

Company Registration Number: 1653178

Charity Registration Number: 296065

PETA Limited

A registered charitable Company limited by guarantee and not having a share capital

Incorporated 22nd July 1982

FINANCIAL STATEMENTS

For the period ended

31st July 2023

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST JULY 2023

Contents

	Page
Trustees Annual Report	1
Independent Auditor's Report to the Members of PETA Limited	10
Statement of Financial Activities, incorporating an Income and Expenditure account, for the period ending 31 July 2023.....	13
Balance Sheet as at 31 July 2023.....	14
Cash Flow Statement for the period ended 31 July 2023.....	15
Notes on Financial Statements	16

Trustees Annual Report

REFERENCE AND ADMINISTRATIVE INFORMATION

Charity Name: PETA Limited

Charity Registration Number: 296065

Company Registration Number: 1653178

Date of Incorporation: 22nd July 1982

Registered Office and principal
place of business:

1 Access Point
Northarbour Road
Portsmouth
Hampshire
PO6 3TE

Trustees

The members of the Council who served the organisation and who are for the purposes of the Companies Act treated as the directors of the organisation were as follows:

E Seymour (Chair)	- Hamble Aerostructures Ltd
C Roberts (Vice Chair)	- Geest Line Ltd
M Waring	- Mimtec Limited
S Escott	- Portsmouth Aviation Ltd
M Parker	- Pall (UK) Ltd
S Patrick	- University of Southampton (resigned 30 September 2022)
M Hawkes	- Safran Helicopter Engines UK Ltd

Senior Management Team

Director (CEO):	Fiona Stilwell (appointed 16 December 2022) Huw Chapman (resigned 16 December 2022)
Head of Finance and Company Secretary:	Nicholas Kalfas
Head of Operations:	Dawn Halfacre
Head of Sales:	James Garrett

Auditors

Morris Crocker Chartered Accountants, Station House, North Street, Havant, PO9 1QU

Bankers

National Westminster Bank Plc, 130 Commercial Road, Portsmouth, Hampshire, PO1 1ES

Solicitors

Large and Gibson, Kent Road, Southsea, Hampshire, PO5 3EJ

The Trustees, who are also directors of the Charity for the purposes of the Companies Act 2006, present their report with the financial statements of the Charity for the year ended 31 July 2023. The Trustees have adopted the provisions of 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).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Principal Activity

The principal activity of the Charity continues to be to promote and advance the education and adequate training for the public benefit of persons employed or intending to be employed in industry and commerce. The organisation is registered with the Charity Commission.

Governing Instrument

The organisation is governed by, and restricted in operation by, the terms of its Memorandum and Articles of Association, which were revised and updated at a General Meeting of Members held on 29 April 2022.

Summary of Key Objectives

The Charity operates with two primary funding streams, one covering a broad spectrum of commercial training and the other Government funded apprenticeship program. PETA's objective is to help develop customers' employees so that they enhance their skills and consequently their organisation's business performance. All training programs are designed to ensure the candidates achieve "work readiness" as well as a good education. This approach links directly into the organisation's tag line of "Aspire to Learn, Apply to Advance".

The Charity's aim is to make the organisation the training provider of choice for our customers and members by delivering outstanding training and exceptional service, supported by first-class training environments that inspire, protect and support learners to develop and achieve.

Our goal is to be widely recognised as the independent training provider that best understands, serves, and satisfies the training and skills needs of employers and their learners in the Solent Region and surrounding counties. We strive to ensure our customers view training as an investment that helps enhance their company performance.

Recruitment and Appointment to the Board (Council)

The election of new Trustees is undertaken at the Annual General Meeting of members in accordance with the Charity's Memorandum and Articles of Association. Where mid-term vacancies occur, the Charity extends invitations to Senior Managers and Directors of member companies who possess the appropriate skills required by Council. The same mid-term appointments are then required to stand for election at the next Annual General Meeting. The Charity aims to ensure that the Council is diversified and consists of Trustees with differing backgrounds and wide-ranging experience of business.

Staff Remuneration and Pay

PETA is part of GTA England who had a salary benchmark survey of its members conducted which was circulated in June 2023. In addition, salary data for college salaries was also reviewed and a blend between these two sets of data has helped set PETA's teaching staff pay levels. On top of this other roles are benchmarked against other local organisations with the objective that salary levels are similar to local mean values.

Related Parties

In accordance with the Memorandum and Articles of Association, the Council contains representatives from member organisations and such organisations are offered training, assessment, and guidance in the general course of business, under normal commercial terms. The Charity, having no share capital, is run by the Council of Trustees and no individual can exercise control of the organisation.

Induction and Training of Trustees

Once identified, potential trustees are invited to become involved with the Charity and learn more about the contribution required of them. The candidate is made fully aware of the formal responsibilities of the position and a Trustees' Handbook is provided detailing the responsibilities, codes of conduct and accountability. The Board has a diverse membership and consists of Trustees with experience covering many fields including Finance, Business Operations, ICT and Human Resources. Support is received by external professionals when required, in areas such as Safeguarding.

Organisational Structure

The day-to-day management of the Charity is under the control of the Chief Executive Officer, Fiona Stilwell, who acts in accordance with the instruction of the elected Council (Board of Directors/Trustees).

Within the organisation there are a number of departments which support customers with dedicated training programs that can be paid for directly or be remunerated through apprenticeship funding schemes. PETA was established as a business-to-business training organisation. This has resulted in the training programs being linked to commercial and compliance activities such as Health and Safety, Engineering, ICT, as well as Management skills. All these activities are supported by a strong team of shared service activities with robust business processes and a culture of continuous improvement.

Risk Management

The Organisation maintains and regularly updates a comprehensive Risk Register. Any major risks to which the organisation is exposed have been reviewed and appropriate arrangements established to mitigate these risks. Comprehensive procedures and systems exist to ensure critical IT business data is backed-up and stored to facilitate reinstatement. These procedures together with the Risk Register are subject to regular auditing as part of our ISO 9001, ISO 45001 and ISO 14001 approvals and by the Provider Financial Assurance team operating on behalf of the Education and Skills Funding Agency (EFSA).

Environmental Policy

The Charity is committed to the principles of environmental management and sustainability and is ISO 14001:15 certified. Our aim is to minimise the impact our activities have on the environment and ensure all staff and learners are fully aware of their roles and responsibilities with respect to environmental sustainability. As part of PETA's commitment to the environment solar panels were installed at the Cosham site which has reduced electricity costs and consequently CO₂ emissions.

We are as an organisation committed to the following:

- ▲ The prevention of pollution
- ▲ Compliance with environmental legislation relative to our activities
- ▲ The achievement of environmental objectives as outlined within the Annual Business Plan
- ▲ Identifying cost-effective continual improvement within our processes and activities that will contribute towards the environment and sustainability

OBJECTIVES AND ACTIVITIES

Aims of the Charity

In particular, we aim to:

1. Provide a responsive, flexible, and coherent range of high-quality customer-focused services
2. Deploy appropriate business strategies to influence growth and market penetration and create new business opportunities through building partnerships with customers, key suppliers, colleges, and other training providers
3. Define, implement, and manage procedures and robust measurement processes to ensure we deliver the outstanding quality standards to which we aspire
4. Provide equal access to all learners allowing maximum opportunity for everyone to achieve their full potential
5. Apply stringent and robust practice to managing our financial wellbeing to ensure we can invest in developing our business and facilities to the benefit of learners, employers, stakeholders, and staff
6. Respond to the Government's vocational and educational strategies and grow the Organisation's learner volumes and qualification success rates commensurate with the needs and requirements of employers and the local economy
7. Maintain our identity as a professional and caring organisation combining our commitment to learner wellbeing and safeguarding with our social responsibility for sustainability
8. Maintain a stable work environment for our employees in which their contribution is valued, creativity and innovation skills are encouraged, equality and diversity is respected, and equal opportunity exists for learning and personal development

Main objectives and strategies for the period under review

The main focus of the Charity was placed on strategies for:

- ▲ Developing and expanding its services to member companies
- ▲ Meeting the needs of its customers
- ▲ Responding to the Government's Apprenticeship reform agenda
- ▲ Maintaining the financial well-being of the Charity

To this end, we aimed to implement plans to:

- ▲ To grow the number of learners undertaking a PETA Apprenticeship programme and achieving an overall 'green' status in the ESFA accountability framework.
- ▲ Move towards a more balanced income between Government Funded and Commercial income building up the Commercial side of the organisation
- ▲ Improve the longer-term surplus of the Charity to achieve a sustainable surplus on turnover above 10%, to enable increased capital investment in new technologies, modern equipment and improved teaching and training facilities to the benefit of all stakeholders, particularly customers and staff.

Public Benefit

The Organisation has reviewed the main activities undertaken by the Charity to ensure its charitable purposes are for the public benefit and our objectives are fundamental to this aim.

The Charity trustees have complied with the duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The financial year ending 31 July 2023 brought with it a more challenging economic landscape due to rising inflation across the UK economy and shortages in labour resources due to COVID-19 and Brexit.

Despite these challenges we were able to achieve a 12.78% growth in commercial income from the prior year helping to solidify our position in the market and reflect our dedication to delivering value to our commercial partners.

While our commercial income experienced positive growth, it is essential to address the challenges faced in the realm of Government Funded Income. This segment saw a 3.3% decline, attributable to the complex interplay of economic pressures and resource shortages. The economic pressures mentioned have resulted in a reduction in the number of apprentices taken on by companies, while a scarcity of trainer resources, particularly within the Engineering sector, further contributed to this decline. We have recognised the need to adapt to these changing circumstances and have actively been strategising to mitigate these challenges moving forward.

Throughout the financial year, we concentrated our efforts on a number of key strategic areas, which we believe are crucial for the long-term success and sustainability of our organization. Two of these areas have been:

Recruitment of Engineering Staff: Recognising the importance of a skilled and dedicated workforce in our field, we made significant strides in the recruitment of engineering staff. This investment in human capital ensures that we continue to deliver high-quality services and meet the evolving needs of our partners and clients.

Implementation of New ERP and CRM Systems: In a bid to enhance operational efficiency, streamline processes, and provide better customer service, we initiated the implementation of new Enterprise Resource Planning (ERP) and Customer Relationship Management (CRM) systems. This technological upgrade is pivotal in our commitment to delivering top-notch services. These systems went live on 1 August 2023.

We are also thrilled to announce that during the financial year, PETA underwent an OFSTED inspection and received a "GOOD" rating, showcasing our commitment to maintaining high standards in education and training. This accomplishment underscores our dedication to providing quality education and services to our learners.

In conclusion, the achievements and performance of our organization during this reporting period reflect our resilience in the face of challenges, our strategic vision, and our unwavering commitment to excellence. We are confident that our continued focus on growth, adaptability, and delivering value to our stakeholders will drive future success.

Membership

PETA has one of the largest memberships of employers amongst the Group Training Associations with 245 employers as of 31 July 2023. There were more than anticipated resignations during the previous financial year linked to the effects of COVID-19 on local businesses but that appears to have stabilised in the current financial year.

To aid the retention and growth in membership the member benefits will continue to be reviewed during the year and the effectiveness of Account Management continue to be audited to ascertain whether there are internal influences which could reduce the number of resignations.

FINANCIAL REVIEW

Review of financial position

The Financial Statements cover the accounting period 1 August 2022 to 31 July 2023. The Charity's surplus for the period was £18,974 (August 2021 to July 2022: deficit of £54,199). Commercial income for the financial year increased by 12.8% compared to prior year and Government Funded income was 3.3% down on prior year. Total income for the year was 3.3% higher than the previous year.

Income from membership fees increased by 6.2% although there were some resignations related to the difficulties felt by some local organisations. Rental income from the sub-leasing of 9 Acorn Business Park totalled £42,100 for the period August 2022 to July 2023 (£41,021 2021-2022).

For the period August 2022 to July 2023 the spend on charitable activities increased by 1.5%. This increase is attributed to the higher-than-normal inflation experienced in the UK economy.

Results

The results for the period are shown in the Statement of Financial Activities on page 13 and the Balance Sheet on page 14.

Fixed Assets

A formal valuation of the head office premises at 1 Access Point, Northarbour Road, Portsmouth, was completed in July 2019 by Daniels Harrison chartered surveyors; the gain on revaluation and present value are reflected. It has not felt necessary to have a further revaluation at this time. Details of fixed assets are shown in note 10.

Principal Funding Sources

The principal funding sources of the Charity are the Education and Skills Funding Agency, and fee-paying clients.

Fund Raising

In compliance with the requirements of the Charities (Protection and Social Investment) Act 2016 and the Fundraising Regulator, it is confirmed that the Charity does not undertake fundraising and no professional fundraiser has been involved. The Charity acknowledges and will comply with all requirements to be taken into account for any fundraising in the future.

Investment Policy

The Board of Trustees reviews and determines the strategy, policy and management of the investments held by the Charity. Currently investments are held as cash balances in four accounts – including the current account which links automatically to a special account whenever the organisation is more than £10,000 in credit. Whenever possible, balances are transferred to an instant access savings account in order to gain a higher rate of interest.

Reserves Policy

The Board of Trustees has considered the adequacy of reserves held by the Charity, in line with the Charity Commission guidance, and ensures that the level of reserves is sufficient to meet the Charity's responsibilities in the short term. Total reserves as at 31 July 2023 were £5,241,672 which is all unrestricted apart from £3,000 related to a grant received in 2019 towards the cost of installing solar panels. Of the total reserves, £3,783,959 is held within tangible assets, consisting mainly of premises from which the Charity is run. The remaining reserves provide adequate funds required for the furtherance of the Charity's objectives. The reserves policy of the Charity is designed to:

- ▲ Protect the Charity from the risk of insolvency or serious disruption to its charitable work by holding sufficient surplus funds to cover at least a six-month period

- ▲ Provide security against the peaks and troughs of income effected by business downturn or changes in Government policy
- ▲ Provide sufficient funds to invest in equipment and new technology for the benefit of adults and young people undertaking training
- ▲ Have sufficient funds should the Government Apprenticeship Levy form of funding be withdrawn

The Charity recognises the importance of maintaining sufficient reserves to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall. It is PETA's intention to increase the reserves by the generation of annual operating surpluses and to achieve a 10% surplus on turnover within five years to support our planned re-investment in the Charity which will enable consistent growth over the coming years. We will continue to concentrate efforts to ensure that Commercial business recovers from the effects of the pandemic and grows faster than Government Funded Training and to secure the budgeted growth in sales across all revenue streams. We will strive to make the Organisation the training provider of choice for our customers and members by delivering outstanding training and exceptional service, supported by first-class training environments that inspire, protect and support learners to develop and achieve.

PLANS FOR FUTURE PERIODS

In the coming years, we envision a future where PETA excels in multiple facets, driven by a holistic and forward-thinking approach. As we head into the next financial year our focus will on the execution of our five-year strategy through the following key areas:

People Strategy - We are dedicated to optimising the entire employee life cycle. Our vision is to foster a culture that values personal and professional development, enabling every individual to reach their full potential within the organisation. We aim to create an environment where talent is nurtured, and diversity is celebrated, ensuring that our people strategy becomes a cornerstone of our success.

Curriculum Design Strategy - We are embracing technology to transform the way we develop skills for the future workforce. By harnessing cutting-edge educational technologies and methodologies, we will create adaptive and personalised learning experiences that equip our workforce, and the workforce of our member companies and partners, with the skills needed to thrive in an ever-evolving landscape.

Employer/Stakeholder Strategy - We understand that the future of business requires a collaborative approach that engages experts spanning all age ranges. Our commitment to developing future skills will extend beyond our organisation, impacting the broader business community. We will actively partner with experts and stakeholders to cultivate a deep understanding of future skills, ensuring our strategies have a meaningful and sustainable impact.

Product Strategy - Our courses will be thoughtfully designed in close collaboration with our member and partner businesses. We will seek to understand the unique challenges and opportunities faced by our member and partners, and our courses will be tailored to have a tangible, practical impact on their operations. Our vision is to offer a range of innovative solutions that not only meet current business needs but also anticipate future demands and provide progression options for our apprentices and delegates.

Internal Operational Excellence Strategy - In order to support all of the above strategies, we will continuously focus on streamlining our core business processes. Operational excellence is the foundation that empowers us to implement our people, curriculum, employer, and product strategies effectively. By enhancing efficiency and eliminating inefficiencies, we will drive the organisation towards greater agility and competitiveness.

As we look to the future, these strategies will guide us in our mission to be at the forefront of innovation, ensuring our workforce is equipped with the skills they need and our products have a meaningful impact on businesses, all while fostering a culture of continuous improvement and excellence. Together, we will navigate the dynamic landscape of the future with confidence and success.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks to PETA in the coming year highlighted as follows:

Government Policy / Regulatory Changes: Changes in government policies, regulations, and funding mechanisms for apprenticeship training could have a significant impact on funding or accreditation requirements that could negatively impact operations and revenue streams. No changes could also have an impact as funding levels have not increased since the introduction of apprenticeship standards in 2017, with rising costs placing significant pressure on these margins.

Technological Disruption: The rapid advancement of technology and e-learning has meant that we need to continue to review traditional training models. In the coming years we will likely need to invest in technology and adapt to changing educational methods to continue to be successful in the future.

Staffing and Skills: Attracting and retaining qualified instructors and support staff is crucial for the success of PETA. In order to mitigate these risks, we will continue to focus on recruitment and the professional development of existing staff.

Cybersecurity: With the increasing use of technology in education, PETA remains vulnerable to data breaches and cyberattacks. Protecting sensitive student and organisational data is a growing concern. We will continue to invest in cyber security to ensure that we remain as secure and accredited with Cyber Essentials Plus certification.

To manage these risks and uncertainties, PETA will conduct regular risk assessments, diversify our offerings, stay informed about regulatory changes, maintain financial resilience, and develop contingency plans to mitigate the potential impacts of these factors. Additionally, building strong relationships with local businesses, industries, and communities will help us adapt to changing demands and maintain stability.

GOING CONCERN

PETA was able to achieve a surplus for the year and has a strong balance sheet with a healthy cash balance as at 31 July 2023.

The Trustees have a reasonable expectation that the Charity has adequate resources to continue operational existence for the foreseeable future.

For this the Trustees continue to adopt the going concern basis of accounting in preparing the annual financial statements.

CHARITIES CODE

The Organisation has adopted the Charities Governance Code (August 2017) and we are applying and working towards these criteria. The Trustees will address 1 or 2 of the 7 elements in more detail at each meeting.

STATEMENT OF TRUSTEES RESPONSIBILITIES

We are required under charity law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the surplus or deficit of the Charity for that period. In preparing those financial statements we are required to:

- ▲ Select suitable accounting policies and apply them consistently
- ▲ Make reasonable and prudent judgments and estimates
- ▲ Prepare financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

We are also responsible for:

- ▲ Keeping proper accounting records which 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
- ▲ Safeguarding the Charity's assets
- ▲ Taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

- ▲ There is no relevant audit information of which the auditors are unaware and
- ▲ That we have taken all the steps we ought to have taken to make ourselves aware of any relevant audit information and to establish that the auditors are aware of that information.

In approving the Trustees' Annual Report, the Trustees are also approving the contents of the Strategic Report.

AUDITOR

Morris Crocker Chartered Accountants have been appointed under section 487(2) of the Companies Act 2006.

By order of the Council


N. Kalfas

Company Secretary

Dated:

20 October 2023

Independent Auditor's Report to the Members of PETA Limited

Period Ended 31 July 2023

Opinion

We have audited the financial statements of PETA Limited (the 'charitable company') for the year ended 31 July 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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.

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

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss management's assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues concerning income recognition and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and testing systems and controls. The systems and controls which have been designed to act as a preventative measure against fraud and error were operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk. The audit undertook a review of budgets, management accounts and the review of board minutes and came to the same conclusion as management.

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

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 auditors' 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.



Paul Underwood (Senior Statutory Auditor)
for and on behalf of Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Date: 20 December 2023

**Statement of Financial Activities, incorporating an Income and Expenditure account,
for the period ending 31 July 2023**


	Note	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
Income and endowments from:							
<i>Charitable activities</i>							
- Government income		2,288,910	-	2,288,910	2,367,923	-	2,367,923
- Commercial income		1,749,217	-	1,749,217	1,550,937	-	1,550,937
<i>Investment and other income</i>							
- Grant income		-	-	-	-	7,346	7,346
- Investment income		20,067	-	20,067	2,669	-	2,669
- Membership fees		78,341	-	78,341	73,745	-	73,745
- Rental income		42,100	-	42,100	41,021	-	41,021
Total		4,178,635	-	4,178,635	4,036,295	7,346	4,043,641
Expenditure on:							
Charitable activities	4	4,159,661	-	4,159,661	4,090,494	7,346	4,097,840
Total		4,159,661	-	4,159,661	4,090,494	7,346	4,097,840
Net income/(expenditure)		18,974	-	18,974	(54,199)	-	(54,199)
Transfers between funds		500	(500)	-	500	(500)	-
Other recognised gains/(losses):							
Gains/(losses) on revaluation of fixed assets		-	-	-	-	-	-
Net movements in funds		19,474	(500)	18,974	(53,699)	(500)	(54,199)
Reconciliation of Funds:							
Total funds brought forward		5,219,198	3,500	5,222,698	5,272,897	4,000	5,276,897
Total funds carried forward		5,238,672	3,000	5,241,672	5,219,198	3,500	5,222,698

The Statement of Financial Activities includes all gains and losses in the period and as a result, a Statement of Total Recognised Gains and Losses has not been prepared. All incoming and outgoing resources above relate to continuing activities.

Balance Sheet as at 31 July 2023

	Note	2023	2022
		£	£
Fixed assets			
Tangible assets	10	3,784,319	3,770,190
Investments	11	500,101	500,001
		<u>4,284,420</u>	<u>4,270,191</u>
Current assets			
Stocks	12	13,339	13,339
Debtors	13	684,595	525,383
Cash at bank and in hand		1,118,508	1,318,672
		<u>1,816,442</u>	<u>1,857,394</u>
Current Liabilities			
Creditors: Amounts falling due within one year	14	(481,765)	(469,555)
Net current assets		<u>1,334,677</u>	<u>1,387,839</u>
Total assets less current liabilities		<u>5,619,097</u>	<u>5,658,030</u>
Creditors: Amounts falling due after more than one year	15	(296,625)	(354,532)
Provisions for Liabilities		(80,800)	(80,800)
Net Assets		<u><u>5,241,672</u></u>	<u><u>5,222,698</u></u>
The funds of the charity			
Restricted Funds	17	3,000	3,500
Unrestricted Funds	17	4,442,877	4,423,403
Revaluation reserve	17	795,795	795,795
Total Charity Funds		<u><u>5,241,672</u></u>	<u><u>5,222,698</u></u>

The financial statements on pages 13 to 27 were approved by the Council of Trustees on 20th October 2023 and signed on its behalf by:


E Seymour
Chairman

Cash Flow Statement for the period ended 31 July 2023

	Note	2023	2022
Cash flows from operating activities		£	£
Net cash provided by (used in) operating activities	19	25,132	140,919
Cash flows from investing activities			
Dividends, interest and rents from investments		62,167	43,690
Proceeds from sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(213,348)	(68,356)
Purchase of shares in subsidiary		(100)	
Net cash provided by (used in) investing activities		(151,281)	(24,666)
Cash flows from financing activities			
Repayments of borrowing		(74,015)	(69,078)
Net cash provided by (used in) financing activities		(74,015)	(69,078)
Change in cash and cash equivalents in the reporting period		(200,164)	47,175
Cash and cash equivalents at 1 August 2022	20	1,318,672	1,271,497
Cash and cash equivalents at 31 July 2023	20	1,118,508	1,318,672

Notes on Financial Statements

STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

PETA Limited is a registered charitable Company limited by guarantee and domiciled in the United Kingdom. The address of its registered office and principal place of business are disclosed on page 1.

I. Accounting Policies

Basis of Accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in 2015 (SORP 2015 (FRS102)), and the Companies Act 2006.

The Charity meets the definitions of public benefit entity under FRS102.

Going Concern

During the pandemic costs were reduced wherever possible, capital spend was halted and Government guidelines carefully followed. The Centres are now operational with some former Government guidelines being followed to ensure safety of all delegates, visitors, and staff. Flexible working is now in place as an outcome of changes in working practice due to Covid. Cash remains stable at £1.1 million and this is measured and checked regularly to protect the Charity's cash.

We will continue to concentrate efforts to recover from the effects of Covid 19 and grow the Commercial business so that it grows faster than Government Funded Training and to secure the budgeted growth in sales across all revenue streams. We will also continue to protect our cash balances for further investments in PETA and strive to make the organisation the training provider of choice for our customers and members by delivering outstanding training and exceptional service, supported by first-class training environments that inspire, protect and support learners to develop and achieve.

The trustees consider that there are no material uncertainties regarding the Charity's ability to continue as a going concern.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Depreciation and Residual Values

The Directors have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives, and residual values are appropriate.

Income

Investment income is included in the period in which the Charity is entitled to receipt.

Government and Commercial income is recognised where the Charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Membership fees are included in the period on an accruals basis, with fees in advance deferred to the period to which they relate.

Other income relates to the rental income from the leasing of 9 Acorn Business Park and is included in the period in which the Charity is entitled to receipt.

A grant of £5,000 was received in 2019 towards the cost of installing solar panels. This is noted as restricted income gradually moving to unrestricted income over a period of 10 years, £3,000 (£3,500: 2022).

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

The costs of charitable activities comprise those costs incurred in delivering the core services of the Charity.

Governance costs relate to the general running of the Charity as opposed to the direct management inherent in delivery services. The costs reflect the governance infrastructure and are primarily associated with constitutional and statutory requirements.

Support costs include central functions. Costs relating to a particular activity are allocated directly, while others are apportioned on an appropriate basis.

Fixed Assets and Depreciation

All assets are originally recorded at cost. Items below £250 are not capitalised. Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Leasehold buildings	- long lease	2%	-	cost
	- Access Point	over reducing years	-	written down value
	2022/2023	35 years	2.9%	(2021/2022 36 years 2.8%)
	- short lease	evenly over the term of the lease		
Plant and machinery		20%	-	written down value
Motor vehicles		25%	-	written down value
Computer equipment		33%	-	cost (new equipment will be depreciated over their useful life of 4 years (25%))
Office furniture and equipment		20%	-	written down value
Leasehold improvements		10%	-	cost

Leasehold buildings have been revalued using the revaluation model.

Leases

Rentals paid under operating leases are charged to income as incurred.

Investment Property

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the Statement of Financial Activities, in accordance with the provisions of FRS102.

A formal valuation was completed in July 2019, the gain on revaluation is reflected. The Directors have reviewed the investment property value and have concluded that the value is appropriate.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Pension costs

The Charity operates a defined contribution, salary sacrifice, pension scheme with one external pension provider. Contributions to the scheme have been charged against profits in the period in which they are incurred.

Fund Accounting

Apart from £3,000 remaining restricted from the grant received in 2019, relating to the installation of solar panels, all other funds of the Charity are deemed to be unrestricted funds as defined under SORP.

Management of Liquid Resources

Bank balances are checked on a daily basis to ensure there are sufficient funds to meet the Charity's obligations.

Financial Instruments

The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value, with the exception of bank loans, which are subsequently measured at amortised cost using the effective interest method.

Debtors and Cash at Bank

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand included cash held on deposit or in a current account.

Creditors and Provisions

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

2. Turnover

	2023	2022
	£	£
Turnover arises from:		
Rendering of Services	4,158,568	4,040,972
Interest received	20,067	2,669
	4,178,635	4,043,641

The whole of the turnover is attributable to the UK market.

3. Operating Surplus

	2023 £	2022 £
Operating Surplus is stated after charging:		
Staff costs (note 7)	2,561,739	2,428,920
Deficit on disposal of fixed assets	-	6,283
Depreciation - Owned assets	198,394	207,957
Depreciation - Leasehold property	825	825
Trustee's Emoluments (included in Staff costs) of which:	-	-
Trustee's Pension Contributions	-	-
Auditors Remuneration - as auditors	7,500	7,280
- accountancy services	-	-

4. Expenditure on Charitable Activities

	Direct Staff Costs £	Other Direct Costs £	Support Costs (note 5) £	Total 2023 £	Total 2022 £
Government services	1,538,272	583,498	297,180	2,418,950	1,700,830
Commercial services	1,046,628	470,022	224,061	1,740,711	2,397,010
Total 2023	2,584,900	1,053,520	521,241	4,159,661	
Total 2022	2,044,237	1,440,498	613,105		4,097,840

5. Support Costs

	Charity Standards & Systems £	Management Services £	Governance (note 6) £	Total 2023 £	Total 2022 £
Government services	26,755	237,283	33,142	297,180	194,868
Commercial services	20,172	170,749	33,141	224,062	418,237
Total 2023	46,927	408,032	66,283	521,242	
Total 2022	143,856	418,305	50,944		613,105

6. Governance

	2023	2022
	£	£
Staff Costs	48,049	33,227
Audit Fees	7,500	7,280
Trustee Expenses and Insurance	1,899	1,899
Other Costs	8,835	8,538
Total	<u>66,283</u>	<u>50,944</u>

No trustees were reimbursed for expenses during this or the previous period.

7. Trustees and Employees

	2023	2022
	£	£
Staff costs including Trustees emoluments		
Wages and salaries	2,088,100	1,983,889
Social Security costs	204,513	201,275
Pension costs	269,126	243,756
	<u>2,561,739</u>	<u>2,428,920</u>

There were no trustees' remuneration or other benefits for the year ended 31 July 2023 nor for the year ended 31 July 2022.

Average monthly number employed including executive trustees:

	2023	2022
	Number	Number
Management	11	12
Administration	27	18
Field	14	23
Trainers	18	14
	<u>70</u>	<u>67</u>

The Charity operates a defined contribution, salary sacrifice, scheme for the benefit of participating members of staff. The pension costs above have been charged through the Statement of Financial Activities. All costs relate to unrestricted activities. There were unpaid contributions at the end of the year of £21,715 (2022: £21,935).

During the period, remuneration and benefits received by Key management personnel totalled £331,950 (2022: £296,646).

The average number of employees whose annualised gross pay and benefits, excluding employer pension contributions, fell between the following bands:

	2023	2022
	Number	Number
£60,000 - £70,000	1	-
£100,001 - £200,000	-	1

8. Interest

	2023 £	2022 £
Interest Receivable	(20,067)	(2,669)
Interest Payable	16,108	12,578
	<u>3,959</u>	<u>9,909</u>

9. Taxation

The Charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10. Tangible Fixed Assets

Total Cost	Plant & Machinery £	Computers £	Office Equipment £	Leasehold Premises £	Leasehold Improve- ments £	Total £
Balance at 1 August 2022	480,405	793,850	272,992	3,978,237	376,447	5,901,931
Additions	77,949	85,814	605	-	48,980	213,348
(Disposals)	-	-	-	-	-	-
Balance at 31 July 2023	<u>558,354</u>	<u>879,664</u>	<u>273,597</u>	<u>3,978,237</u>	<u>425,427</u>	<u>6,115,279</u>
Depreciation						
Balance at 1 August 2022	371,042	733,848	240,374	669,378	117,099	2,131,741
Provided during the period	33,265	50,555	8,720	67,141	39,538	199,219
(Disposals)	-	-	-	-	-	-
Balance at 31 July 2023	<u>404,307</u>	<u>784,403</u>	<u>249,094</u>	<u>736,519</u>	<u>156,637</u>	<u>2,330,960</u>
Net Book Value at 31 July 2023	<u>154,047</u>	<u>95,261</u>	<u>24,503</u>	<u>3,241,718</u>	<u>268,790</u>	<u>3,784,319</u>
Net Book Value at 31 July 2022	<u>109,363</u>	<u>60,002</u>	<u>32,618</u>	<u>3,308,859</u>	<u>259,348</u>	<u>3,770,190</u>

The long leasehold property at 1 Access Point, Northarbour Road, Portsmouth, was revalued in July 2019, by Daniels Harrison Chartered Surveyors, at £3,500,000 creating a revaluation gain of £695,795. Had the assets continued to be valued using the cost model it would have resulted in a net book value of £2,558,849 (2022: £2,642,688)

Included within the above leasehold premises figure is a short leasehold property with a net book value of £6,981 (2022: £7,806) and long leasehold property with a net book value of £3,234,737 (2022: £3,301,053 after revaluation). There are currently no assets acquired under finance/HP agreements. There are no material capital commitments.

NatWest Bank plc hold a legal charge created on 19 November 1996 over the property at 9 Acorn Business Park, Portsmouth and also a legal charge created on 3 March 2008 over the property at 1 Access Point, Northarbour Road, Portsmouth.

Included in leasehold premises is the land at 1 Access Point, Northarbour Road, Portsmouth of £980,000 which is not being depreciated.

11. Investments

	2023			2022
	Investment Property £	Unlisted Shares £	Total £	
Cost/Valuation				
Carrying Value at 1 August 2022	500,000	1	500,001	500,001
Additions / revaluation	-	100	100	-
Balance at 31 July 2023	500,000	101	500,101	500,001

A formal valuation was carried out by Daniels Harrison Chartered Surveyors as at 31 July 2019, and the revaluation gain was reflected.

The historical cost of the property is £441,318 (2022: £441,318) and accumulated depreciation to date totals £289,317 (2022: £289,317).

The unlisted shares relate to shares in the Acorn Business Park (Cosham) Management Charity Limited. The additions for the year relate to the formation of PETA Business Solutions Limited, a wholly owned trading subsidiary. The trustees consider the market value of the share to be the same as the cost figure.

12. Stocks

	2023	2022
	£	£
General Stocks	13,339	13,339

The amount of stock recognised as an expense during the period was £0 (2022: £260)

13. Debtors

	2023	2022
	£	£
Amounts falling due within one year		
Trade Debtors	531,780	398,529
Prepayments	152,815	126,854
	<u>684,595</u>	<u>525,383</u>

14. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade Creditors	44,893	79,594
Mortgage	56,500	56,500
Accruals	74,029	51,408
Deferred Income	136,340	133,332
Government Agency	19,141	11,617
Other Taxation and Social Security	150,862	137,104
	<u>481,765</u>	<u>469,555</u>

Deferred income relates to membership fees, commercial income and apprenticeship employers' contributions, invoiced in advance.

15. Creditors: Amounts falling due after one year

	2023	2022
	£	£
Mortgage	296,625	353,125
Deferred Income	-	1,407
	<u>296,625</u>	<u>354,532</u>

Included within creditors falling due after one year are amounts, relating to the mortgage, of £70,625 (2022: £127,125) which fall due after more than five years by instalments. The mortgage relates to the property at 1 Access Point and has a loan to value percentage of 8.5% (2022: 11.7%). The mortgage is secured over the property.

The above mortgage is repayable over 20 years at an interest rate fixed at 2.45% above LIBOR. LIBOR was replaced with the new SONIA calculation from December 2021.

Provisions

2023	2022
£	£
80,800	80,800

Provisions relate to the estimated amount which may be required for dilapidations relating to the short leasehold property held by the Charity in Havant and which, if not renewed, expires in 2031. The Directors believe that this is sufficient at this time. The opening balance of £80,800 remained unchanged during the year.

16. Obligations under Leases

At 31 July 2023 the Charity had future minimum lease payments under non-cancellable operating leases as follows:

	Land & Buildings	
	2023	2022
	£	£
Not later than one year	51,297	51,297
Later than one year and not later than five years	205,188	205,188
Later than five years	175,766	227,063

	Other	
	2023	2022
	£	£
Not later than one year	16,123	15,152
Later than one year and not later than five years	17,583	21,533
Later than five years	-	-

The amount of operating leases recognised as an expense during the period was £43,028 (2022: £85,068).

The charity also acts as a lessor and as at 31 July 2023 the charity had future minimum lease payment under non-cancellable operating leases as follows:

	Land & Buildings	
	2023	2022
	£	£
Not later than one year	42,100	42,100
Later than one year and not later than five years	73,675	115,775
Later than five years	-	-

17. Summary of Fund Movements

	2023				
	Fund balances brought forward	Income	Expend- iture	Transfers	Gains and losses
	£	£	£	£	£
Unrestricted funds	4,423,403	4,178,634	(4,159,661)	500	-
Unrestricted funds-Property revaluation reserve	795,795	-	-	-	-
Restricted funds	3,500	-	-	(500)	-
Closing funds	5,222,698	4,178,634	(4,159,661)	-	-

The property at 1 Access Point, Northarbour Road, Portsmouth, was revalued in July 2019, by Daniels Harrison Chartered Surveyors, to £3,500,000 creating a revaluation gain of £695,795.

The investment property was revalued in July 2019, by Daniels Harrison Chartered Surveyors, to £500,000 creating a revaluation gain of £100,000.

18. Analysis of Net Assets between funds

	2023				2022
	Fixed Assets	Net Current Assets	Long Term Liabilities	Total	Total
	£		£	£	£
Unrestricted Funds	4,272,928	1,343,168	(377,425)	5,238,671	5,219,198
Restricted Funds	3,000	-	-	3,000	3,500
Closing funds	4,275,928	1,343,168	(377,425)	5,241,671	5,222,698

19. Reconciliation of changes in resources to net cash flow from operating activities

	2023	2022
	£	£
Changes in resources	18,974	(54,199)
Rent receivable	(42,100)	(41,021)
Interest receivable	(20,067)	(2,669)
Interest paid	16,108	12,578
Depreciation	199,219	209,782
Deficit on disposal of tangible fixed assets	-	6,283
(Increase)/decrease in debtors	(159,212)	28,917
Increase/(decrease) in creditors	12,210	(19,012)
(Increase)/decrease in stocks	-	260
Net cash (outflow)/inflow from operating activities	25,132	(140,919)

20. Analysis of changes in net cash funds

	2023		
	31 July 2023	Cashflow	1 August 2022
	£	£	£
Cash at bank and in hand	1,118,508	(200,164)	1,318,672

21. Analysis of changes in net debt

	2023			
	1 August 2022	Cashflows	Other non-cash changes	31 July 2023
	£	£	£	£
Cash and cash equivalents				
Cash	1,318,672	(200,164)	-	1,118,508
Overdrafts	-	-	-	-
Cash equivalents	-	-	-	-
	1,318,672	(200,164)	-	1,118,508
Borrowings				
Debt due within one year	(56,500)	56,500	(56,500)	(56,500)
Debt due after one year	(353,125)	-	56,500	(296,625)
	(409,625)	56,500	-	(353,125)
Total	909,047	(143,664)	-	765,383

22. Related Parties

The Charity provides courses and training support in the general course of business, under normal trading terms to the following companies which were represented on the board of trustees. Details of these transactions and the balances outstanding at the balance sheet date are detailed below:

	Expenditure (Excl VAT)) 2023	Turnover (Excl VAT) 2023	Balance Outstanding (Incl VAT) as at 31 July 2023	Balance Outstanding (Incl VAT) as at 31 July 2022
		£	£	£
Mimtec Ltd	540	-	-	-
Pali Manufacturing UK Ltd	37,912	-	-	1,370
Portsmouth Aviation Ltd	20,725	1,221	-	886
Hamble Aerostructures Ltd	37,600	21,917	-	-
Geest Line Ltd	3,018	690	-	-
Safran Helicopter Engines UK Ltd	17,720	4,379	-	1,984
GTA England Limited	8,886	-	-	-

23. Charity Status

The Charity is limited by guarantee of each member who undertakes to contribute a sum not exceeding £100 to the assets of the Charity in the event of the Charity being wound up while he is a member or within one year after he ceases to be a member for payment of debts and liabilities of the Charity contracted before he ceases to be a member.

24. Capital Commitments

As at 31 July 2023 the charitable company had no capital commitments outstanding. (2022: £80,340)

