

Company Registration Number 01273462
Charity Number 294222

NETA Training Trust
Company Limited by Guarantee
Financial Statements
31st July 2021

NETA Training Trust
Company Limited by Guarantee
Financial Statements
Year Ended 31st July 2021

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The trustees are pleased to present their annual trustees' report together with the consolidated financial statements of the charity and its subsidiaries for the year ending 31 July 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The charity is a company limited by guarantee (incorporated 17 August 1976) and as such is governed by its memorandum and articles of association, last revised December 2020. It is registered as a charity with the Charity Commission in England, number 294222.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Chair's report

Charitable Objectives and Purpose

Our main activities, and who we try to help, are described below. All our charitable activities focus on the provision of training courses and are undertaken to further our charitable purposes for the public benefit.

The objectives of the charity are to promote and advance adequate training of persons employed or intending to be employed in industry and commerce and to extend such training to members of the public.

Our purpose is to deliver great learning opportunities, inspirational educational experiences and real practical skills training for the young people, adults, businesses and the diverse communities that we serve.

During the year NETA Training Trust continued to provide training programmes in the following areas:

- Engineering Apprenticeships
- Engineering Scholarships
- Post 16 Engineering Study Programmes
- 14-16 Schools' Provision
- Adult Education Programmes
- Technical Engineering Disciplines included but not limited to:
 - Electrical, Mechanical, Instrumentation & Control, Pipefitting, Fabrication, Welding, Steel Erecting, Rigging and Lifting, Scaffolding, Commercial & Domestic Gas, Health, Safety & Environment

Overview

NETA Training has delivered a good financial performance in 2020-21 underpinned by continued investment in our facilities, our people, our brand and a strong focus on quality improvement. This is in spite of the ongoing effects of Covid-19 global pandemic which impacted full costs adult training during the year with further periods of national lockdown in November 2020 and January 2021.

The key highlights for the year include:

- HSE performance remained strong in line with our strategic objectives and COVID Safe operations.
- Successful reaccreditation to the OSHAS 18001 to the ISO 45001 standard and a focus on better health at work and mental health at work for all staff and learners.
- Winners of two national contracts with the ECITB for the delivery of Scholarship programmes.
- Record levels of full time study programme and apprenticeship recruitment over the year have yielded above target results against our business plan.

Specifically relating to Covid-19

In response to the pandemic, NETA:

- Maintained full alignment with the Government's guidelines on Covid-19 safety measures for all staff, learners and visitors to our centres
- Re-established Commercial face-to-face learning following periods of lockdown.

Operations

Study programme learners' intake (16-18) grew by 32.5% in 2020-21, demonstrating another significant increase in performance. Overall achievement rates were positive at 89.6% and positive destinations for learners at 97.7%.

The apprentice intake in 2020-21 saw an 8.9% increase in engineering learners on the previous year, this level of growth is forecast to continue during 2021-22 as local and national companies recover from economic impact of the pandemic and local projects begin early stages of construction-based activities.

NETA engaged with c. 1000 commercial organisations and clients (B2B & B2C), with over 4,660 commercial delegates trained during 2020-21 (impacted by Covid-19 closure). NETA continued to work with the Department for Work and Pensions (DWP), Tees Valley Combined Authority and local employers to provide technical skill specific training which resulted in positive employment opportunities for unemployed people. These courses included the development of new innovative programmes in Scaffolding and Welding resulting in positive destinations for delegates.

Following Government announcements and guidelines, NETA ceased face-to-face learning for all of its training activities during January 2021 due to national lockdown. Commercial programmes for adult learners were suspended and our study programme and apprentice students transferred to on-line remote learning in order to continue their studies. Face-to-face learning successfully and safely resumed in March 2021.

Given the unknown economic effects of the Covid-19 pandemic on local and national companies, full cost income is currently sporadic and extremely difficult to forecast. However, NETA's full cost commercial sales income has made a positive recovery since its return to learning in March 2021. New national contracts with emerging sectors have been secured to deliver skills training and assessment during the year, these contracts have the potential to grow over the medium to long term.

Capital investment continued in NETA's training facilities during the year to further support the successful development of the business. This investment is aligned to the business's strategic growth plans and to our mission of building real skills for real jobs. Capital grant funding received by the sole member, Education Training Collective, from the Education and Skills Funding Agency as Further Education Conditions Allocation for the benefit of the Group to improve the condition of its estate was utilised by the charity to replace the roof at the premises on Pennine Avenue.

Core Market Growth

NETA works closely with its parent, the Education Training Collective, and in conjunction with key stakeholders has developed a strategy for growth in response to the devolution agenda, challenges with engineering apprenticeship sponsorship and to challenges associated with the future implementation of T Levels.

The regional training landscape continues to remain competitive with a number of similar training providers and colleges offering engineering-based courses to local businesses and young people. Projected local inward investment and the development of new emerging industrial sectors will see an upturn in the requirement for highly skilled workers and we believe that NETA is strongly placed to support and service this demand. During 2020-21 local engineering construction project activity has remained relatively flat as the sector recovers from the COVID Pandemic. However, the recent activity to redevelop the old SSI Steelworks site (now Teesworks), announcements for major inward investment in renewable energy and carbon capture technology plus the awarding by Government of free port status should see an increase demand for highly skilled people to build, operate and maintain these assets. NETA is therefore well positioned to service this requirement both locally, nationally and internationally.

Outlook

As we emerge from the pandemic, we remain confident that the business is well positioned to continue serving local and national clients with high quality education and training programmes and are unchanged in our outlook for some growth in core market segments for 2021 and beyond. To that end, we have also developed an estates investment strategy and bold vision to support our future growth ambitions and to ensure that NETA's training facilities provide leading edge, sustainable, energy efficient learning and work environments for our staff, students and visitors.

Our overall performance represents a significant shift over the past four years in NETA's financial and operational health and will deliver greater confidence in what is already a highly respected and trusted national brand.

Financial Review

Reserves Policy

The nature of the charitable group's activities are such that a large proportion of the reserves are represented by fixed assets used in the provision of training services.

The charitable group's usual policy has been to retain sufficient other reserves in form of working capital to manage its activities. Due to the cyclical nature of these activities, liquid funds held as part of working capital can vary significantly from one date to another and need to be sufficient to enable the charity to provide training when income may not cover operating costs. The charitable group's policy is not to retain reserves beyond the amount necessary to carry out its activities but to retain sufficient reserves equivalent to two months's expenditure.

Reserves were £250k at the balance sheet date. The trustees are satisfied that this is appropriate against the target of £266k which is set on the basis of two months' from an annual expenditure in the region of c. £1.6m.

Principal funding sources

The principal funding sources available to the charitable group are government funding contracts, contract delivery to schools and colleges, and full cost delivery to employers.

Incoming resources policy and objectives

The trustees are satisfied with the range of income streams and that the charitable group is not reliant on a single source of income.

Reference and Administrative Details

Company Registration Number: 01273462
Charity Number: 294222
Registered office: Pennine Ave North Tees Ind Est., Portrack Lane,
Stockton on Tees, Cleveland, TS18 2RJ

Our advisers

Auditor RSM UK Audit LLP
1 St James' Gate
Newcastle Upon Tyne
NE1 4AD

Bankers Barclays Bank
49 High Street
Stockton-on-Tees
TS18 1AH

Solicitors Endeavour Partnership
Westminster
St Marks Court
Teesdale Business Park
Stockton on Tees
TS17 6QP

Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The trustees and officers serving during the year and since the year-end were as follows:

Key management personnel NETA Training Trust: Trustees' and Directors:

J C Hornby
R W McCallion (to 9 March 2021)
S Cossins
P M Cook
J P Heathcock
M Wilson

Secretary: F Sharp

Structure, Governance and Management

Governing Document

The charity is controlled by its governing document, the memorandum and articles of association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006. A revised set of Articles of Association was adopted by special resolution by the Board on 10 December 2020.

Recruitment and appointment of new trustees

Trustees are appointed in accordance with procedures set out in the Articles of Association.

Induction and training of new trustees

Trustees are encouraged to attend appropriate external training courses. New trustees are invited to meet the NETA Managing Director and relevant managers to understand the operations of the business. Members are also issued with a trustee pack including appropriate governance information, as well as relevant information related to the charity. This includes the staffing structure, Articles of Association, Governance Code, Standing Orders, most recent Financial Statements and Self Assessment Reports. Members are asked to undertake Safeguarding, Prevent and Equality and Diversity training on appointment and at regular intervals thereafter. Members also receive periodic training on the role and responsibilities as trustees.

Organisational Structures

The Education Training Collective is the sole member of NETA.

The NETA board of trustees meets termly to administer the charity. A salaried Managing Director is appointed by the member to manage the day to day operations of the charity. The salary costs are borne by the sole member. To facilitate effective operations the Managing Director has delegated authority, within terms of delegation approved by the member, for operational matters including finance, employment and performance related activity.

Related parties

The Education Training Collective is the sole member of NETA Training Trust. The charity's trustees are drawn from the College and industries active in the North East area.

Risk Management

The trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to such risks. The trustees continue to monitor risk closely and the principal risks facing the charity are;

- Financial sustainability
- Maintenance of high quality training provision
- Maintaining full cost commercial sales income
- Covid-19 and its impact on the business and its people

The charity has robust governance and has in place strategic planning processes in Business Planning (BP) and Performance Review (PR) systems. The BP/PR system has enabled precise and pre-emptive financial management and quality monitoring to drive the charity forward to achieve its aims.

The business considers that risk management is an integral part of good business process and, on a regular basis, reviews the industry, operational and financial risks facing the business and considers the adequacy of the controls and mitigations to manage these risks.

Key risks are mitigated in a number of ways by:

- Funding is derived through a number of direct and indirect contractual arrangements
- Building transformational partnerships with local employers
- Ensuring NETA is rigorous in delivering high quality education and training
- Via the College Group, considerable focus and investment is placed on maintaining and managing key relationships with the various funding bodies
- Delivering government funded training provision in partnership with the Group
- Ensuring NETA is focused on those priority sectors which will continue to benefit from public funding

Public benefit

In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on the advancement of education.

NETA Training Trust was founded by a group of industrialists in North East England who wished to ensure that their apprentices were given the very best start to their careers by providing them with first rate training. Since those early days the organisation has grown and developed, but the underlying principle of providing the highest quality training still remains true. Historically, and continuing to the present day, training courses organised by NETA are available to all members of the community who wish to partake in them.

Volunteers

The charity does not benefit from the use of volunteers.

Pay policy for senior staff

Guided by the Trustees and the senior management at the College, the Managing Director of NETA and the management team comprise the senior leadership team of the charity in charge of directing and controlling, running and operating the Trust on a day to day basis. All trustees give of their time freely and no trustee received remuneration in the year. Details of trustees' expenses are disclosed in note 12 to the accounts.

The pay of the senior leadership team is a fixed salary assessed in accordance with market rates. The pay is reviewed annually and any increase in pay will be in accordance with any percentage increase implemented by its parent, The Education Training Collective. The salary costs of the Managing Director is borne by The Education Training Collective.

Trustees' Responsibilities Statement

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

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

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

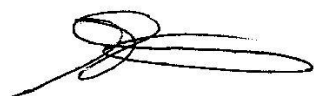
Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

NETA Training Trust
Company Limited by Guarantee
Report of the trustees for the year ending 31 July 2021

Signed on behalf of the trustees

A handwritten signature in black ink, consisting of a stylized 'S' followed by a horizontal line and a small loop.

S Cossins
Trustee

Date: 12th November 2021

NETA Training Trust
Company Limited by Guarantee
Independent Auditor's Report to the Members and Trustees of NETA Training Trust
Year Ended 31st July 2021

Opinion

We have audited the financial statements of NETA Training Trust Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent 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 and the Charities Act 2011.

Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 152 of the Charities Act 2011 and report in accordance with those Acts.

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 group and parent 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the financial statements other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the financial statements. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 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 parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Trustees' Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities 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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and parent charitable company operates in and how the group and parent charitable company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;

- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and inspecting correspondence with local tax authorities.

The most significant laws and regulations that have an indirect impact on the financial statements are those which are in relation to the Education Inspection Framework under the Education and Inspections Act 2006, Keeping Children Safe in Education under the Education Act 2002 and the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence and inspected correspondence with licensing or regulatory authorities.

The group audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and include key procedures to address other risks.

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

Use of our report

This report is made solely to the 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.

CLAIRE LEECE (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP
Chartered Accountants
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

Date: 12th November 2021

NETA Training Trust
Company Limited by Guarantee
Consolidated Statement of Financial Activities (including the consolidated income and expenditure account)
For the year ending 31st July 2021

	Note	Unrestricted 2021 £	Restricted 2021 £	Total Funds 2021 £	Total Funds 2020 £
INCOME					
<i>Income from charitable activities:</i>					
Operation of training provision	2	2,159,035	-	2,159,035	1,715,046
Other income	3	68,370	181,230	249,600	82,263
TOTAL INCOME		2,227,405	181,230	2,408,635	1,797,309
EXPENDITURE					
<i>Expenditure on charitable activities:</i>					
Operation of training provision	4	(1,517,695)	-	(1,517,695)	(1,602,861)
Other operating expenses	5	-	(181,230)	(181,230)	
TOTAL EXPENDITURE		(1,517,695)	(181,230)	(1,698,925)	(1,602,861)
NET INCOME (EXPENDITURE) AND NET MOVEMENT IN FUNDS FOR THE YEAR					
		709,710	-	709,710	194,448
RECONCILIATION OF FUNDS					
Total funds brought forward	21	(459,883)	-	(459,883)	(654,331)
TOTAL FUNDS CARRIED FORWARD		249,827	-	249,827	(459,883)

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities. Grant monies received in the year have been recognised as restricted funds. All other funds are unrestricted.

The notes on pages 23 to 37 form part of these statutory financial statements

NETA Training Trust
Company Limited by Guarantee
Company Registration Number: 01273462
Consolidated Balance Sheet (GROUP)
31st July 2021

		2021		2020	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	13		634,746		659,293
CURRENT ASSETS					
Stocks	15	15,089		15,362	
Debtors	16	301,209		255,739	
Cash at bank and in hand		314,670		41,622	
		<u>630,968</u>		<u>312,723</u>	
CREDITORS: amounts falling due within one year	17	<u>(187,871)</u>		<u>(532,961)</u>	
NET CURRENT ASSETS / (LIABILITIES)			<u>443,097</u>		<u>(220,238)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,077,843		439,055
CREDITORS: amount falling due after more than one year	18		(828,016)		(898,939)
			<u>249,827</u>		<u>(459,884)</u>
FUNDS					
Unrestricted income funds	21		249,827		(459,884)
TOTAL FUNDS			<u>249,827</u>		<u>(459,884)</u>

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. The Charity has taken exemption from preparing its unconsolidated statement of financial activities under Section 408 of the Companies Act 2006. The total incoming resources for the year amounted to £2,408,635 and net movements in funds was a surplus of £709,710.

These financial statements were approved by the members of the committee on the 12th November 2021 and are signed on their behalf by:

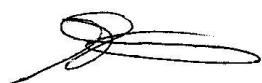


S Cossins
Trustee

The notes on pages 23 to 37 form part of these statutory financial statements
 NETA Training Trust
 Company Limited by Guarantee
 Company Registration Number: 01273462
Charity Balance Sheet
31st July 2021

		2021		2020	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	13		634,746		659,293
Investments	14		-		-
			<u>634,746</u>		<u>659,293</u>
CURRENT ASSETS					
Stocks	15	15,089		15,362	
Debtors	16	301,209		256,558	
Cash at bank and in hand		<u>314,670</u>		<u>40,803</u>	
		630,968		312,723	
CREDITORS: Amounts					
falling due within one year	17	<u>(187,871)</u>		<u>(532,961)</u>	
NET CURRENT LIABILITIES			<u>443,097</u>		<u>(220,238)</u>
TOTAL ASSETS LESS					
CURRENT LIABILITIES			1,077,843		439,055
CREDITORS: Amounts					
falling due after more than					
one year	18		(828,016)		(898,939)
NET ASSETS			<u>249,827</u>		<u>(459,884)</u>
FUNDS					
Unrestricted income funds			<u>249,827</u>		<u>(459,884)</u>
TOTAL FUNDS			<u>249,827</u>		<u>(459,884)</u>

These financial statements were approved by the members of the committee on the 12th November 2021 and are signed on their behalf by:



S Cossins
Trustee

The notes on pages 23 to 37 form part of these statutory financial statements

NETA Training Trust
Company Limited by Guarantee
Consolidated statement of cash flows
For the year ending 31st July 2021

	Note	2021	2020
		£	£
Cash generated from operating activities:	27	393,609	114,393
Cash flows from investing activities:			
Payments to acquire tangible fixed assets		(49,638)	(27,583)
Proceeds from sale of asset			
Cash used in investing activities		(49,638)	(27,583)
Cash flows from financing activities:			
Repayment of hire purchase creditor		-	-
Repayment of other borrowings		(70,923)	(70,923)
Cash used in financing activities		(70,923)	(70,923)
Increase in cash and cash equivalents in the year		273,048	15,887
Cash and cash equivalents at the beginning of the year		41,622	25,735
Total cash and cash equivalents at the end of the year		314,670	41,622

The notes on pages 23 to 37 form part of these statutory financial statements

1. Accounting policies

NETA Training Trust is a charitable company limited by guarantee incorporated in England. The address of its principal place of business is given on page 7 and the nature of its operations is set out in the trustees' report.

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Basis of Preparation

The financial statements of the charity have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Charities Act 2011 and the Companies Act 2006.

NETA Training Trust meets the definition of a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are presented in sterling which is also the financial currency of the charity. Monetary amounts in these financial statements are rounded to the nearest whole £1.

Going concern

Based on the positive performance of NETA Training Trust during 2020-21 and the future projections, the Board of Trustees considers the charity to have sufficient working capital available to continue as a going concern for the foreseeable future, with the foreseeable future being defined as the period of 12 months from the date of approval of these financial statements. The charity has support available from the sole member if this was required.

1. Accounting policies (continued)

Consolidation

The financial statements consolidate the results of the charity and its wholly owned subsidiary undertaking, NETA Enterprises Limited, on a line by line basis. All financial statements are made up to 31 July 2021 and consistent accounting policies are used.

A separate Statement of Financial Activities for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Incoming resources

All incoming resources are accounted for when the charity has entitlement to the funds, certainty of receipt and the amount is measurable. Where income is received in advance of performance, or other specified service, it is deferred until the charity is entitled to that income.

Charitable activities

Charitable activities represent expenditure associated with the provision of training courses and educational programmes and include both direct and support costs relating to those activities.

Governance costs

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when funds are raised for particular restricted purposes.

1. Accounting policies (continued)

Resources expended

Expenditure is accounted for on an accrual basis and has been classified under the headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources. Expenditure includes value added tax which cannot be fully reclaimed.

Fixed assets

All fixed assets are initially recorded at cost. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

- New building	60 years
- Leasehold building	Period of lease
- Fixtures and fittings	10 years
- Furniture and general equipment	7 – 10 years
- Major IT systems	7 years
- Vehicles and plant	5 years
- Computer and ILT equipment	3 years
- Software	3 years

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

1. Accounting policies (continued)

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 or reversals of impairment losses are recognised immediately in income and expenditure. In the consolidated accounts fixed asset investments held in the form of shares or securities are included at mid-market value at the balance sheet date.

Realised gains and losses on investments are calculated as difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the SoFA in the year of disposal. Unrealised gains and losses represent the movement in the market values during the year and are credited to the statement or charged to the SoFA based on market value at the year end.

Short term investments are deposits held in fixed term bank accounts on which penalties would be incurred if funds were withdrawn before maturity.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Financial instruments

The charity has elected to apply the provisions of Section 11 “Basic Financial Instruments” and Section 12 “Other Financial Instruments Issues” of FRS 102, in full to all of its financial instruments.

All of the charities financial assets and financial liabilities qualify as basic financial instruments. Basic Financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Financial assets: Trade and other debtors

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

1. Accounting policies (continued)

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities: Trade and other creditors

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the statement of financial activities on a straight line basis.

Sale and leaseback

A sale and leaseback transaction is one where a vendor sells an asset and immediately reacquires the use of that asset by entering into a lease with the buyer. When this occurs the proceeds are credited to a liability account, demonstrating the commercial substance of the transaction, which is reduced by the capital element of future payments and interest is charged to the SOFA on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the statement of financial activities.

1. Accounting policies (continued)

Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

In categorising leases as finance leases or operating leases, management makes judgments as to whether significant risks and rewards of ownership have transferred to the charity as lessees, or the lessee, where the charity is lessor.

2. Income from Operation of training provision

	Unrestricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£
Income from Training courses	2,159,035	2,159,035	1,715,046

3. Other income

	Restricted Funds	Unrestricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£
Capital grant	181,230	-	181,230	-
Job Retention Scheme	-	68,370	68,370	82,263
Total Other income	181,230	68,370	249,600	82,263

Capital grant funding received by the sole member, Education Training Collective, from the Education and Skills Funding Agency as Further Education Conditions Allocation to improve the condition of education provider estate.

4. Costs of Operation of training provision

	Unrestricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£
Costs of Training courses	1,517,695	1,517,695	1,602,861

NETA Training Trust
Company Limited by Guarantee
Notes to the Financial Statements
Year Ended 31st July 2021

5. Costs of other operating expenses-Further Education Conditions Allocation

	Restricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£
Roof expense	181,230	181,230	-

6. Costs of charitable activities – by activity

	Staff costs	Support costs	Total Funds 2021	Total Funds 2020
	£	£	£	£
Training courses	702,906	814,789	1,517,695	1,602,861
Other Expenditure	-	181,230	181,230	-
	702,906	996,019	1,698,925	1,602,861

7. Analysis of support costs

	Total Funds 2021	Total Funds 2020
	£	£
Other staff non-teaching costs	3,118	13,456
Agency staff costs	189,754	147,621
Premises expense	199,680	204,561
Vehicle costs	8,914	7,527
Teaching costs	207,535	232,218
Non-teaching costs	82,640	103,861
Depreciation	74,180	73,900
Interest costs	61,994	64,077
Other recharges	(13,026)	(39,049)
Roof expense	181,230	-
Total	996,019	808,172

8. Net Outgoing Resources for the Year

This is stated after charging:

	2021	2020
	£	£
Interest payable on finance leases	61,994	64,077
Depreciation – owned assets	34,918	34,638
Depreciation – assets held on hire purchase	39,262	39,262
Auditors' remuneration:		
-audit of the financial statements	6,300	6,300

9. 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 objects.

10. Surplus of the Parent Company

As permitted by Section 408 of the Companies Act 2006, the statement of financial activities of the parent company is not presented as part of these financial statements. The parent's surplus for the year was £709,717 (2020: £194,448).

11. Staff Costs and Remuneration

Total staff costs were as follows:

	2021	2020
	£	£
Wages and salaries	611,898	692,636
Social security costs	51,510	60,417
Other pension costs	39,498	41,236
	702,906	794,289

Restructuring Costs paid during the year nil (2020: £nil).

Total contributions to money purchase pension schemes for staff earning over £60,000 per annum were nil (2020: £nil). The salary cost of the Managing Director of NETA Training Trust is borne by the Education Training Collective.

Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	2021	2020
	No	No
Delivery staff	8	10
Support staff	11	12
	19	22

No employee was remunerated greater than £60,000 (2020: nil).

Key management personnel

The key management personnel of the group are the Trustees of the Trust and the Chief Executive. The total employee benefits of the key management personnel of the group were nil (2020: £nil).

The key management personnel of the charity comprise the Trustees and the Chief Executive.

NETA Training Trust
Company Limited by Guarantee
Notes to the Financial Statements
Year Ended 31st July 2021

12. Trustees' Remuneration

Trustees' expenses

No trustee has received a salary and none received any expenses in respect of the year ended 31st July 2021 (2020: £nil).

13. Tangible Fixed Assets

Group	Freehold property £	Leasehold property £	Motor vehicles £	Equipment £	Total £
COST					
At 1 August 2020	19,677	1,117,101	-	626,412	1,763,190
Additions	-	-	-	49,634	49,634
Disposals	-	-	-	-	-
At 31 July 2021	19,677	1,117,101	-	676,046	1,812,824
DEPRECIATION					
At 1 August 2020	15,346	582,408	-	506,143	1,103,897
Charge for the year	1,018	39,262	-	33,900	74,180
On disposals	-	-	-	-	-
At 31 July 2021	16,364	621,670	-	540,043	1,178,077
NET BOOK VALUE					
At 31 July 2021	3,313	495,430	-	136,003	634,746
At 31 July 2020	4,331	534,693	-	120,269	659,293

Sale and finance leasebacks

Included within the net book value of £634,746 is £495,430 (2020 - £534,693) relating to assets held under sale and finance leasebacks. The depreciation charged to the accounts in the year in respect of such assets amounted to £39,262 (2020 - £39,262).

NETA Training Trust
Company Limited by Guarantee
Notes to the Financial Statements
Year Ended 31st July 2021

13. Tangible Fixed Assets (*continued*)

Company	Freehold property £	Leasehold property £	Motor vehicles £	Equipment £	Total £
COST					
At 1 August 2020	19,677	1,117,101	-	626,412	1,763,190
Additions	-	-	-	49,634	49,634
Disposals	-	-	-	-	-
At 31 July 2021	19,677	1,117,101	-	676,046	1,812,824
DEPRECIATION					
At 1 August 2020	15,346	582,408	-	506,143	1,103,897
Charge for the year	1,018	39,262	-	33,900	74,180
On disposals	-	-	-	-	-
At 31 July 2021	16,364	621,670		540,043	1,178,077
NET BOOK VALUE					
At 31 July 2021	3,313	495,430	-	136,003	634,746
At 31 July 2020	4,331	534,693	-	120,269	659,293

Sale and finance leasebacks

Included within the net book value of £634,746 is £495,430 (2020 - £534,693) relating to assets held under sale and finance leasebacks. The depreciation charged to the accounts in the year in respect of such assets amounted to £39,262 (2020 - £39,262).

NETA Training Trust
Company Limited by Guarantee
Notes to the Financial Statements
Year Ended 31st July 2021

14. Investments

Company

**Group
companies
£**

COST

At 1st August 2020 and 31st July 2021

-

Depreciation

-

Disposal

-

As at 31st July 2021

-

NET BOOK VALUE

At 31st July 2021

-

At 31st July 2020

-

Analysis of investments at 31 July 2021 between funds

	Total Funds 2021	Total Funds 2020
Unrestricted funds	£	£
Group undertakings	0	0

Details of the investments in which the company holds more than 10% of the nominal value of any class of share capital are as follows:

	Country of registration and operation	Holding	Proportion of voting rights held	Nature of business
Subsidiary Undertakings:				
NETA Enterprises Limited (CRN: 02448095)	England	Ordinary Shares	100%	Dormant

The activities of the subsidiary has been consolidated on a line by line basis in the SOFA.

14. Investments (*continued*)

NETA Enterprises Limited

The trading results of the subsidiary, as extracted from the audited financial statements, are summarised as follows:

	2021	2020
	£	£
Turnover	-	-
Total expenditure	-	-
Net gain/loss for the year	-	-

The assets and liabilities of NETA Enterprises Limited were:

Assets	-	819
Liabilities	(82,246)	(83,065)
Net liabilities	(82,246)	(82,246)

The net assets of NETA Training Consultancy at 31 July 2021 were nil (2020: £nil).

15. Stocks

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Stock	15,089	15,362	15,089	15,362

16. Debtors

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade Debtors	30,855	43,051	30,855	43,870
Amounts owed by group undertakings	105,421	-	105,421	-
Other debtors	164,933	212,688	164,933	212,688
	301,209	255,739	301,209	256,558

NETA Training Trust
Company Limited by Guarantee
Notes to the Financial Statements
Year Ended 31st July 2021

17. Creditors: amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	66,593	70,992	66,593	70,992
Other taxation and social security	14,600	13,319	14,600	13,319
Other creditors	70,923	70,923	70,923	70,923
Accruals and deferred income	35,520	52,595	35,520	52,595
Amounts owed to group undertaking	235	325,132	235	325,132
	187,871	532,961	187,871	532,961

Included in other creditors is £70,923 (2020: £70,923) which relates to a sale and finance leaseback.

18. Creditors: amounts falling due after more than one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Other creditors	828,016	898,939	828,016	898,939
	828,016	898,939	828,016	898,939

Included in other creditors is £828,016 (2020: £898,939) which relates to a sale and finance leaseback.

19. Pension Commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in independently administered funds. The pensions cost charge represents contributions payable by the company to the fund and amounted to £39,498 (2020: £41,235). Contributions totalling £3,787 (2020: £1,861) were outstanding at the balance sheet date and are included in creditors.

20. Related party transactions

The company has taken advantage of the exemption under FRS 102 not to disclose transactions with members of the group in which it is a wholly owned subsidiary.

NETA Training Trust
Company Limited by Guarantee
Notes to the Financial Statements
Year Ended 31st July 2021

21. Unrestricted income funds

	At 1 August 2020	Incoming resources	Outgoing resources	Balance at 31 July 2021
	£	£	£	£
General Funds	(459,883)	2,227,405	(1,517,695)	249,827
Restricted	-	181,230	(181,230)	-
Total	(459,883)	2,408,635	(1,698,925)	249,827

22. Analysis of Net Assets between funds

Group

	2021	2020
	£	£
Tangible fixed assets	634,746	659,293
Net current assets/(liabilities)	443,097	(220,238)
Long term liabilities	(828,016)	(898,939)
	249,827	(459,884)

Company

	2021	2020
	£	£
Tangible fixed assets	634,746	659,293
Net current assets/(liabilities)	443,097	(220,238)
Long term liabilities	(828,016)	(898,939)
	(249,827)	(459,884)

23. Commitments under sale and finance leasebacks

Group and company

Future commitments under a sale and finance leaseback are as follows:

	2021	2020
	£	£
Amounts payable within 1 year	70,923	70,923
Amounts payable between 2 to 5 years	283,692	283,692
Amounts payable after 5 years	544,324	615,247
	898,939	969,862

24. Capital Commitments

At the year end, there were no capital commitments (2020: £nil).

25. Company Limited by Guarantee

The Trust is a company limited by guarantee and has no share capital. The liability of each member in the event of a winding-up is limited to an amount not exceeding £20.

26. Ultimate Controlling Party

In the Trustees' opinion the company's immediate parent is The Education Training Collective. The Education Training Collective is the smallest and largest entity for which consolidated accounts including NETA Training Trust is prepared. The consolidated financial statements of The Education Training Collective are available from its website.

In the opinion of the trustees, as sole member of the charity The Education Training Collective are the ultimate controlling party of the company.

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

	2021	2020
	£	£
Net movement in funds	709,717	194,448
Add back depreciation charge	74,180	73,900
Decrease (increase) in stock	273	(3,117)
Decrease (increase) in debtors	(45,471)	(22,775)
Increase (decrease) in creditors	(345,090)	(128,062)
	393,609	114,394