367,462	1,561,289
Total funds carried forward	<u>1,233,455</u>	<u>117,619</u>	<u>1,351,074</u>	<u>1,367,432</u>

Training and Development Resource Limited

Notes to the financial statements (Continued)
for the year ended 31 July 2021

4. Donations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Donations and gifts	13,700	-	13,700	97,100
	<u>13,700</u>	<u>-</u>	<u>13,700</u>	<u>97,100</u>

5. Charitable activities income analysis

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Provision of engineering and manufacturing training	1,635,273	-	1,635,273	2,027,894
	<u>1,635,273</u>	<u>-</u>	<u>1,635,273</u>	<u>2,027,894</u>

6. Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Rent and other income	-	-	-	103,746
Business development income	-	-	-	1,100
	<u>-</u>	<u>-</u>	<u>-</u>	<u>104,846</u>

7. Other income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
JRS Government grant	95,305	-	95,305	96,966
Commercial income	46,655	-	46,655	-
	<u>141,960</u>	<u>-</u>	<u>141,960</u>	<u>96,966</u>

Training and Development Resource Limited

Notes to the financial statements (Continued) for the year ended 31 July 2021

8. Net income from trading activity of subsidiary companies and associate company

The charity has a wholly owned subsidiary which is registered in England and Wales; TDR Training Limited.

TDR Training Limited

A summary of the trading results is shown below. Audited financial statements will be filed with the Registrar of Companies.

Profit & loss account	2021	2020
	£	£
Turnover	1,977,233	2,305,723
Cost of sales and administration expenses	(1,886,013)	(2,182,852)
Net profit	<u>91,220</u>	<u>122,871</u>

A summary of the Balance Sheet is shown below:

Fixed assets	3,376	(2,499)
Current assets	432,881	273,958
Current liabilities	(332,635)	(267,406)
Net assets	<u>103,622</u>	<u>12,402</u>

Training and Development Resource Limited

Notes to the financial statements (Continued) for the year ended 31 July 2021

9. Expenditure on charitable activities

9.1 Direct costs

	Unrestricted funds £	Restricted fund £	Total 2021 £	Total 2020 £
Staff costs	1,096,893	-	1,096,893	1,583,082
Apprentices	69,900	-	69,900	79,029
College costs	103,481	-	103,481	85,598
Direct course costs	48,305	-	48,305	70,447
Other direct costs	24,735	-	24,735	59,848
Travel and subsistence	5,414	-	5,414	21,980
Premises costs	12,327	-	12,327	52,944
Office expenses	47,871	-	47,871	53,661
IT costs	68,942	-	68,942	48,047
Marketing	29,046	-	29,046	16,800
Irrecoverable VAT	22,130	-	22,130	22,767
Finance costs	10,045	-	10,045	7,387
Other expenses	31,442	-	31,442	19,085
	<u>1,570,531</u>	<u>-</u>	<u>1,570,531</u>	<u>2,120,965</u>

9.2 Support costs

	2021 £	2020 £
Depreciation	13,303	15,158
Other staff costs	-	1,348
Premises costs	102,378	107,115
Irrecoverable VAT	27,047	28,575
Interest payable	35,054	38,146
Taxation	22,613	2,921
Governance costs (note 9.3)	30,394	28,936
	<u>230,789</u>	<u>222,199</u>
Total charitable expenditure	<u>1,801,320</u>	<u>2,343,164</u>

9.3 Governance

	2021 £	2020 £
Audit fees	14,000	14,000
Legal & professional fees	16,394	14,936
	<u>30,394</u>	<u>28,936</u>

Training and Development Resource Limited

Notes to the financial statements (Continued) for the year ended 31 July 2021

10. Net income/expenditure for the year

The group surplus/(deficit) is stated after charging/(crediting)

	2021	2020
	£	£
Depreciation – owned assets	13,303	25,158
	<u> </u>	<u> </u>

11. Auditors remuneration

The auditor's remuneration amounts to an audit fee of £14,000 (2020 - £14,000).

12. Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel

Total salary costs analysed by:

	2021	2020
	£	£
Wages and salaries	931,385	1,377,874
National insurance contributions	94,680	127,553
Pension contributions	49,939	55,279
	<u>1,076,004</u>	<u>1,560,705</u>

The number of employee who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	2021	2020
	No.	No.
£70,001 - £80,000	1	1
	<u> </u>	<u> </u>

No trustee received any remuneration or reimbursement of expenses (2020 - £nil).

The key management personnel of the parent charity are detailed in the legal and audited information. The total employee benefits of the key management personnel of the parent charity were £215,840 (2020 - £221,397).

The average headcount of persons employed by the group (including casual and part time) during the year was:

	2021	2020
	No.	No.
Directors of the Charity or trading subsidiary (paid)	4	4
Directors of the Charity (unpaid)	4	4
Apprentices	1	1
Staff	34	42
	<u>43</u>	<u>51</u>

Training and Development Resource Limited

Notes to the financial statements (Continued)
for the year ended 31 July 2021

13. Intangible fixed assets
Group

	Negative goodwill
	£
Cost or valuation	
At 1 August 2020 and 31 July 2021	(39,999)
Amortisation and impairment	
At 1 August 2020	(37,500)
Charge for the year	(2,499)
At 31 July 2021	(39,999)
Net book value	
At 31 July 2020	(2,499)
At 31 July 2021	-

The charity had no intangible assets in the current or prior year.

Amounts recognised in net income and expenditure for the year in respect of negative goodwill comprise the amortisation charge and are included in support costs.

14. Tangible fixed assets
Group

	Long leasehold land and buildings	Plant and equipment	Fixtures & fittings	Computers	Total
	£	£	£	£	£
Cost					
At 1 August 2020	2,200,000	9,250	133,578	3,720	2,346,548
Additions	-	-	12,118	-	12,118
Disposals	-	-	(40,000)	-	(40,000)
At 31 July 2021	2,200,000	9,250	105,696	3,720	2,318,666
Depreciation					
At 1 August 2020	-	4,824	117,950	2,303	125,077
Charge for the year	-	3,378	8,684	1,240	13,302
Disposals	-	-	(40,000)	-	(40,000)
At 31 July 2021	-	8,202	86,634	3,543	98,379
Net book value					
At 31 July 2021	2,200,000	1,048	19,062	177	2,220,287
At 31 July 2020	2,200,000	4,426	15,628	1,417	2,221,471

Training and Development Resource Limited

Notes to the financial statements (Continued) for the year ended 31 July 2021

14. Tangible fixed assets Charity

	Long leasehold land and buildings	Plant and equipment	Fixtures & fittings	Computers	Total
	£	£	£	£	£
Cost					
At 1 August 2020	2,200,000	9,250	84,288	3,720	2,297,258
Additions	-	-	12,118	-	12,118
At 31 July 2021	2,200,000	9,250	96,406	3,720	2,309,376
Depreciation					
At 1 August 2020	-	4,824	77,009	2,303	84,136
Charge for the year	-	3,378	3,712	1,240	8,330
At 31 July 2021	-	8,202	80,721	3,543	92,466
Net book value					
At 31 July 2021	2,200,000	1,048	15,685	177	2,216,910
At 31 July 2020	2,200,000	4,426	7,279	1,417	2,213,122

All tangible fixed assets are held for charitable purposes.

The property was formally valued in January 2022 by Avison Young at an open market value of £2,200,000 and will be reviewed by the trustees at each reporting date.

If the property was held under historical cost, it would be included at a net book value of £1,157,130 (2020 - £1,209,130).

Training and Development Resource Limited

Notes to the financial statements (Continued)
for the year ended 31 July 2021

15. Investments

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Investment in wholly owned subsidiary companies				
TDR Training Limited	-	-	1	1
Total investments	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>

16. Debtors

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade debtors	229,826	42,814	12,000	1,600
Prepayments and accrued income	25,440	40,631	9,123	16,779
Other debtors	12,738	143,672	8,630	-
	<u>268,004</u>	<u>227,117</u>	<u>29,753</u>	<u>18,379</u>

17. Creditors: amounts falling due within one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Bank loans and overdrafts	137,597	156,135	19,620	19,620
Trade creditors	113,594	97,348	2,063	21,944
Obligations under finance lease	4,360	6,538	4,360	6,538
Amounts due to fellow group undertakings	-	-	194,595	65,185
Corporation tax payable	22,613	2,921	-	-
Other taxation and social security	35,492	40,686	-	-
Other creditors	2,125	9,397	-	-
Accruals	91,806	20,816	48,909	18,333
	<u>407,587</u>	<u>333,841</u>	<u>269,547</u>	<u>131,620</u>

18. Creditors: amounts falling due after one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Bank loans and overdrafts	740,494	760,613	740,494	760,613
Obligations under finance lease	-	3,269	-	3,269
	<u>740,494</u>	<u>763,882</u>	<u>740,494</u>	<u>763,882</u>

Training and Development Resource Limited

Notes to the financial statements (Continued)
for the year ended 31 July 2021

19. Borrowings

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Bank overdrafts	95,608	136,515	-	-
Bank loans	760,114	780,233	760,114	780,233
	<u>855,722</u>	<u>916,748</u>	<u>760,114</u>	<u>780,233</u>
Payable within one year	137,957	156,135	19,620	19,620
Payable after one year	717,765	760,613	740,494	107,102
	<u></u>	<u></u>	<u></u>	<u></u>
Amounts included above which fall due after five years: Payable by instalments	446,693	446,693	516,195	516,195
	<u></u>	<u></u>	<u></u>	<u></u>

The bank loans are secured by a first legal charge on the charity's long leasehold land and buildings at Q1 Quorum Business Park. They are also secured on an unlimited debenture from the charity and an unlimited debenture and unlimited guarantee from TDR Training Limited, the charity's subsidiary undertaking.

The bank loans bear interest at rates 4.191% and 4.25% and are repayable over 20 years in monthly instalments.

20. Finance lease commitments

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Less than one year	4,360	6,538	4,360	6,538
Between one and five years	-	3,269	-	8,717
	<u>4,360</u>	<u>9,807</u>	<u>4,360</u>	<u>15,255</u>

Training and Development Resource Limited

Notes to the financial statements (Continued)
for the year ended 31 July 2021

21. Restricted funds

For the year ended 31 July 2021

	Balance at 1 August 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 July 2021 £
The Ron Dodd Scholarship Fund	97,919	-	-	-	97,919
Sponsorship Trust Activities	19,700	-	-	-	19,700
	<u>117,619</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,619</u>

21. Restricted funds (Continued)

For the year ended 31 July 2020

	Balance at 1 August 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 July 2021 £
The Ron Dodd Scholarship Fund	97,919	-	-	-	97,919
Sponsorship Trust Activities	19,700	-	-	-	19,700
	<u>117,619</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,619</u>

22. Unrestricted funds

For the year ended 31 July 2021

Group

	Balance at 1 August 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 July 2021 £
Unrestricted funds					
General fund	1,233,455	1,790,933	(1,801,320)	-	1,223,068
Total unrestricted funds	<u>1,233,455</u>	<u>1,790,933</u>	<u>(1,801,320)</u>	<u>-</u>	<u>1,223,068</u>

For the year ended 31 July 2021

Charity

	Balance at 1 August 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 July 2021 £
Unrestricted funds					
General fund	1,221,053	93,700	(195,307)	-	1,119,446
Total unrestricted funds	<u>1,221,053</u>	<u>93,700</u>	<u>(195,307)</u>	<u>-</u>	<u>1,119,446</u>

Notes to the financial statements (Continued)
for the year ended 31 July 2021

22. Unrestricted funds (Continued)

For the year ended 31 July 2020

Group	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 July 2020 £
Unrestricted funds					
General fund	1,249,813	2,326,806	(2,343,165)	-	1,233,455
Total unrestricted funds	<u>1,249,813</u>	<u>2,326,806</u>	<u>(2,343,165)</u>	<u>-</u>	<u>1,233,455</u>

For the year ended 31 July 2020

Charity	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 July 2020 £
Unrestricted funds					
General fund	1,357,363	251,946	(388,256)	-	1,221,053
Total unrestricted funds	<u>1,357,363</u>	<u>251,946</u>	<u>(388,256)</u>	<u>-</u>	<u>1,221,053</u>

Restricted funds

The Ron Dodd MBE Scholarship Fund – Funds held to provide grants to deserving students facing barriers to either entry or progression.

Sponsored Trust activities – Funds given to support Charities objectives.

23. Analysis of net assets between funds

For the year ended 31 July 2021

	Unrestricted funds £	Restricted funds £	Total £
Fixed assets	2,220,287	-	2,220,287
Net current liabilities	(256,725)	117,619	(139,106)
Creditors: amounts falling due after more than one year	(740,494)	-	(740,494)
	<u>1,223,068</u>	<u>117,619</u>	<u>1,340,687</u>

For the year ended 31 July 2020

	Unrestricted funds £	Restricted funds £	Total £
Fixed assets	2,218,972	-	2,218,972
Net current liabilities	(221,635)	117,619	(104,016)
Creditors: amounts falling due after more than one year	(763,882)	-	(763,882)
	<u>1,233,455</u>	<u>117,619</u>	<u>1,351,074</u>

Training and Development Resource Limited

Notes to the financial statements (Continued) for the year ended 31 July 2021

24. Pension

Defined contribution scheme

The group operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £12,726 (2020 - £9,160).

The defined contribution liability is allocated to unrestricted funds.

25. Commitments under operating leases

At 31 July 2021 the company had total commitments to the end of the lease under non-cancellable operating leases as set out below:

	2021	2020
	£	£
Within 1 year	9,279	9,279
More than 1 year and less than 5 years	-	5,164
	<u>9,279</u>	<u>14,443</u>

26. Related party transactions

The company has taken advantage of the exemption under FRS 102 not to disclose transactions with its 100% owned subsidiary.

R Dodd MBE, a trustee, donated £100,000 to the charity in prior years to award grants to deserving students facing barriers to either entry or progression. The amount carried forward at 31 July 2021 is £97,919 (2020 - £97,919).

27. Taxation

The charity is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or Section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives. No tax charges have arisen in the charity.

28. Control

The charity is controlled by the Board of Trustees.

Training and Development Resource Limited

Notes to the financial statements (Continued)
for the year ended 31 July 2021

29. Reconciliation of net movement in funds to net cash flow from operating activities

	2021	2020
	£	£
Net income/(expenditure) for the reporting period	(10,387)	(16,358)
Adjustments for:		
Interest paid	35,054	38,952
Depreciation	13,303	25,158
Amortisation	(2,499)	(10,000)
Decrease/(increase) in debtors	(40,887)	9,130
(Decrease)/increase in creditors	116,831	(29,791)
Net cash (used in)/provided by operating activities	111,415	17,091

30. Analysis of changes in net debt

	1 Aug 2020	Cash flows	31 July 2021
	£	£	£
Short term cash borrowings	(136,515)	40,907	(95,608)
Long term cash borrowings	(790,040)	29,926	(760,114)
Total liabilities	(926,555)	70,833	(855,722)
Cash and cash equivalents	2,708	(2,231)	477
Total net debt	(923,847)	68,602	(855,245)