

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 2022

Training and Development Resource Limited

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Training and Development Resource Limited

**Board of Trustees Reporting
For the year ended 31 July 2022**

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
R Dodd MBE	
I Young	
D Kilkenny	
J Smith	
M Collins	
K O'Brien	
D Heaney	Appointed 13 December 2022

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

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 2022.

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

In 2021/22 TDR's training intake exceeded the financial budget. In order to help support the future growth plans by maximising operational efficiencies, developing improved training facilities and a pleasant training environment TDR relocated its Training and Development Centre from the Scotswood Road to the company head quarter on Quorum Business Park. Substantial donations and technical support by TDR's long standing partner British Engines have been used to support the move and provide enhanced Training Facilities at Quorum Q1.

A new Teaching and Learning Suite has been created on the second floor of the Q1 premises, which consist of 8 purpose-built classrooms, student canteen and breakout area as well as a 6,000 square feet conference facility which can be used for STEM education activities.

The ground floor has been renovated to accept the practical machines, such as Milling, Turning, Mechanical, Welding and Electrical delivery, this project created a practical delivery workshop designed to deliver to not only apprenticeships but ongoing upskilling for the people of the North East.

In 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 delivery started in February 2022 and courses are released monthly, we are seeing high interest with places being fully booked very quickly.

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.

FINANCIAL REVIEW

The financial position for the year shows a group surplus of £343,717 (2021 – deficit £10,387). The outturn was largely as a result of increased apprenticeship and training revenue and donation received for the training centre relocation project.

At the year end the overall fund balance of the group stood at £1,684,404 (2021 - £1,340,687) represented in a large part by fixed assets, with net current liabilities of £114,599 (2021 - £139,106). The trustees have prepared income and expenditure, balance sheet and cash flow forecasts 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 £1,566,784 (2021 - £1,223,068) for the group at the end of the year. Restricted funds totalled £117,619 (2021 - £117,619). Of the unrestricted reserves £2,421,184 is represented by fixed assets and £692,070 is an associated secured bank loan. The free reserves are in a deficit of £232,218 (2021 - £256,725). 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, North East Workforce Skills Partner Group, all with the vision of engaging with new stakeholders in the region.

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

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.

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;
- The consolidation of the two operational sites into Quorum Q1 facilitates our aim to offer one-stop-shop training facility for Science, Technology, Engineering and Manufacturing (STEM) industries;
- The Consolidation into "One Site" allows for 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.
- TDR has a vision to continually invest in our training facilities as and when resources permits.

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.

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 and up to the date of signing this report were as follows;

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

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.

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 Chief Executive Officer, 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 Chief Executive Officer supported by the Senior Management Team. During the year the Chief Executive Officer and senior management team relocated the Training and Development Centre to the Head Quarter Q1 on Quorum Business Park. Training Board meetings were organised 6 times per year.

The Chief Executive Officer's contract ended in May 2022, the decision was made to seek to appoint a new head of the executive team from within the senior team, Li Xue was appointed as the Chief Executive.

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.

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:

- The perception that university offers the best career option for all high achieving school leavers.
- 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 skills shortage 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.

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 ...10/02/23... and signed on its behalf, by:



O Grant OBE DL
Chair

Independent Auditors' Report to the members of Training and Development Resource Limited
For the year ended 31 July 2022

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 2022 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charity 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 2022, 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.

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 2022

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 10, 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 2022

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

3 March 2023

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 2022

		Unrestricted			
		General	Restricted	Total	Total
	Notes	Fund	Funds	2022	2021
Income from:					
Donations and legacies	4	31,344	180,000	211,344	13,700
Charitable activities	5	1,866,845	-	1,866,845	1,635,273
Other income	6	13,556	-	13,556	141,960
Total income		<u>1,911,745</u>	<u>180,000</u>	<u>2,091,745</u>	<u>1,790,933</u>
Expenditure on:					
Charitable activities	9	1,748,029	-	1,748,029	1,801,320
Total expenditure		<u>1,748,029</u>	<u>-</u>	<u>1,748,029</u>	<u>1,801,320</u>
Net movement in funds before transfers		163,716	180,000	343,716	(10,387)
Transfers		180,000	(180,000)	-	-
Net movement in funds		343,716	-	343,716	(10,387)
Reconciliation of funds:					
Total funds brought forward		1,223,068	117,619	1,340,687	1,351,074
Total funds carried forward		<u>1,566,784</u>	<u>117,619</u>	<u>1,684,403</u>	<u>1,340,687</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 2022

	Notes	2022	2021
Fixed assets			
Tangible assets	14	2,421,184	2,220,287
		<u>2,421,184</u>	<u>2,220,287</u>
Current assets			
Debtors	16	276,560	268,004
Cash at bank and in hand		897	477
		<u>277,457</u>	<u>268,481</u>
Creditors: amounts falling due within one year	17	(392,057)	(407,587)
Net current liabilities		<u>(114,600)</u>	<u>(139,106)</u>
Total assets less current liabilities		<u>2,306,584</u>	<u>2,081,181</u>
Creditors: amounts falling due after more than one year	18	(622,181)	(740,494)
		<u>1,684,403</u>	<u>1,340,687</u>
Charity Funds			
Restricted funds	21	117,619	117,619
Unrestricted funds	21	1,566,784	1,223,068
Total funds		<u>1,684,403</u>	<u>1,340,687</u>

The financial statements were approved and authorised for issue by the Trustees on 19/2/23 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 2022

	Notes	£	2022 £	£	2021 £
Fixed assets					
Tangible assets	14		2,397,008		2,216,910
Investments	15		1		1
			<u>2,397,009</u>		<u>2,216,911</u>
Current assets					
Debtors	16	21,267		29,753	
Cash at bank and in hand		762		442	
		<u>22,029</u>		<u>30,195</u>	
Creditors: amounts falling due within one year	17	(318,492)		(269,547)	
Net current liabilities		<u>(296,463)</u>		<u>(239,352)</u>	
Total assets less current liabilities			<u>2,100,546</u>		<u>1,977,559</u>
Creditors: amounts falling due in more than one year	18	(622,181)		(740,494)	
Net assets			<u>1,478,365</u>		<u>1,237,065</u>
The funds of the charity:					
Restricted funds	21		117,619		117,619
Unrestricted funds	21		1,360,746		1,119,446
Total charity funds			<u>1,478,365</u>		<u>1,237,065</u>

These financial statements were approved by the Board of Trustees 10/2/23 and are 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

Cash flow statement

For the year ended 31 July 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
<i>Net cash provided by operating activities</i>	29	348,893	111,415
Cash flows from investing activities			
Purchase of tangible fixed assets		(217,931)	(12,118)
<i>Net cash provided by investing activities</i>		(217,931)	(12,118)
Cash flows from financing activities			
Interest paid		(9,092)	(35,054)
Repayment of borrowings		(72,403)	(25,567)
<i>Net cash used in financing activities</i>		(81,495)	(60,621)
Change in cash and cash equivalents		49,467	38,676
Cash and cash equivalents at the beginning of the year		(95,131)	(133,807)
Cash and cash equivalents at the end of the year		(45,664)	(95,131)
Breakdown of cash and cash equivalents			
Cash at bank and in hand		897	477
Bank overdrafts		(46,561)	(95,608)

Notes to the financial statements
for the year ended 31 July 2022

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 2022, a group surplus of £343,716 was achieved. The group has a net asset position of £1,684,403 (2021 - £1,340,687). This includes net current liabilities of £114,599. (2021 - £139,106).

The financial statements have been prepared on a going concern basis, which means that the group and entity is able to operate for the foreseeable future on the basis of known and projected resources. The group has an overdraft facility of £175,000 in place with Lloyds Bank until August 2023, together with a bank loan of £692,070 as at 31 July 2022. Based on discussions with the bank, the Directors 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 base case cash flow forecast for the period ending August 2024. 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 2023.
- Under performance in certain aspects of other income activities.
- 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 2022**

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 the 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.

Notes to the financial statements (Continued)
for the year ended 31 July 2022

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;

- Impairment and valuation of the building

Notes to the financial statements *(Continued)*
for the year ended 31 July 2022

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 2021	Total 2020
Income from:				
Donations and legacies	13,700	-	13,700	97,100
Charitable activities	1,635,273	-	1,635,273	2,027,894
Other trading activities	-	-	-	104,846
Other income	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	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>1,233,068</u>	<u>117,619</u>	<u>1,340,687</u>	<u>1,351,074</u>

Notes to the financial statements (*Continued*)
for the year ended 31 July 2022

4. Donations

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Donations and gifts	31,344	180,000	211,344	13,700
	<u>31,344</u>	<u>180,000</u>	<u>211,344</u>	<u>13,700</u>

5. Charitable activities income analysis

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Provision of engineering and manufacturing training	1,866,845	-	1,866,845	1,635,273
	<u>1,866,845</u>	<u>-</u>	<u>1,866,845</u>	<u>1,635,273</u>

6. Other income

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
JRS Government grant	-	-	-	95,305
Commercial income	13,556	-	13,556	46,655
	<u>13,556</u>	<u>-</u>	<u>13,556</u>	<u>141,960</u>

7. 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	2022	2021
	£	£
Turnover and other income	1,980,401	1,977,233
Cost of sales and administration expenses	(1,877,984)	(1,886,013)
Net profit	<u>102,417</u>	<u>91,220</u>

A summary of the Balance Sheet is shown below:

Fixed assets	24,176	3,376
Current assets	458,172	432,881
Current liabilities	(276,309)	(332,635)
Net assets	<u>206,039</u>	<u>103,622</u>

Notes to the financial statements (Continued)
for the year ended 31 July 2022

9. Expenditure on charitable activities

9.1 Direct costs

	Unrestricted funds £	Restricted fund £	Total 2022 £	Total 2021 £
Staff costs	1,025,443	-	1,025,443	1,096,893
College costs	263,333	-	263,333	173,381
Direct course costs	25,797	-	25,797	73,040
Travel and subsistence	10,736	-	10,736	5,414
Premises costs	2,276	-	2,276	12,327
Office expenses	14,624	-	14,624	47,871
IT costs	65,810	-	65,810	68,942
Marketing	44,269	-	44,269	29,046
Irrecoverable VAT	32,705	-	32,705	22,130
Finance costs	535	-	535	10,045
Other expenses	34,227	-	34,227	31,442
	<u>1,517,556</u>	<u>-</u>	<u>1,519,755</u>	<u>1,570,531</u>

9.2 Support costs

	2022 £	2021 £
Depreciation	4,915	13,303
Premises costs	144,584	102,378
Irrecoverable VAT	26,758	27,047
Interest payable	15,320	35,054
Taxation	18,651	22,613
Governance costs (note 9.3)	18,046	30,394
	<u>228,274</u>	<u>230,789</u>
Total charitable expenditure	<u>1,748,029</u>	<u>1,801,320</u>

9.3 Governance

	2022 £	2021 £
Audit fees	14,200	14,000
Legal & professional fees	3,846	16,394
	<u>18,046</u>	<u>30,394</u>

Notes to the financial statements (Continued)
for the year ended 31 July 2022

10. Net income/expenditure for the year

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

	2022	2021
	£	£
Depreciation – owned assets	4,915	13,303

11. Auditors remuneration

The auditor's remuneration amounts to an audit fee of £14,200 (2021 - £14,000).

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

Total salary costs analysed by:

	2022	2021
	£	£
Wages and salaries	856,946	892,817
National insurance contributions	84,397	94,680
Pension contributions	84,100	88,507
	<u>1,025,443</u>	<u>1,076,004</u>

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

	2022	2020
	No.	No.
£70,001 - £80,000	-	1

No trustee received any remuneration or reimbursement of expenses (2021 - £nil).

The key management personnel of the parent charity are detailed in the legal and administrative information. The total employee benefits of the key management personnel of the parent charity were £72,448 (2021 - £215,840).

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

	2022	2021
	No.	No.
Directors of the Charity or trading subsidiary (paid)	4	4
Directors of the Charity (unpaid)	7	4
Apprentices	-	1
Staff	34	34
	<u>45</u>	<u>43</u>

Notes to the financial statements (Continued)
for the year ended 31 July 2022

13. Intangible fixed assets
Group

	Negative goodwill
	£
Cost or valuation	
At 1 August 2021 and 31 July 2022	(39,999)
Amortisation and impairment	
At 1 August 2021	(39,999)
Charge for the year	-
At 31 July 2022	(39,999)
Net book value	
At 31 July 2021	-
At 31 July 2022	-

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 2021	2,200,000	9,250	105,696	3,720	2,318,666
Additions	-	-	217,931	-	217,931
Disposals	-	-	(12,119)	-	(12,119)
At 31 July 2022	2,200,000	9,250	311,508	3,720	2,524,478
Depreciation					
At 1 August 2021	-	8,202	86,634	3,543	98,379
Charge for the year	-	1,048	3,690	177	4,915
Disposals	-	-	-	-	-
At 31 July 2022	-	9,250	90,324	3,720	103,294
Net book value					
At 31 July 2022	2,200,000	-	221,184	-	2,421,184
At 31 July 2021	2,200,000	1,048	19,062	177	2,220,287

Notes to the financial statements (Continued)
for the year ended 31 July 2022

14. Tangible fixed assets
Charity

	Long leasehold land and buildings	Plant and equipment	Fixtures & fittings	Computers	Total
	£	£	£	£	£
Cost					
At 1 August 2021	2,200,000	9,250	96,406	3,720	2,309,376
Additions	-	-	195,034	-	195,034
Disposals	-	-	(12,119)	-	(12,119)
At 31 July 2022	2,200,000	9,250	279,321	3,720	2,492,291
Depreciation					
At 1 August 2021	-	8,202	80,721	3,543	92,466
Charge for the year	-	1,048	1,592	177	2,817
At 31 July 2022	-	9,250	82,313	3,720	95,283
Net book value					
At 31 July 2022	2,200,000	-	199,008	-	2,397,008
At 31 July 2021	2,200,000	1,048	15,685	177	2,216,910

All tangible fixed assets are held for charitable purposes.

The long leasehold land and buildings were formally valued in January 2022 by Avison Young at an open market value of £2,200,000. Trustees have assessed at the 31 July 2022 and considered that this valuation remains appropriate.

If the property was held under historical cost, it would be included at a net book value of £1,105,130 (2021 - £1,157,130).

Notes to the financial statements (Continued)
for the year ended 31 July 2022

15. Investments

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Investment in wholly owned subsidiary companies				
TDR Training Limited	-	-	1	1
Total investments	-	-	1	1

16. Debtors

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade debtors	175,125	229,826	893	12,000
Prepayments and accrued income	21,206	25,440	8,764	9,123
Other debtors	80,229	12,738	11,610	8,630
	276,560	268,004	21,267	29,753

17. Creditors: amounts falling due within one year

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Bank loans and overdrafts	116,450	137,597	69,889	19,620
Trade creditors	65,235	113,594	17,318	2,063
Obligations under finance lease	-	4,360	-	4,360
Amounts due to fellow group undertakings	-	-	202,744	194,595
Corporation tax payable	18,651	22,613	-	-
Other taxation and social security	51,392	35,492	-	-
Other creditors	19,595	2,125	-	-
Accruals	120,734	91,806	28,541	48,909
	392,057	407,587	318,492	269,547

18. Creditors: amounts falling due after one year

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Bank loans and overdrafts	622,181	740,494	622,181	740,494
	622,181	740,494	622,181	740,494

Notes to the financial statements (Continued)
for the year ended 31 July 2022

19. Borrowings

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Bank overdrafts	46,561	95,608	-	-
Bank loans	692,070	760,114	692,070	760,114
	<u>738,631</u>	<u>855,722</u>	<u>692,070</u>	<u>760,114</u>
Payable within one year	116,450	137,957	69,889	19,620
Payable after one year	622,181	717,765	622,181	740,494
	<u>622,181</u>	<u>717,765</u>	<u>622,181</u>	<u>740,494</u>
Amounts included above which fall due after five years: Payable by instalments	342,625	446,693	342,625	516,195
	<u>342,625</u>	<u>446,693</u>	<u>342,625</u>	<u>516,195</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 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Less than one year	-	4,360	-	4,360
Between one and five years	-	-	-	-
	<u>-</u>	<u>4,360</u>	<u>-</u>	<u>4,360</u>

Notes to the financial statements (Continued)
for the year ended 31 July 2022

21. Statement of funds

For the year ended 31 July 2022

	Balance at 1 August 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 July 2022 £
Unrestricted funds					
General fund	1,223,068	1,911,745	(1,748,029)	180,000	1,566,784
<i>Total unrestricted funds</i>	<u>1,223,068</u>	<u>1,911,745</u>	<u>(1,748,029)</u>	<u>180,000</u>	<u>1,566,784</u>
Restricted funds					
The Ron Dodd Scholarship Fund	97,919	180,000	-	(180,000)	97,919
Sponsorship Trust Activities	19,700	-	-	-	19,700
<i>Total restricted funds</i>	<u>117,619</u>	<u>180,000</u>	<u>-</u>	<u>(180,000)</u>	<u>117,619</u>
Total funds	<u>1,340,687</u>	<u>2,091,745</u>	<u>(1,748,029)</u>	<u>-</u>	<u>1,684,403</u>

For the year ended 31 July 2021

	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
<i>Total unrestricted funds</i>	<u>1,233,455</u>	<u>1,790,933</u>	<u>(1,801,320)</u>	<u>-</u>	<u>1,223,068</u>
Restricted funds					
The Ron Dodd Scholarship Fund	97,919	-	-	-	97,919
Sponsorship Trust Activities	19,700	-	-	-	19,700
<i>Total restricted funds</i>	<u>117,619</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,619</u>
Total funds	<u>1,351,074</u>	<u>1,790,933</u>	<u>(1,801,320)</u>	<u>-</u>	<u>1,340,687</u>

Notes to the financial statements (Continued)
for the year ended 31 July 2022

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.

Transfers

The transfers relate to spend on capital assets, restrictions lift once the purchase is made.

22. Analysis of net assets between funds

For the year ended 31 July 2022

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fixed assets	2,421,184	-	2,421,184
Net current liabilities	(232,219)	117,619	(114,600)
Creditors: amounts falling due after more than one year	(622,181)	-	(622,181)
	<u>1,566,784</u>	<u>117,619</u>	<u>1,684,403</u>

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>

Notes to the financial statements *(Continued)*
for the year ended 31 July 2022

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 £11,090 (2021 - £12,726).

The defined contribution liability is allocated to unrestricted funds.

25. Commitments under operating leases

At 31 July 2022 the company had total commitments to the end of the lease under non-cancellable operating leases as set out below:

	2022	2021
	£	£
Within 1 year	-	9,279
More than 1 year and less than 5 years	-	-
	<hr/> -	<hr/> 9,279
	<hr/> <hr/>	<hr/> <hr/>

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 £180,000 to the charity during the year. The amount carried forward at 31 July 2022 is £97,919. (2021 - £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.

Notes to the financial statements (Continued)
for the year ended 31 July 2022

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

	2022 £	2021 £
Net income/(expenditure) for the reporting period	343,717	(10,387)
Adjustments for:		
Interest paid	9,091	35,054
Depreciation	4,915	13,303
Amortisation	-	(2,499)
Loss on disposal of fixed asset	12,118	-
Decrease/(increase) in debtors	(8,556)	(40,887)
(Decrease)/increase in creditors	(12,392)	116,831
Net cash (used in)/provided by operating activities	348,893	111,415

30. Analysis of changes in net debt

	1 Aug 2021 £	Cash flows £	31 July 2022 £
Short term cash borrowings	(95,608)	49,047	(46,561)
Long term cash borrowings	(760,114)	67,930	(692,070)
Total liabilities	(855,722)	117,091	(738,631)
Cash and cash equivalents	477	420	897
Total net debt	(855,245)	117,511	(737,734)