

Company Registration Number 01273462
Charity Number 294222

NETA Training Trust
Company Limited by Guarantee
Financial Statements
31st July 2022

NETA Training Trust
Company Limited by Guarantee
Financial Statements
Year Ended 31st July 2022

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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 2022 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 2021-22 underpinned by continued investment in our facilities, our people, our brand and a strong focus on quality improvement.

The key highlights for the year include:

- HSE performance remained strong in line with our strategic objectives and operations, the business achieved over 1m worked hours without a lost time accident or incident and achieved sector leading all injury frequency rates of performance.
- Successful reaccreditation to the OSHAS 18001 to the ISO 45001 standard and a strong focus on better health at work and mental health at work for all staff and learners.
- Achievement of an Ofsted overall grade 'Good' with four 'Outstanding' sub judgements in key performance areas.
- Winners of two national contracts with the ECITB for the delivery of Scholarship programmes, including the new Energy Transfer Technician scheme.
- Stabilised levels of full-time study programme and apprenticeship recruitment over the year have yielded on target financial results against our business plan.
- Continued to grow NETA's full cost B2B & B2C market share and revenue income in a highly competitive commercial training landscape.

Operations

Study programme learners' intake (16-18) were broadly in line with 2020-21 intake levels. Overall achievement rates were positive at 92.6% + 5.9% against the national benchmark and post programme positive destinations for all learners were at 98.1%.

Apprentice sponsorship in 2021-22 was broadly in line with the previous year as many local companies adjusted to the post pandemic economic climate. Apprenticeship growth is forecast for FY2022-23 as major project construction activity begins in areas such as the Teesworks redevelopment site in East Cleveland.

NETA engaged with c. 950 commercial organisations and clients (B2B & B2C), with over 4,200 commercial delegates trained during 2021-22. NETA continued to work with the Department for Work and Pensions (DWP), Local Employment Hubs, Tees Valley Combined Authority (TVCA) and local employers to provide technical skill specific training which resulted in positive employment opportunities for unemployed local people. These courses in Scaffolding and Welding resulting in positive work destinations for 48% of delegates.

During the year NETA was subject to a full Ofsted inspection and hosted two lead Inspectors who undertook deep dive inspections on its Level 3 Engineering study programme and apprenticeship provision. Inspectors were extremely complimentary about the quality of Teaching and Learning and gave high praise for the alignment of the curriculum to the needs of local employers and learners. Inspectors also highly praised the attitudes and behaviours of learners and how the business supported the whole person development of young people beyond the technical aspects of their education and training programme. As part of the Education Training Collective, NETA was graded as 'Good' for overall effectiveness with 'Outstanding' sub judgements given in Leadership & Management, Behaviours and Attitudes, Personal Development and Education Programmes for Young People.

NETA's full cost commercial sales income has made a positive recovery and in year financial growth following the Covid pandemic. New government contracts (Strategic Development Fund and Bootcamps) have been secured to deliver adult skills training to local people, these contracts will support local business to upskill their existing workforce and also help employees develop the skills and competencies required to progress their careers.

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. Work also continued during the year on the design of a new fit for purpose facility to support the long-term growth aspirations of the business as part of the Group's strategic estate plans.

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 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 current development of new emerging industrial sectors is now driving an upturn in the requirement for highly skilled workers. During 2021-22 local engineering construction project activity is underway with the development of the new quay at Teesworks, the imminent development of a £300m offshore turbine base mega factory, the award of Freeport status and the ongoing project work to build Europe's largest Polyhalite fertiliser mine. Major inward investment in renewable energy and carbon capture technology is also set to take place over the short to medium term, which again will see an increase demand for highly skilled people to build, operate and maintain these complex assets

Outlook

The trustees approved the transfer of its trade to the Education Training Collective (Etc.) on 1 August 2022, and as such NETA has ceased trading through this entity. This strategic decision was taken to further consolidate the trade of NETA into the future.

The trustees remain confident that the transfer of business to Etc. ensures that it is well positioned to continue serving local and national clients with high quality education and training programmes.

The trustees believe that the future success of the NETA trade (delivered through Etc.) is further underpinned by the recent Ofsted Inspection regarding the quality of education and training at NETA. To that end, Etc. will continue to develop plans for a new facility and have set a bold vision to support the growth and ambitions of NETA's trading activity.

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 £873k at the balance sheet date. As approved by the trustees, NETA Training Trust transferred its trading activities and certain assets and liabilities to the Education Training Collective on 1 August 2022. NETA will continue to trade and deliver training courses as a department within the college Group and trade under the name of NETA Training.

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 (resigned 23 August 2022)
S Cossins (resigned 14 September 2022)
P M Cook (resigned 21 August 2022)
J P Heathcock (resigned 11 August 2022)
M Wilson
G Glendinning (appointed 22 August 2022)

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

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.

Signed on behalf of the trustees



Trustee

Date: 15 December 2022

Opinion

We have audited the financial statements of NETA Training Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement 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 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 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.

Emphasis of matter – Non-going concern basis of accounting

We draw attention to Note 1 of the financial statements which describes the preparation of the financial statements on a non-going concern basis.

As described in Note 1, the parent charitable company has ceased to trade and the Trustees have concluded that it is no longer appropriate to prepare the financial statements on a going concern basis. The company ceased to trade on 1 August 2022. There have been no adjustments made to the financial statements as a result of the application of the non-going concern basis of accounting.

Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the Trustees Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees Report. 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 require 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 11, 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 operate 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, Companies Act 2006, Charities Act 2011 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 the financial statements including the Trustees' Report and inspecting correspondence with local tax authorities.

The most significant laws and regulations that have an indirect impact on the financial statements are those 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 laws and regulations 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, 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 review of income transactions around the year end.

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.

NETA Training Trust
Company Limited by Guarantee
Independent Auditor's Report to the Members and Trustees of NETA Training Trust
Year Ended 31st July 2022

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.

RSM UK Audit LLP

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 *15 December 2022*

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 2022

		Unrestricted 2022 £	Restricted 2022 £	Total Funds 2022 £	Unrestricted 2021 £	Restricted 2021 £	Total Funds 2021 £
	Note						
INCOME							
<i>Income from charitable activities:</i>							
Operation of training provision	2	2,422,698		2,451,698	2,159,035		2,159,035
Other income	3	29,000		-	68,370	181,230	249,600
TOTAL INCOME		2,451,698		2,451,698	2,227,405	181,230	2,408,635
EXPENDITURE							
<i>Expenditure on charitable activities:</i>							
Operation of training provision	4	(1,828,195)	-	(1,828,195)	(1,517,695)	-	(1,517,695)
Other operating expenses	5	-		-	-	(181,230)	(181,230)
TOTAL EXPENDITURE		(1,828,195)		(1,828,195)	(1,517,695)	(181,230)	(1,698,925)
NET INCOME AND NET MOVEMENT IN FUNDS FOR THE YEAR							
		623,503	-	623,503		-	709,710
RECONCILIATION OF FUNDS							
Total funds brought forward	21	249,827	-	249,827	(459,883)	-	(459,883)
TOTAL FUNDS CARRIED FORWARD		873,330	-	873,330	249,827	-	249,827

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from discounting activities, as the activities and certain assets and liabilities were transferred to Education Training Collective.

The notes on pages 22 to 36 form part of these statutory financial statements

NETA Training Trust
Company Limited by Guarantee
Company Registration Number: 01273462
Consolidated Balance Sheet (GROUP)
31st July 2022

		2022		2021	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	13		567,425		634,746
CURRENT ASSETS					
Stocks	15	15,908		15,089	
Debtors	16	359,760		301,209	
Cash at bank and in hand		885,205		314,670	
		<u>1,260,873</u>		<u>630,968</u>	
CREDITORS: amounts falling due within one year	17	<u>(196,562)</u>		<u>(187,871)</u>	
NET CURRENT ASSETS			<u>1,064,311</u>		<u>443,097</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,631,736		1,077,843
CREDITORS: amount falling due after more than one year	18		(758,406)		(828,016)
			<u>873,330</u>		<u>249,827</u>
FUNDS					
Unrestricted income funds	21		873,330		249,827
TOTAL FUNDS			<u>873,330</u>		<u>249,827</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 £2,451,698 and net movements in funds was a surplus of £623,503.

These financial statements were approved by the members of the committee on the 15 December 2022 and are signed on their behalf by:



Trustee

The notes on pages 22 to 36 form part of these statutory financial statements

NETA Training Trust
Company Limited by Guarantee
Company Registration Number: 01273462
Charity Balance Sheet
31st July 2022

		2022		2021	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	13		567,425		634,746
Investments	14		-		-
			<u>567,425</u>		<u>634,746</u>
CURRENT ASSETS					
Stocks	15	15,908		15,089	
Debtors	16	359,760		301,209	
Cash at bank and in hand		<u>885,205</u>		<u>314,670</u>	
		1,260,873		630,968	
CREDITORS: Amounts falling due within one year	17	<u>(196,562)</u>		<u>(187,871)</u>	
NET CURRENT ASSETS			<u>1,064,311</u>		<u>443,097</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,631,736		1,077,843
CREDITORS: Amounts falling due after more than one year	18		(758,406)		(828,016)
NET ASSETS			<u>873,330</u>		<u>249,827</u>
FUNDS					
Unrestricted income funds			<u>873,330</u>		<u>249,827</u>
TOTAL FUNDS			<u>873,330</u>		<u>249,827</u>

These financial statements were approved by the members of the committee on the 15 December 2022 and are signed on their behalf by:



Trustee

The notes on pages 22 to 36 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 2022

	Note	2022 £	2021 £
Cash generated from operating activities:	27	640,146	393,609
Cash flows from investing activities:			
Payments to acquire tangible fixed assets		-	(49,638)
Proceeds from sale of asset		-	-
Cash used in investing activities		-	(49,638)
Cash flows from financing activities:			
Repayment of hire purchase creditor		-	-
Repayment of other borrowings		(69,611)	(70,923)
Cash used in financing activities		(69,611)	(70,923)
Increase in cash and cash equivalents in the year		570,535	273,048
Cash and cash equivalents at the beginning of the year		314,670	41,622
Total cash and cash equivalents at the end of the year		885,205	314,670

The notes on pages 22 to 36 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

In considering whether it is appropriate to prepare these financial statements on a going concern basis the Trustees have considered the requirements of FRS 102, which state that an entity is a going concern unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. The trade and certain assets and liabilities of the charitable company were transferred to the parent entity on 1 August 2022 therefore the charitable company ceased to trade on 1 August 2022. Therefore the Trustees do not believe that it is appropriate to prepare these financial statements on a going concern basis. No adjustments have been made to the financial statements as a result of applying the non-going concern basis.

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 2022 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 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 2022	Total Funds 2022	Unrestricted Funds 2021	Total Funds 2021
	£	£	£	£
Income from Training courses	2,451,698	2,451,698	2,159,035	2,159,035

3. Other income

	Unrestricted Funds 2022	Restricted Funds 2021	Unrestricted Funds 2021	Total Funds 2021
	£	£	£	£
Capital grant	-	181,230	-	181,230
Job Retention Scheme	-	-	68,370	68,370
Total Other income	-	181,230	68,370	249,600

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 2022	Unrestricted Funds 2021	Total Funds 2021
	£	£	£
Costs of Training courses	1,828,195	1,517,695	1,517,695

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Notes to the Financial Statements
Year Ended 31st July 2022

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

	Restricted Funds 2022	Restricted Funds 2021	Total Funds 2021
	£	£	£
Roof expense	-	181,230	181,230

6. Costs of charitable activities – by activity

	Staff Costs 2022	Support Costs 2022	Total Funds 2022	Staff Costs 2021	Support Costs 2021	Total Funds 2021
	£	£	£	£	£	£
Training courses	462,810	1,361,679	1,824,489	702,906	814,789	1,517,695
Other Expenditure	-	-	-	-	181,230	181,230
	702,906	996,019	1,698,925	702,906	996,019	1,698,925

7. Analysis of support costs

	Total Funds 2022	Total Funds 2021
	£	£
Other staff non-teaching costs	9,802	3,118
Agency staff costs	186,859	189,754
Premises expense	198,253	199,680
Vehicle costs	9,626	8,914
Teaching costs	208,946	207,535
Non-teaching costs	495,521	82,640
Depreciation	63,616	74,180
Interest costs	62,890	61,994
Other recharges	126,166	(13,026)
Roof expense	-	181,230
Total	1,361,679	996,019

8. Net Outgoing Resources for the Year

This is stated after charging:

	2022	2021
	£	£
Interest payable on finance leases	62,890	61,994
Depreciation – owned assets	25,916	34,918
Depreciation – assets held on hire purchase	37,700	39,262
Loss on disposal of fixed assets	3,707	-
Auditors' remuneration:		
-audit of the financial statements	7,000	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 £623,503 (2021: £709,717).

11. Staff Costs and Remuneration

Total staff costs were as follows:

	2022	2021
	£	£
Wages and salaries	402,372	611,898
Social security costs	34,641	51,510
Other pension costs	25,797	39,498
	462,810	702,906

Restructuring Costs paid during the year nil (2021: £nil).

Total contributions to money purchase pension schemes for staff earning over £60,000 per annum were nil (2021: £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:

	2022	2021
	No	No
Delivery staff	8	8
Support staff	11	11
	19	19

No employee was remunerated greater than £60,000 (2021: 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 (2021: £nil).

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

12. Trustees' Remuneration

Trustees' expenses

No trustee has received a salary and none received any expenses in respect of the year ended 31st July 2022 (2021: £nil).

13. Tangible Fixed Assets

Group	Freehold property £	Leasehold property £	Motor vehicles £	Equipment £	Total £
COST					
At 1 August 2021	19,677	1,117,101	-	676,046	1,812,824
Additions	-	-	-	-	-
Disposals	(14,587)	-	-	(195,957)	(210,544)
At 31 July 2022	5,090	1,117,101	-	480,089	1,602,280
DEPRECIATION					
At 1 August 2021	16,368	621,671	-	540,043	1,178,082
Charge for the year	1,018	39,262	-	23,336	63,616
On disposals	(12,296)	-	-	(194,541)	(206,837)
At 31 July 2022	5,090	660,933	-	368,838	1,034,861
NET BOOK VALUE					
At 31 July 2022	-	456,167	-	111,252	567,419
At 31 July 2021	3,309	495,430	-	136,003	634,746

Sale and finance leasebacks

Included within the net book value of £567,419 is £456,167 (2021 - £495,430) 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 (2021 - £39,262).

NETA Training Trust
Company Limited by Guarantee
Notes to the Financial Statements
Year Ended 31st July 2022

13. Tangible Fixed Assets (continued)

Company	Freehold property £	Leasehold property £	Motor vehicles £	Equipment £	Total £
COST					
At 1 August 2021	19,677	1,117,101	-	676,046	1,812,824
Additions	-	-	-	-	-
Disposals	(14,587)	-	-	(195,957)	(210,544)
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On disposals	(12,296)	-	-	(194,541)	(206,837)
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NETA Training Trust
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Notes to the Financial Statements
Year Ended 31st July 2022

14. Investments

Company	Group companies £
COST	
At 1 st August 2021 and 31 st July 2022	-
Depreciation	-
Disposal	-
As at 31 st July 2022	-
NET BOOK VALUE	
At 31st July 2022	-
At 31 st July 2021	-

Analysis of investments at 31 July 2021 between funds

	Total Funds 2022 £	Total Funds 2021 £
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.

NETA Training Trust
Company Limited by Guarantee
Notes to the Financial Statements
Year Ended 31st July 2022

14. Investments (continued)

NETA Enterprises Limited

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

	2022	2021
	£	£
Turnover	-	-
Total expenditure	-	-
Net gain/loss for the year	-	-

The assets and liabilities of NETA Enterprises Limited were:

Assets	-	-
Liabilities	(82,246)	(82,246)
Net liabilities	(82,246)	(82,246)

15. Stocks

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Stock	15,908	15,089	15,908	15,089

16. Debtors

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade Debtors	132,441	30,855	132,441	30,855
Amounts owed by group undertakings	45,898	105,421	45,898	105,421
Other debtors	181,421	164,933	181,421	164,933
	359,760	301,209	359,760	301,209

17. Creditors: amounts falling due within one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	16,384	66,593	16,384	66,593
Other taxation and social security	990	14,600	990	14,600
Other creditors	70,923	70,923	70,923	70,923
Accruals and deferred income	107,031	35,520	107,031	35,520
Amounts owed to group undertaking	1,234	235	1,234	235
	196,562	187,871	196,562	187,871

Included in other creditors is £70,923 (2021: £70,923) which relates to a sale and finance leaseback.

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

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Other creditors	758,406	828,016	758,406	828,016
	758,406	828,016	758,406	828,016

Included in other creditors is £758,406 (2021: £828,016) 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 £25,797 (2021: £39,498). There were no contributions outstanding at the balance sheet date (2021: £4,925). As part of the TUPE transfer of staff to the Etc., staff members were enrolled into the Local Government Pension Scheme or the Teachers' Pension Scheme and the defined pension scheme closed.

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 2022

21. Unrestricted income funds

	At 1 August 2021	Incoming resources	Outgoing resources	Balance at 31 July 2022
	£	£	£	£
General Funds	249,827	2,451,698	1,828,195	873,330
Restricted	-			
Total	249,827	2,451,698	1,828,195	873,330

22. Analysis of Net Assets between funds

Group

	2022	2021
	£	£
Tangible fixed assets	567,425	634,746
Net current assets/(liabilities)	1,064,311	443,097
Long term liabilities	(758,406)	(828,016)
	873,330	249,827

Company

	2022	2021
	£	£
Tangible fixed assets	567,425	634,746
Net current assets/(liabilities)	1,064,311	443,097
Long term liabilities	(758,406)	(828,016)
	873,330	249,827

23. Commitments under sale and finance leasebacks

Group and company

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

	2022	2021
	£	£
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	474,714	544,324
	829,329	898,939

24. Capital Commitments

At the year end, there were no capital commitments (2021: £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

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.

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

	2022	2021
	£	£
Net movement in funds	623,503	709,717
Add back depreciation charge	63,616	74,180
Loss on disposal of fixed asset	3,706	-
Decrease (increase) in stock	(819)	273
Decrease (increase) in debtors	(58,550)	(45,471)
Increase (decrease) in creditors	8,691	(345,090)
	640,147	393,609