

# HUMBERSIDE ENGINEERING TRAINING ASSOCIATION LIMITED

England & Wales · Charity number 508775

## Details

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**Other names** H E T A LTD

**Status** Registered

**Legal form** Charitable company

**Company number** [01007353](#)

**Registered** 1979-05-31

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** Humberside Engineering Training Ass  
Dansom Lane South  
Hull  
HU8 7LA

**Phone** 01482826635

**Email** [info@heta.co.uk](mailto:info@heta.co.uk)

**Website** [www.heta.co.uk](http://www.heta.co.uk)

## Activities

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**Objects:** 3. OBJECTS The objects for which the Charity is established are: (A) To advance the theoretical and practical education and training of persons engaged or intending to be engaged in the engineering industry. (B) Subject to the foregoing object, to extend such provision or assistance to the training or education of members of the public generally.

**Activities:** Humberside Engineering Training Association (HETA) Ltd delivers a range of engineering training to children, young people and adults, including workshop taster sessions, advanced & higher apprenticeships, HNC, HND and workforce skills development training.

## Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, Economic/community Development/employment
- **Who:** Children/young People, The General Public/mankind

## Geography

- **Area of benefit:** EAST RIDING OF YORKSHIRE, NORTH EAST LINCOLNSHIRE, NORTH LINCOLNSHIRE, CITY AND COUNTY OF KINGSTON UPON HULL
- Doncaster
- East Riding Of Yorkshire
- Kingston Upon Hull City
- North East Lincolnshire
- North Lincolnshire

## Finances

| Period end | Income     | Expenditure | Assets     | Employees |
|------------|------------|-------------|------------|-----------|
| 2025-08-31 | £7,619,252 | £6,858,013  | £9,123,524 | 92        |
| 2024-08-31 | £7,410,649 | £6,495,895  | £8,362,285 | 86        |
| 2023-08-31 | £6,241,202 | £5,780,615  | £7,447,531 | 89        |
| 2022-08-31 | £5,641,417 | £5,316,682  | £6,986,944 | 95        |
| 2021-08-31 | £5,080,636 | £4,897,209  | £6,662,209 | 104       |
| 2020-08-31 | £5,167,346 | £5,051,727  | £6,478,782 | 114       |

## Trustees

| Name                          | Role  | Appointed  |
|-------------------------------|-------|------------|
| <b>Ian Christopher Palmer</b> | Chair | 2016-01-26 |
| Brian Houston                 |       | 2023-09-19 |
| David John Oliver             |       | 2020-07-13 |
| Dr David Ian Richards         |       | 2025-07-22 |
| Elliott James Greenfield      |       | 2020-07-13 |
| Gareth David Andrew Powell    |       | 2026-03-04 |
| Karen Anne Johnson            |       | 2024-07-23 |
| Karen Robinson                |       | 2024-07-23 |
| LEE JOHN DRURY                |       | 2025-07-22 |
| Mark Richard Brunton          |       | 2023-09-19 |
| Nicholas Martinez-Alstrom     |       | 2026-06-09 |
| Samuel Thomas Dearing         |       | 2024-07-23 |
| Timothy Mottershead           |       | 2016-11-29 |

**HUMBERSIDE ENGINEERING TRAINING ASSOCIATION LIMITED**

England & Wales - Charity number 508775

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# Accounts

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REGISTERED COMPANY NUMBER: 01007353 (England and Wales)  
REGISTERED CHARITY NUMBER: 508775

**Report of the Trustees and**  
**Consolidated Financial Statements**  
**for the Year Ended 31st August 2025**  
**for**  
**Humberside Engineering Training**  
**Association Limited**

Sadofskys  
Statutory Auditors  
Princes House  
Wright Street  
Hull  
East Yorkshire  
HU2 8HX

**Humberside Engineering Training  
Association Limited**

**Contents of the Consolidated Financial Statements  
for the year ended 31st August 2025**

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**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2025**

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 group for the year ended 31st August 2025. 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 2019).

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

01007353 (England and Wales)

**Registered Charity number**

508775

**Registered office**

27-31 Dansom Lane  
Hull  
HU8 7LA

**Trustees**

I C Palmer - Chair  
R M Swain (resigned 28/1/25)  
T Mottershead  
E J Greenfield  
D J Oliver  
M R Brunton  
B Houston  
J M Wells  
Mrs K A Johnson  
Mrs K Robinson  
S T Dearing  
L J Drury (appointed 22/7/25)  
D I Richards (appointed 22/7/25)

**Company Secretary**

I Elliott

**Auditors**

Sadofskys  
Statutory Auditors  
Princes House  
Wright Street  
Hull  
East Yorkshire  
HU2 8HX

**Solicitors**

Bridge McFarland  
1 Marina Court  
Hull  
HU1 2AZ

**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2025**

**Expertise, experience, capabilities of HETA**

HETA is a not-for-profit Charity "Group Training Association" established in 1967 which now operates from 3 wholly owned sites, Dansom Lane (Hull), Pioneer Park (Grimsby) and Foxhills (Scunthorpe) to serve employers across the Humber Region that operate in the engineering, manufacturing and process industries.

The GTA model still exists in name but in real terms the company operates as a commercially focused but not for profit training provider with a FE/Charitable ethos that serves our learners and employers to ensure we deliver training and education that will meet the skills needs of the region.

Governance is provided by a group of Trustees who meet six times per year. The current Articles of Association were revised back in July 2024 to better reflect the need for flexibility to recruit more Trustees.

HETA currently employs around 80 people across the three sites with a turnover in excess of approx. £7m pa. Our real estate is wholly owned. HETA has been successful in paying down some of the current debt that was used to fund the development of the training centres. The business loans on Scunthorpe and Hull were paid off in December 2024 and July 2025 respectively.

HETA currently trains and assesses in excess of 600 Engineering learners per year across levels 3, 4 & 5 and delivers 'in-work' training for approximately 1500 adults to over 350 client companies across the Yorkshire and Humber region. HETA also delivers training contracts for employers who have multiple sites across the UK and by working with selected partners, is able to offer residential accommodation to learners.

**OBJECTIVES AND ACTIVITIES**

To advance the theoretical and practical education and training of persons engaged or intending to be engaged in the engineering industry.

**The HETA vision is;**

**To be the leading Engineering training provider delivering exceptional, high-quality training that continually meets customer requirements.**

We will provide trainees with the qualifications, skills and workplace experience required to obtain sustained employment and abilities to respond to the changes across our core industries.

**HETA will be guided by and follow the following 6 strategic aims;**

- A. To maintain the work required to be an Ofsted graded provider rated Good or Good with Outstanding features.
- B. To be the engineering training "Provider of Choice" across the Humber region designing and delivering high quality skills training.
- C. To reduce our reliance of public funding in the pursuit of commercial income whilst maximising existing ESFA contract values.
- D. To reduce our level of debt and increase our cash reserves.
- E. To be an "Employer of Choice" and to create a positive working environment that generates, encourages and promotes equality of opportunity for all staff and that is creative and entrepreneurial that will enable the business to grow.
- F. To monitor the skills needs across the Humber region and respond to meet that demand.

**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2025**

**OBJECTIVES AND ACTIVITIES - continued**

**We will be driven to achieve the following top level Key Performance Indicators;**

1. Increase growth in turnover in line with the overall three-year financial plan.
2. Deliver an annual surplus to re-invest in the business of no less than 5% per annum.
3. Maintain a Self-Assessed Grade of at least Good (2) with Outstanding features\*.
4. Agree and achieve annual targets for recruitment/retention and Qualification Achievement Rates (QAR) that are well above national benchmarks.
5. Maintain and increase our market share of Advanced Apprenticeships using ESFA annual data to agree targets and measure our performance.

*\*Please note that the Ofsted grading structure has been revised and changed with effect from September 2025.*

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Charity constitution**

The company is limited by guarantee. It was incorporated on 7th April 1971 under the Companies Acts 1948 and 1967 and is governed by its memorandum and Articles of Association as amended September 1980, April, 1995 and May 2021. A further amendment was approved by the HETA Board of Trustees in July 2024.

**Recruitment and appointment of new trustees**

HETA aims to develop and maintain a diverse group of individuals that will support the aim of the company. Trustees are identified and recruited based on skill set and experience.

No one is entitled to act as a Trustee whether on appointment or on any reappointment until he or she has expressly acknowledged, in whatever way the Trustee decide, his or her acceptance of the office of Trustee and Member.

The appointment of a Trustee must not cause the number of Trustees to exceed any number fixed as the maximum number of Trustees.

The latest Articles of Association make clear reference to the period of time that Trustees will be appointed for.

The latest amendment to the Articles of Association now shows that the maximum number of Trustees has been increased to 15 people.

**Organisational structure**

The Board met six times during the year. The meetings were concluded using a 'hybrid' model over both video conferencing and face to face. This model provided members with a more efficient way to meet and increased participation.

HETA is overseen by the Board of Trustees, who provide strategic direction and governance, while the day-to-day management and operational decision-making are carried out by the Chief Executive and Senior Leadership Team.

The Senior (Strategic) Leadership Team (SLT) for 2024–25 comprised the following members:

- **Chief Executive, Deputy Chief Executive, Human Resources Manager, Operations Manager  
Sales and Marketing Manager, Head of Quality and Curriculum Development**

**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2025**

**STRUCTURE, GOVERNANCE AND MANAGEMENT - continued**

In turn, the SLT is supported by an experienced and very able management team:

- **Health and Safety Manager**
- **2 x Centre (curriculum) Managers**
- **Field Team Manager**
- **Curriculum Manager Higher Education**
- **IT Support Manager**
- **Management Accountant**
- **Administration Manager**
- **Teaching and Learning Improvement Manager (vacant)**

**The Management of Risk**

HETA has adopted a Business Risk Register (BRR) and the Board will receive updates on each area of risk to assess the appropriateness and robustness of the controls being deployed to mitigate risk. The BRR is reviewed periodically by the management team and at sub-board committee meetings chaired by a HETA Trustee.

**Policy on Reserves**

The charity will aim to hold, non-committed, end of year cash reserves of not less than 50% and not more than 150% of the total annual staff and contractor employment costs. The reserves policy remains a key aspect of financial health, but the Trustees continue to review this annually.

This formula will enable the directors and management of HETA adequate contingency funds to deal with significant variations of year-to-year business activity. In addition, whilst the reserves policy exists, the board of Trustees accept that a degree of flexibility is required to engage with strategic projects such as the development of real estate.

At the Balance Sheet date the unrestricted cash reserves represented 21% (2024: 25%) of the year's employment costs (including subcontract instructors and excluding HATA apprentices).

In line with their oversight of the reserves policy, the Trustees approved an exceptional decision to permit reserves to drop below the target range to enable the construction of the new centre at Grimsby.

HETA has a number of strategic aims listed above of which one relates to levels of debt; *"To reduce our level of debt and increase our cash reserves"*

Re-building reserves remains a challenge as we need to service ongoing operational costs. Reserves for 2025-26 and 2026-27 are forecast to be at 32% and 44% respectively and rising in subsequent years taking HETA back within the tolerances (shown above) allowed in the reserves policy returning to 54% in 2027-28.

The current reserves reflect a more prudent approach to managing debt in that the Board have chosen to 'overpay' on monthly capital payments that has subsequently allowed HETA to reduce the overall debt level resulting in two bank loans to be paid off completely. This now means that HETA wholly owns two out of three training centres.

**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2025**

**KEY ACHIEVEMENTS AND PERFORMANCE**

**Funding and Fundraising Activities**

Income streams at HETA are structured in such a way to provide some degree of financial security and sustainability that allows us to reinvest in the best teaching and learning facilities and working conditions for staff.

**In simple terms we aim to maintain four strands of revenue generation;**

- Contracted funding from the Department for Education to support the delivery of funded programmes including Apprenticeships and 16-19 Study Programmes.
- Higher Education that is paid for by employers to deliver the Higher National Certificate and Diploma.
- Commercial training courses to upskill those already in the labour market paid for by employers and individuals.
- Additional grant funding from different sources designed to fund new provision, acquisition of new equipment, training resources and discrete interventions to support young people.

HETA has continued to deliver a significant number of training and education programmes to our different client groups that have generated income to support the continued growth of the charity.

These include;

- Level 3 & 4 Apprenticeships to both 16-18 and 19+ learners - £5,398k
- Study Programme (Traineeships) for unsponsored learners - £255k
- HE programmes - £538k
- Adult upskilling courses for those already operating in the labour market - £969k
- Other income streams - £459k

Overall income year on year is **£7,619k** (2024-25) against **£7,410k** (2023-24)

In delivering these various activities, the company has generated an operating surplus of £761k- a small income uplift of 3% year on year.

HETA has continued to invest in the business to ensure that learners and employers get the best experience possible. Investment in new assets for the year was £524k.

**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2025**

**KEY ACHIEVEMENTS AND PERFORMANCE – continued**

**Income Diversification**

It is vital that HETA follows a plan to diversify income and not be solely reliant on the core funding from the Departments for Education and Work & Pensions. Our commercial training courses have grown steadily with the expansion of our sales and marketing function.

It is important to note in addition to commercial sales, that this team drives the recruitment process for both our Level 3 funded programmes and our Higher National education programmes that are mainly fee paying rather than government funded.

To strengthen these funding streams, HETA has benefitted from additional funding from the Local Skills Improvement Fund via the Department for Education.

Comparing 2023/24 to 2024/25, like other ITP's and employers, HETA has seen some difficult trading conditions. The decision to increase National Insurance Contributions cost £30k.

Total income has increased by 3% year on year, but total costs have increased by 6%, mostly due to increase in staffing costs of 10% (additional 6 staff on average per month compared to previous year plus a 3% pay increase) plus the increased use of external recruitment agencies to find new staff.

One positive is that our utilities costs decreased by 12% year on year after the big hike in the previous year.

**Out of Area Recruitment**

As part of our expansion and growth plans, HETA continues to recruit learners from outside of the Humber region. In 2024-25, we were successful in attracting employers and their learners from West and South Yorkshire, London & Kent, Lancashire, West Midlands, East Midlands and the South East & West of England.

**Ann Watsons Trust**

Established in the East Riding of Yorkshire, the Trust is now 300 years old making it one of the older charities in the United Kingdom and to this day it continues to fulfil the charitable objectives of its founder Mrs Ann Watson.

Along with other charitable aims, the trust seeks to make grants for the advancement of education of young people under 25 years in Hull and the East Riding of Yorkshire.

In 1720, Ann Watson's Will established a Trust to improve the educational opportunities of local children to improve their employability and this remains a key objective of the Trust to this day.

All beneficiaries of a grant must be under 25 years of age, have lived in Hull or the East Riding of Yorkshire and be either currently attending or have attended a school in that area for at least three years.

The Ann Watson Trust has proved to be invaluable to learners, especially those from low-income families, providing essential financial support to overcome barriers such as transport, equipment, and living costs. This assistance empowers them to focus on their training, opening doors to life-changing opportunities in engineering careers.

Funding was used to support our Traineeships. This group of learners follow a similar path of study to the paid apprentices but receive no wage other than a small amount of money to reimburse travel costs.

In 2024/25, HETA successfully utilised the Ann Watson Trust funding to support 19 learners, achieving a 96% progression rate into employment and apprenticeships with prestigious companies such as Daifuku Logan, Cranswick Foods and Amentum Asset Solutions.



**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2025**

**KEY ACHIEVEMENTS AND PERFORMANCE - continued**

**Knowledge Transfer Partnership**

One of the key objects for HETA is: *“To advance the theoretical and practical education and training of persons engaged or intending to be engaged in the engineering industry”*.

The charity must continually find innovative ways to both educate and to raise funds that further those objects.

HETA has been able to instigate a high-tech partnership that will develop ‘digital twins’ to help engineers replicate real-life training scenarios. This is a new two-year collaboration between industry and academia that will give businesses high-tech access to full-scale production rigs without disrupting their own premises, plant and manufacturing processes.

The Knowledge Transfer Partnership (KTP) between Humberside Engineering Training Association (HETA) and the University of Hull will create digital twins of existing training rigs, enabling businesses to try new ideas with zero risk to their current systems.

HETA and the University both see the venture as a commercial opportunity which can support engineering projects across the Yorkshire and Humber region and beyond.

Their confidence is shared by UK Research and Innovation (UKRI), which has committed funding for the partnership through Innovate UK.

HETA invested in the rigs at its Hull headquarters five years ago as additions to its industry standard facilities for learners and employers, and particularly those working in petrochemicals across the Humber.

**Part Time Degrees @ Hull University**

Following on from this, we have been successful in developing another partnership with Hull University. It has been a long-held ambition to be able to provide educational progression to young people from Level 3 through to Degree Level 6. Working with the School of Engineering, HETA will now be able to offer our learners the opportunity to progress onto a part time degree from September 2026.

**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2025**

**CHARITABLE ACTIVITIES**

**Fulfilling our charitable ethos - Getting Young People into Work and working with Schools**

**“HETA is a training provider and a Job Broker”.**

**Traineeships@HETA are a ‘cornerstone’ programme of teaching and learning and demonstrate our commitment to developing young people and to ensure our client base can access high quality job applicants.**

In 2024-25, HETA continued to secure employment for a significant number of young people acting as a recruiter for employers. This approach essentially has two facets-Traineeships (Study Programmes) and Sponsored Apprenticeships.

*Study Programmes* are a specific funding stream from the Department for Education-for ease of understanding HETA continues to refer to them as “Traineeships”.

The Traineeship is designed to act as a pathway into employment, an apprenticeship or further learning. The entry criteria and delivery requirements are flexible.

HETA uses the Government's Study (Traineeship) Programme to widen participation and to ensure small to medium employers can access suitable Apprenticeship candidates without having to commit to paying a whole year of ‘off the job’ wages.

HETA is now into the 12th year of delivering on this programme and has adopted a model that is regarded as being exemplary practice which sees young people being exposed to both trade and employability skills with progression into a job.

The company receives a significantly lower funding amount that is far less than the core funding for an Advanced Apprenticeship. We purposely deliver a much-enhanced learning experience that is not covered by the funding allocation.

In short, HETA over delivers in order to maximise employment opportunities for young people and to ensure that employers have access to a talent pipeline.

**The following data shows the successful outcome for the Traineeship programme at HETA:**

- 58 out of 68 traineeships went on to a successful outcome - 85%.
- 52 out of 68 traineeships went on to an apprenticeship with HETA – 76%

**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2025**

**CHARITABLE ACTIVITIES – continued**

**Community Marketing & Support**

Being part of the community is vital to HETA, reflecting our commitment to supporting and inspiring local initiatives. One area was highlighting the synergy between sports and engineering—both demanding teamwork, precision, and perseverance.

We proudly sponsored clubs such as South Cave Under 7s, and Myton Warriors, with the Under 7s giving back through charity work with a local foodbank.

Additionally, we sponsored a summer fair for the Springhead School Association who specialise in activities for SEND Learners not able to access mainstream education.

In December 2024 we raised money for Shelter an organisation whose campaign for Christmas was tackling homelessness for young people.

**Welfare for Learners and Staff**

HETA seeks to deliver the best possible learning experience for young people, however our aim is to support our learners in a more holistic manner. This includes support and education around physical and mental health. In some cases, we provide financial support to buy uniform, IT kit and we manage the travel allowances for Study Programmes (Traineeships).

A number of staff have trained as Mental Health First Aiders and attend update sessions around MH issues so we can better support learners.

As part of a more rounded approach to the future wellbeing of the younger learners, HETA self-funds and provides a programme of information, training and counselling around the issues of;

- Diet
- Alcohol
- Drugs
- Mental health issues- we now have mental health 'First Aiders' embedded on each site
- Fitness
- Team Working
- Communication Skills
- Safeguarding and the "Prevent" (from radicalisation) strategy

Our staff are HETA, they are our greatest asset and the investment in finding, recruiting, training and retaining the best people remains a cornerstone of the business.

Our aim is that the employment conditions at HETA for existing and potential staff, is regarded as being good enough to make us an "Employer of Choice".

Terms of employment include;

- *Salaries that are competitive to the Post 16 education sector*
- *Generous leave entitlement and support for those with caring responsibilities*
- *Private Health Cover*
- *Contributory pension scheme*
- *Life Insurance*
- *Salary sacrifice schemes*
- *Subsidised catering facilities*

**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2025**

**CHARITABLE ACTIVITIES – continued**

**Welfare for Learners and Staff -continued**

The recruitment market remains a challenge across most business sectors and HETA is no exception. The company is mindful of normal ‘churn’ via retirements and resignations and as such adopted a more proactive approach to recruitment.

By utilising a range of tactics to recruit and to try and succession plan (for retirees) it has been possible to recruit some excellent replacement staff. However, the increased use of external recruitment agencies has been a necessity resulting in much higher expenditure on recruitment fees.

HETA continues to invest in staff development via structured Continuous Development Days, online training, teacher training from Levels 3 to 5, external events, webinars etc.

The company also tries to balance workloads with home commitments and aims to be a family friendly employer supporting those with carer responsibilities.

**Information, Advice and Guidance Engagement & Outreach activities**

HETA continues to provide an annual cycle of unfunded activities to schools around Information, Advice and Guidance (IAG) to young people. These activities are both costly and labour intensive with a number of different staff being deployed to deliver them and receiving no extra remuneration.

The data table below provides detail about the activities carried out by HETA in 2024-25 and we are rightly proud to have been able to increase our IAG activity year on year with no extra resources.

***School Visits and other IAG activities;***

- **Overall Delivered Activities: 192** equates to **+30** activities since last year
- **School Visits: 134** equates to **+10** activities since last year
- **College Visits: 18** equates to **+3** activities since last year
- **Combined School and College Events: 28** equates to **+10** activities since last year
- **Large Events: 12**

HETA recognises the need to engage with schools across the region and beyond, going out to South Yorkshire and Greater Lincolnshire. This encompasses a range of different unique and annually repeating activities that are designed to inspire, inform and engage and encourage young people with the aim of increasing take up for STEM programmes at HETA and other providers.

**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2025**

**CHARITABLE ACTIVITIES – continued**

**Information, Advice and Guidance Engagement & Outreach activities - continued**

Below are some examples of the work we do to promote technical education, widen participation and increase life chances for young people.

- Secondary School: Developed a practical exercise based on problem solving in the renewables sector. This was designed to use ‘hand skills’ as well as communication and teamwork. We have delivered this session to over 30 school groups across the region
- 6th Form College: Large careers fair hosting students from other local schools and colleges. Over 700 attendees and 70+ providers present.
- Skills For Life Apprenticeship Fair at York Racecourse: Visited by local schools and colleges as well as parents visiting with their children later in the evening, focused solely on apprenticeship pathways.
- Doncaster Chamber: “Opportunities Live”: Large careers fair hosted for schools across the region to visit and engage with employers and training providers.
- Civic Centre Immingham: Event for those seeking employment or exploring the possibility of a career change to engage with employers or training providers offering apprenticeship pathways into a new industry.
- Skills Humber & East Riding: Event hosted by Optimus Education at Hull University to allow schools from in around the city to engage with employers, training providers colleges and universities. Across 2 days we engaged with Y9/10 students from a variety of schools.
- Humber Stem Event: Event hosted at Craven Park focused on engaging primary school students in STEM activities hosted by employers in STEM and training providers such as ourselves. We were tasked with creating a 45 minute session for multiple schools throughout the day. Students were provided with a resource pack, given a presentation on STEM careers linked to HETA's provision and tasked with building a race car from cardboard components.
- Scarborough Science and Engineering Week: hosted a practical stand at Scarborough Spa for primary and secondary students. Over 1000 attendees across 100 providers
- Hull& East Yorkshire Schools & Colleges Summer Conference, a celebration of the careers education taking place in the region.
- North East Lincolnshire Skills Fair: Hosted at Grimsby Auditorium and sponsored by P66. Attended by a large number of schools from across North East Lincolnshire, providing them with an opportunity to engage with employers, training providers, colleges and universities.

**Volunteers/Volunteering**

HETA does not recruit volunteers as part of our core activities, preferring to use establishment staff. However the Board of Trustees are all volunteers.

We do encourage staff to carry out a range of unfunded ‘pro bono’ activities. Some staff are Governors at schools across the region and also work with other charities.

The CEO is a member of the Hull and East Yorkshire (HEY) Business, Growth and Skills Hub, Skills Board and Joint Chair of the HEY Apprenticeship & Technical Education Working Group and is a member of the Local Skills Improvement Plan (LSIP) Board and the Greater Lincolnshire Manufacturing Advisory Board.

**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2025**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of Humberside Engineering Training Association Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

**AUDITORS**

The auditors, Sadofskys, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on ~~15/03/2026~~ and signed on the board's behalf by:



I C Palmer – Trustee & Chair

**Report of the Independent Auditors to the Members of**  
**Humberside Engineering Training**  
**Association Limited**

**Opinion**

We have audited the financial statements of Humberside Engineering Training Association Limited (the 'parent charity') and its subsidiaries (together comprising the 'charitable group') for the year ended 31st August 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated 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 group's and parent charity's affairs as at 31st August 2025 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

**Report of the Independent Auditors to the Members of**  
**Humberside Engineering Training**  
**Association Limited**

**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.

**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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:
- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the charitable sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, UK tax legislation, and data protection, anti-bribery, employment, environmental, health and safety legislation along with industry specific regulations and requirements.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.



**Report of the Independent Auditors to the Members of**  
**Humberside Engineering Training**  
**Association Limited**

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators, and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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](http://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.

*Sadofskys*

Alan Brocklehurst (Senior Statutory Auditor)  
for and on behalf of Sadofskys  
Statutory Auditors  
Princes House  
Wright Street  
Hull  
East Yorkshire  
HU2 8HX

Date: 25/03/2026

**Humberside Engineering Training  
Association Limited**

**Consolidated Statement of Financial Activities  
for the year ended 31st August 2025**

|                                    |   | <b>2025</b>             | 2024                    |
|------------------------------------|---|-------------------------|-------------------------|
|                                    |   | <b>Unrestricted</b>     | Unrestricted            |
|                                    |   | <b>funds</b>            | funds                   |
|                                    |   | <b>£</b>                | £                       |
| <b>INCOME AND ENDOWMENTS FROM</b>  |   |                         |                         |
| Donations and legacies             |   | -                       | -                       |
| <b>Charitable activities</b>       | 3 |                         |                         |
| Apprentice Training                |   | 5,563,746               | 5,219,852               |
| HNC & HND                          |   | 626,775                 | 597,625                 |
| Commercial Training                |   | 969,397                 | 906,068                 |
| Investment income                  | 2 | 17,030                  | 19,383                  |
| Other income                       |   | <u>442,304</u>          | <u>667,721</u>          |
| <b>Total</b>                       |   | <u><b>7,619,252</b></u> | <u><b>7,410,649</b></u> |
| <b>EXPENDITURE ON</b>              |   |                         |                         |
| <b>Charitable activities</b>       | 4 |                         |                         |
| Apprentice Training                |   | 5,258,145               | 4,976,549               |
| HNC & HND                          |   | 626,781                 | 531,029                 |
| Commercial Training                |   | 925,252                 | 988,317                 |
| Work with Schools                  |   | <u>47,835</u>           | <u>-</u>                |
| <b>Total</b>                       |   | <u><b>6,858,013</b></u> | <u><b>6,495,895</b></u> |
| <b>NET INCOME</b>                  |   | <b>761,239</b>          | 914,754                 |
| <b>RECONCILIATION OF FUNDS</b>     |   |                         |                         |
| Total funds brought forward        |   | <u>8,362,285</u>        | <u>7,447,531</u>        |
| <b>TOTAL FUNDS CARRIED FORWARD</b> |   | <u><b>9,123,524</b></u> | <u><b>8,362,285</b></u> |

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing operations.

**FUND ACCOUNTING**

All income and expenditure relates to unrestricted funds.

The notes form part of these financial statements

**Humberside Engineering Training  
Association Limited**

**Consolidated Balance Sheet  
31st August 2025**

|                                                  |       | <b>2025<br/>Unrestricted<br/>funds<br/>£</b> | <b>2024<br/>Unrestricted<br/>funds<br/>£</b> |
|--------------------------------------------------|-------|----------------------------------------------|----------------------------------------------|
| <b>FIXED ASSETS</b>                              | Notes |                                              |                                              |
| Tangible assets                                  | 10    | <u>11,424,807</u>                            | <u>11,441,527</u>                            |
| <b>CURRENT ASSETS</b>                            |       |                                              |                                              |
| Debtors                                          | 12    | <u>1,052,896</u>                             | 915,385                                      |
| Cash at bank                                     |       | <u>865,334</u>                               | <u>937,674</u>                               |
|                                                  |       | <b>1,918,230</b>                             | 1,853,059                                    |
| <b>CREDITORS</b>                                 |       |                                              |                                              |
| Amounts falling due within one year              | 13    | <u>(1,095,069)</u>                           | <u>(1,176,202)</u>                           |
| <b>NET CURRENT ASSETS</b>                        |       | <u><b>823,161</b></u>                        | <u><b>676,857</b></u>                        |
| <b>TOTAL ASSETS LESS CURRENT<br/>LIABILITIES</b> |       | <b>12,247,968</b>                            | 12,118,384                                   |
| <b>CREDITORS</b>                                 |       |                                              |                                              |
| Amounts falling due after more than one year     | 14    | <u>(3,124,444)</u>                           | <u>(3,756,099)</u>                           |
| <b>NET ASSETS</b>                                |       | <u><b>9,123,524</b></u>                      | <u><b>8,362,285</b></u>                      |
| <b>FUNDS</b>                                     | 17    |                                              |                                              |
| Unrestricted funds                               |       | <u><b>9,123,524</b></u>                      | <u><b>8,362,285</b></u>                      |
| <b>TOTAL FUNDS</b>                               |       | <u><b>9,123,524</b></u>                      | <u><b>8,362,285</b></u>                      |

The financial statements were approved by the Board of Trustees and authorised for issue on ~~25/03/2026~~ and were signed on its behalf by:

  
I C Palmer – Trustee/Director

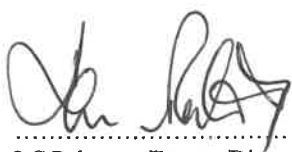
The notes form part of these financial statements

**Humberside Engineering Training  
Association Limited**

**Company Balance Sheet  
31st August 2025**

|                                                  |       | 2025<br>Unrestricted<br>funds<br>£ | 2024<br>Unrestricted<br>funds<br>£ |
|--------------------------------------------------|-------|------------------------------------|------------------------------------|
| <b>FIXED ASSETS</b>                              | Notes |                                    |                                    |
| Tangible assets                                  | 10    | 11,424,807                         | 11,441,527                         |
| Investments                                      | 11    | <u>1</u>                           | <u>1</u>                           |
|                                                  |       | 11,424,808                         | 11,441,528                         |
| <b>CURRENT ASSETS</b>                            |       |                                    |                                    |
| Debtors                                          | 12    | 1,119,812                          | 939,686                            |
| Cash at bank                                     |       | <u>778,250</u>                     | <u>860,366</u>                     |
|                                                  |       | 1,898,062                          | 1,800,052                          |
| <b>CREDITORS</b>                                 |       |                                    |                                    |
| Amounts falling due within one year              | 13    | <u>(1,086,215)</u>                 | <u>(1,133,111)</u>                 |
| <b>NET CURRENT ASSETS</b>                        |       | <u>811,847</u>                     | <u>666,941</u>                     |
| <b>TOTAL ASSETS LESS CURRENT<br/>LIABILITIES</b> |       | 12,236,655                         | 12,108,469                         |
| <b>CREDITORS</b>                                 |       |                                    |                                    |
| Amounts falling due after more than one year     | 14    | <u>(3,124,444)</u>                 | <u>(3,756,099)</u>                 |
| <b>NET ASSETS</b>                                |       | <u>9,112,211</u>                   | <u>8,352,370</u>                   |
| <b>FUNDS</b>                                     | 17    |                                    |                                    |
| Unrestricted funds                               |       | <u>9,112,211</u>                   | <u>8,352,370</u>                   |
| <b>TOTAL FUNDS</b>                               |       | <u>9,112,211</u>                   | <u>8,352,370</u>                   |

The financial statements were approved by the Board of Trustees and authorised for issue on 25/03/2026, and were signed on its behalf by:

  
.....  
I C Palmer – Trustee/Director

The notes form part of these financial statements

**Humberside Engineering Training  
Association Limited**

**Consolidated Cash Flow Statement  
for the year ended 31st August 2025**

|                                                                           | Notes | 2025<br>£                    | 2024<br>£                    |
|---------------------------------------------------------------------------|-------|------------------------------|------------------------------|
| <b>Cash flows from operating activities</b>                               |       |                              |                              |
| Cash generated from operations                                            | 1     | 1,576,180                    | 1,438,458                    |
| Interest paid                                                             |       | <u>(370,040)</u>             | <u>(438,700)</u>             |
| Net cash provided by operating activities                                 |       | <u>1,206,140</u>             | <u>999,758</u>               |
| <b>Cash flows from investing activities</b>                               |       |                              |                              |
| Purchase of tangible fixed assets                                         |       | (523,756)                    | (697,834)                    |
| Interest received                                                         |       | <u>17,030</u>                | <u>19,383</u>                |
| Net cash used in investing activities                                     |       | <u>(506,726)</u>             | <u>(678,451)</u>             |
| <b>Cash flows from financing activities</b>                               |       |                              |                              |
| Loan repayments in year                                                   |       | <u>(771,754)</u>             | <u>(751,183)</u>             |
| Net cash used in financing activities                                     |       | <u>(771,754)</u>             | <u>(751,183)</u>             |
|                                                                           |       | <hr/>                        | <hr/>                        |
| <b>Change in cash and cash equivalents in the reporting period</b>        |       | <b>(72,340)</b>              | <b>(429,876)</b>             |
| <b>Cash and cash equivalents at the beginning of the reporting period</b> |       | <u><b>937,674</b></u>        | <u><b>1,367,550</b></u>      |
| <b>Cash and cash equivalents at the end of the reporting period</b>       |       | <u><u><b>865,334</b></u></u> | <u><u><b>937,674</b></u></u> |

The notes form part of these financial statements

**Humberside Engineering Training  
Association Limited**

**Notes to the Consolidated Cash Flow Statement  
for the year ended 31st August 2025**

**1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

|                                                                                                        | 2025<br>£               | 2024<br>£               |
|--------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Net income for the reporting period (as per the Consolidated Statement of Financial Activities)</b> | <b>761,239</b>          | <b>914,754</b>          |
| <b>Adjustments for:</b>                                                                                |                         |                         |
| Depreciation charges                                                                                   | 540,476                 | 530,017                 |
| Interest received                                                                                      | (17,030)                | (19,383)                |
| Interest paid                                                                                          | 370,040                 | 438,700                 |
| Increase in debtors                                                                                    | (137,511)               | (115,053)               |
| Increase/(decrease) in creditors                                                                       | <u>58,966</u>           | <u>(310,577)</u>        |
| <b>Net cash provided by operations</b>                                                                 | <b><u>1,576,180</u></b> | <b><u>1,438,458</u></b> |

**2. ANALYSIS OF CHANGES IN NET DEBT**

|                                 | At 1/9/24<br>£            | Cash flow<br>£        | At 31/8/25<br>£           |
|---------------------------------|---------------------------|-----------------------|---------------------------|
| <b>Net cash</b>                 |                           |                       |                           |
| Cash at bank                    | <u>937,674</u>            | <u>(72,340)</u>       | <u>865,334</u>            |
|                                 | <u>937,674</u>            | <u>(72,340)</u>       | <u>865,334</u>            |
| <b>Debt</b>                     |                           |                       |                           |
| Debts falling due within 1 year | (386,766)                 | 140,099               | (246,667)                 |
| Debts falling due after 1 year  | <u>(3,756,099)</u>        | <u>631,655</u>        | <u>(3,124,444)</u>        |
|                                 | <u>(4,142,865)</u>        | <u>771,754</u>        | <u>(3,371,111)</u>        |
| <b>Total</b>                    | <b><u>(3,205,191)</u></b> | <b><u>699,414</u></b> | <b><u>(2,505,777)</u></b> |

The notes form part of these financial statements

**Humberside Engineering Training  
Association Limited**

**Notes to the Consolidated Financial Statements  
for the year ended 31st August 2025**

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

**Basis of consolidation**

The group financial statements consolidate the financial statements of the charity and its subsidiary undertaking, Humberside Apprentice Training Agency Limited, at 31<sup>st</sup> August 2025 using acquisition accounting.

**Income**

**Income from resources from charitable activities**

Incoming resources from charitable activities excludes value added tax. Where income resources are dependent upon the Charity delivering a service, the income is not recognised until the service is delivered.

**Donations**

Donations and gifts are included in full in the Statement of Financial Activities when receivable.

**Grants**

Grants and allowances receivable are accounted for as income in the year in which entitlement arises.

**Gifts**

Gifts in kind are valued by reference to the equivalent commercial cost of acquiring such assets or services.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under 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 resources.

**Allocation and apportionment of costs**

Expenses directly associated with the delivery of training are charged as direct charitable expenses and split between those relating to unrestricted and those relating to restricted funds.

Depreciation is split between restricted and unrestricted funds by reference to the charge arising on each specific asset.

Employees are categorised as either directly involved in training or administration and related costs are apportioned accordingly. Staff time spent delivering projects which are subject to restricted funding is recharged from unrestricted funds at agreed hourly rates.

Direct costs not capable of being attributed to any individual class of activity are apportioned according to the relative income of each activity. Support costs are apportioned according to the amount of direct cost associated with each class of activity. Governance costs reflect the strategic and compliance costs of the charity including an allowance for the Chief Executive's time spent on such matters.

**Humberside Engineering Training  
Association Limited**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31st August 2025**

**1. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

|                       |                                           |
|-----------------------|-------------------------------------------|
| Freehold property     | - 20% on cost, 10% on cost and 2% on cost |
| Plant and machinery   | - 10% on cost                             |
| Fixtures and fittings | - 10% on cost                             |
| Computer equipment    | - 20% on cost                             |

**Taxation**

As a registered charity, the company is generally exempt from Corporation Tax, but not from VAT. The company accounts for VAT in accordance with the regulations relevant to the nature of the supplies which it makes. Any irrecoverable VAT is shown separately as an expense.

**Fund accounting**

Incoming resources for services where, upon full performance of the service, any surplus can be retained and used for general purposes are classified as unrestricted, whereas if any surplus is receivable by the donor then the resources are classed as restricted.

**Leases**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Rents payable and receivable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**2. INVESTMENT INCOME**

|                          | <b>2025</b>          | 2024          |
|--------------------------|----------------------|---------------|
|                          | <b>£</b>             | £             |
| Deposit account interest | <b><u>17,030</u></b> | <u>19,383</u> |



**Humberside Engineering Training  
Association Limited**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31st August 2025**

**3. INCOME FROM CHARITABLE ACTIVITIES**

|                     | Activity            | 2025<br>£        | 2024<br>£        |
|---------------------|---------------------|------------------|------------------|
| Apprenticeship fees | Apprentice Training | 359,615          | 418,683          |
| ESFA funding        | Apprentice Training | 5,204,131        | 4,801,169        |
| ESFA funding        | HNC & HND           | 88,500           | 76,700           |
| HNC income          | HNC & HND           | 538,275          | 520,925          |
| Commercial training | Commercial Training | 969,397          | 897,048          |
| Passport            | Commercial Training | -                | 9,020            |
|                     |                     | <u>7,159,918</u> | <u>6,723,545</u> |

**4. CHARITABLE ACTIVITIES COSTS**

|                     | Direct<br>Costs<br>£ | Support<br>costs (see<br>note 5)<br>£ | Totals<br>£      |
|---------------------|----------------------|---------------------------------------|------------------|
| Apprentice Training | 3,680,482            | 1,577,663                             | 5,258,145        |
| HNC & HND           | 431,493              | 195,288                               | 626,781          |
| Commercial Training | 637,305              | 287,947                               | 925,252          |
| Work with Schools   | 32,864               | 14,971                                | 47,835           |
|                     | <u>4,782,144</u>     | <u>2,075,869</u>                      | <u>6,858,013</u> |

**5. SUPPORT COSTS**

|                     | Management<br>£ | Finance<br>£   | Human<br>resources<br>£ |
|---------------------|-----------------|----------------|-------------------------|
| Apprentice Training | 163,636         | 384,430        | 694,723                 |
| HNC & HND           | 20,257          | 47,578         | 86,002                  |
| Commercial Training | 29,870          | 70,152         | 126,806                 |
| Work with Schools   | 1,553           | 3,647          | 6,593                   |
|                     | <u>215,316</u>  | <u>505,807</u> | <u>914,124</u>          |

|                     | Other<br>£     | Governance<br>costs<br>£ | Totals<br>£      |
|---------------------|----------------|--------------------------|------------------|
| Apprentice Training | 283,996        | 50,878                   | 1,577,663        |
| HNC & HND           | 35,152         | 6,299                    | 195,288          |
| Commercial Training | 51,832         | 9,287                    | 287,947          |
| Work with Schools   | 2,695          | 483                      | 14,971           |
|                     | <u>373,675</u> | <u>66,947</u>            | <u>2,075,869</u> |

**Humberside Engineering Training  
Association Limited**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31st August 2025**

**6. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

|                             | <b>2025</b>           | 2024           |
|-----------------------------|-----------------------|----------------|
|                             | <b>£</b>              | £              |
| Auditors' remuneration      | <b>10,575</b>         | 11,916         |
| Depreciation - owned assets | <b><u>540,476</u></b> | <u>530,017</u> |

**7. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31st August 2025 nor for the year ended 31st August 2024.

**Trustees' expenses**

Travel and subsistence expenses totalling £210 were paid to the trustees during the year (2024: £620).

**8. STAFF COSTS**

|                       | <b>2025</b>             | 2024             |
|-----------------------|-------------------------|------------------|
|                       | <b>£</b>                | £                |
| Wages and salaries    | <b>3,646,836</b>        | 3,332,116        |
| Social security costs | <b>363,501</b>          | 289,726          |
| Other pension costs   | <b><u>493,077</u></b>   | <u>463,017</u>   |
|                       | <b><u>4,503,414</u></b> | <u>4,084,859</u> |

The average monthly number of employees during the year was as follows:

|                      | <b>2025</b>      | 2024      |
|----------------------|------------------|-----------|
| Management           | <b>6</b>         | 4         |
| Administration       | <b>12</b>        | 12        |
| Training and support | <b>65</b>        | 61        |
| Apprentices - HATA   | <b><u>9</u></b>  | <u>9</u>  |
|                      | <b><u>92</u></b> | <u>86</u> |

The average number of employees during the year is based on Full Time Equivalents.

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

|                   | <b>2025</b>     | 2024     |
|-------------------|-----------------|----------|
| £60,001 - £70,000 | <b>2</b>        | 1        |
| £70,001 - £80,000 | <b><u>1</u></b> | <u>1</u> |
|                   | <b><u>3</u></b> | <u>2</u> |

**Humberside Engineering Training  
Association Limited**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31st August 2025**

**9. NET INCOMING RESOURCES OF PARENT COMPANY**

As permitted by paragraph 397 of the SORP, the Statement of Financial Activities of the parent charity is not presented in these financial statements. The parent's net incoming resources for the year ended 31<sup>st</sup> August 2025 totalled £759,841 (2024: £936,378).

**Humberside Engineering Training  
Association Limited**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31st August 2025**

**10. TANGIBLE FIXED ASSETS**

| <b>Group and Charity</b> | <b>Freehold<br/>property<br/>£</b> | <b>Plant and<br/>machinery<br/>£</b> | <b>Fixtures<br/>and<br/>fittings<br/>£</b> | <b>Computer<br/>equipment<br/>£</b> | <b>Totals<br/>£</b> |
|--------------------------|------------------------------------|--------------------------------------|--------------------------------------------|-------------------------------------|---------------------|
| <b>COST</b>              |                                    |                                      |                                            |                                     |                     |
| At 1st September 2024    | 10,738,815                         | 2,361,437                            | 344,566                                    | 645,444                             | 14,090,262          |
| Additions                | 164,060                            | 315,258                              | 15,070                                     | 29,368                              | 523,756             |
| At 31st August 2025      | 10,902,875                         | 2,676,695                            | 359,636                                    | 674,812                             | 14,614,018          |
| <b>DEPRECIATION</b>      |                                    |                                      |                                            |                                     |                     |
| At 1st September 2024    | 898,152                            | 1,200,747                            | 213,384                                    | 336,452                             | 2,648,735           |
| Charge for year          | 224,380                            | 201,102                              | 23,883                                     | 91,111                              | 540,476             |
| At 31st August 2025      | 1,122,532                          | 1,401,849                            | 237,267                                    | 427,563                             | 3,189,211           |
| <b>NET BOOK VALUE</b>    |                                    |                                      |                                            |                                     |                     |
| At 31st August 2025      | 9,780,343                          | 1,274,846                            | 122,369                                    | 247,249                             | 11,424,807          |
| At 31st August 2024      | 9,840,663                          | 1,160,690                            | 131,182                                    | 308,992                             | 11,441,527          |

**11. FIXED ASSET INVESTMENTS**

| <b>Charity</b>                             | <b>Shares in<br/>group<br/>undertakings<br/>£</b> |
|--------------------------------------------|---------------------------------------------------|
| <b>MARKET VALUE</b>                        |                                                   |
| At 1st September 2024 and 31st August 2025 | 1                                                 |
| <b>NET BOOK VALUE</b>                      |                                                   |
| At 31st August 2025                        | 1                                                 |
| At 31st August 2024                        | 1                                                 |

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

**Humber Apprentice Training Agency Limited (10234302)**

Registered Office: United Kingdom

Nature of business: Trading

This investment represents 100% of the voting equity instruments of the subsidiary.

**Humberside Engineering Training  
Association Limited**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31st August 2025**

**12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                    | <b>Group</b>            |                | <b>Charity</b>          |                |
|------------------------------------|-------------------------|----------------|-------------------------|----------------|
|                                    | <b>2025</b>             | <b>2024</b>    | <b>2025</b>             | <b>2024</b>    |
|                                    | <b>£</b>                | <b>£</b>       | <b>£</b>                | <b>£</b>       |
| Trade debtors                      | <b>823,004</b>          | 721,559        | <b>798,362</b>          | 706,773        |
| Amounts owed by group undertakings | -                       | -              | <b>91,558</b>           | 49,147         |
| Prepayments and accrued income     | <b>229,892</b>          | 193,826        | <b>229,892</b>          | 183,766        |
|                                    | <b><u>1,052,896</u></b> | <u>915,385</u> | <b><u>1,119,812</u></b> | <u>939,686</u> |

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                         | <b>Group</b>            |                  | <b>Charity</b>          |                  |
|-----------------------------------------|-------------------------|------------------|-------------------------|------------------|
|                                         | <b>2025</b>             | <b>2024</b>      | <b>2025</b>             | <b>2024</b>      |
|                                         | <b>£</b>                | <b>£</b>         | <b>£</b>                | <b>£</b>         |
| Bank loans and overdrafts (see note 15) | <b>246,667</b>          | 386,766          | <b>246,667</b>          | 386,766          |
| Trade creditors                         | <b>275,076</b>          | 230,343          | <b>275,076</b>          | 230,343          |
| Amounts owed to group undertakings      | -                       | -                | -                       | -                |
| Social security and other taxes         | <b>170,252</b>          | 115,973          | <b>168,376</b>          | 114,988          |
| Accrued expenses                        | <b>403,074</b>          | 443,120          | <b>396,096</b>          | 401,014          |
|                                         | <b><u>1,095,069</u></b> | <u>1,176,202</u> | <b><u>1,086,215</u></b> | <u>1,133,111</u> |

**14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

| <b>Group and Charity</b> | <b>2025</b>             | <b>2024</b>      |
|--------------------------|-------------------------|------------------|
|                          | <b>£</b>                | <b>£</b>         |
| Bank loans (see note 15) | <b><u>3,124,444</u></b> | <u>3,756,099</u> |

**15. LOANS**

An analysis of the maturity of loans is given below:

| <b>Group and Charity</b>                        | <b>2025</b>             | <b>2024</b>      |
|-------------------------------------------------|-------------------------|------------------|
|                                                 | <b>£</b>                | <b>£</b>         |
| Amounts falling due within one year on demand:  |                         |                  |
| Bank loans                                      | <b><u>246,667</u></b>   | <u>386,766</u>   |
| Amounts falling due between two and five years: |                         |                  |
| Bank loans - 2-5 years                          | <b><u>986,667</u></b>   | <u>1,371,655</u> |
| Amounts falling due in more than five years:    |                         |                  |
| Bank loans - more than 5 years                  | <b><u>2,137,777</u></b> | <u>2,384,444</u> |

The loans commenced in April 2023 and are repayable by monthly instalments over a term of fifteen years.

Interest is charged at 2.25% over bank base rate.

All loan interest is charged direct to expenses as incurred.

**Humberside Engineering Training  
Association Limited**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31st August 2025**

**16. SECURED DEBTS**

The following secured debts are included within creditors:

| <b>Group and Charity</b> | <b>2025<br/>£</b>       | <b>2024<br/>£</b>       |
|--------------------------|-------------------------|-------------------------|
| Bank loans               | <b><u>3,371,111</u></b> | <b><u>4,142,865</u></b> |

The loans are secured by charges over the charity's freehold land and buildings.

**17. MOVEMENT IN FUNDS**

|                           | At 1/9/24<br>£          | Net<br>movement<br>in funds<br>£ | At<br>31/8/25<br>£      |
|---------------------------|-------------------------|----------------------------------|-------------------------|
| <b>Unrestricted funds</b> |                         |                                  |                         |
| General fund              | <b>8,362,285</b>        | <b>761,239</b>                   | <b>9,123,524</b>        |
|                           | <hr/>                   | <hr/>                            | <hr/>                   |
| <b>TOTAL FUNDS</b>        | <b><u>8,362,285</u></b> | <b><u>761,239</u></b>            | <b><u>9,123,524</u></b> |

Net movement in funds, included in the above are as follows:

|                           | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Movement<br>in funds<br>£ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| <b>Unrestricted funds</b> |                            |                            |                           |
| General fund              | <b>7,619,252</b>           | <b>(6,858,013)</b>         | <b>761,239</b>            |
|                           | <hr/>                      | <hr/>                      | <hr/>                     |
| <b>TOTAL FUNDS</b>        | <b><u>7,619,252</u></b>    | <b><u>(6,858,013)</u></b>  | <b><u>761,239</u></b>     |

**Humberside Engineering Training  
Association Limited**

**Notes to the Consolidated Financial Statements  
for the year ended 31st August 2025**

**18. PENSION COMMITMENTS**

The company operates a group personal pensions scheme. The assets of the scheme are held by independent managers. Contributions into the scheme during the year amounted to £449,640 (2024: £420,385). There were no amounts prepaid at the balance sheet date (2024: Nil). Contributions outstanding at the balance sheet date totalled £39,324 (2024: £35,427).

**19. RELATED PARTY DISCLOSURES**

Debtor and creditor balances within the charity's subsidiary company are shown in notes 12 & 13. All balances are interest free and repayable on demand.

During the year key management personnel remuneration of £446,237 (2024: £318,765) was paid.

There are no further related party transactions that require to be disclosed.

**20. INDEMNITY INSURANCE**

The company's insurance premiums include indemnity insurance to protect both the Charity and the Trustees.

**HUMBERSIDE ENGINEERING TRAINING ASSOCIATION LIMITED**

England & Wales - Charity number 508775

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# Accounts

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REGISTERED COMPANY NUMBER: 01007353 (England and Wales)  
REGISTERED CHARITY NUMBER: 508775

**Report of the Trustees and**  
**Consolidated Financial Statements**  
**for the Year Ended 31st August 2024**  
**for**  
**Humberside Engineering Training**  
**Association Limited**

Sadofskys  
Statutory Auditors  
Princes House  
Wright Street  
Hull  
East Yorkshire  
HU2 8HX

**Humberside Engineering Training**  
**Association Limited**

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**for the year ended 31st August 2024**

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**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2024**

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 group for the year ended 31st August 2024. 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 2019).

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

01007353 (England and Wales)

**Registered Charity number**

508775

**Registered office**

27-31 Dansom Lane

Hull

HU8 7LA

**Trustees**

I C Palmer - Chair

R M Swain

T Mottershead

E J Greenfield

D J Oliver

M R Brunton (appointed 19/9/23)

B Houston (appointed 19/9/23)

J M Wells (appointed 30/4/24)

Mrs K A Johnson (appointed 23/7/24)

Mrs K Robinson (appointed 23/7/24)

S T Dearing (appointed 23/7/24)

M T Daubney (resigned 19/3/24)

L S Fretter (resigned 29/4/24)

**Company Secretary**

I Elliott

**Auditors**

Sadofskys

Statutory Auditors

Princes House

Wright Street

Hull

East Yorkshire

HU2 8HX

**Solicitors**

Bridge McFarland

1 Marina Court

Hull

HU1 2AZ

**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2024**

**Expertise, experience, capabilities of HETA**

HETA is a not-for-profit Charity "Group Training Association" established in 1967 which now operates from 3 wholly owned sites, Dansom Lane (Hull), Pioneer Park (Grimsby) and Foxhills (Scunthorpe) to serve employers across the Humber Region that operate in the engineering, manufacturing and process industries.

The GTA model still exists in name but in real terms the company operates as a commercially focused but not for profit training provider with a FE/Charitable ethos that serves our learners and employers to ensure we deliver training and education that will meet the skills needs of the region.

Governance is provided by a group of Trustees who meet six times per year.

HETA currently employs around 80 people across the three sites with a turnover in excess of approx. £7m pa. Our real estate is wholly owned.

HETA currently trains and assesses around 600 Engineering learners per year across levels 3, 4 & 5 and delivers 'in-work' training for adults to over 350 client companies across the Yorkshire and Humber region. HETA also delivers training contracts for employers who have multiple sites across the UK.

**OBJECTIVES AND ACTIVITIES**

To advance the theoretical and practical education and training of persons engaged or intending to be engaged in the engineering industry.

**The HETA vision is;**

**To be the leading Engineering training provider delivering exceptional, high-quality training that continually meets customer requirements.**

We will provide trainees with the qualifications, skills and workplace experience required to obtain sustained employment and abilities to respond to the changes across our core industries.

**HETA will be guided by and follow the following 6 strategic aims;**

- A. To maintain the work required to be an Ofsted graded provider rated Good or Good with Outstanding features.
- B. To be the engineering training "Provider of Choice" across the Humber region designing and delivering high quality skills training.
- C. To reduce our reliance of public funding in the pursuit of commercial income whilst maximising existing ESFA contract values.
- D. To reduce our level of debt and increase our cash reserves.
- E. To be an "Employer of Choice" and to create a positive working environment that generates, encourages and promotes equality of opportunity for all staff and that is creative and entrepreneurial that will enable the business to grow.
- F. To monitor the skills needs across the Humber region and respond to meet that demand.

**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2024**

**OBJECTIVES AND ACTIVITIES - continued**

**We will be driven to achieve the following top level Key Performance Indicators;**

1. Increase growth in turnover in line with the overall three-year financial plan.
2. Deliver an annual surplus to re-invest in the business of no less than 5% per annum.
3. Maintain a Self-Assessed Grade of at least Good (2) with Outstanding features.
4. Agree and achieve annual targets for recruitment/retention and Qualification Achievement Rates (QAR) that are well above national benchmarks.
5. Maintain and increase our market share of Advanced Apprenticeships using ESFA annual data to agree targets and measure our performance.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Charity constitution**

The company is limited by guarantee. It was incorporated on 7th April 1971 under the Companies Acts 1948 and 1967 and is governed by its memorandum and Articles of Association as amended September 1980, April, 1995 and May 2021. A further amendment was approved by the HETA Board of Trustees in July 2024.

**Recruitment and appointment of new trustees**

HETA aims to develop and maintain a diverse group of individuals that will support the aim of the company. Trustees are identified and recruited based on skill set and experience.

No one is entitled to act as a Trustee whether on appointment or on any reappointment until he or she has expressly acknowledged, in whatever way the Trustee decide, his or her acceptance of the office of Trustee and Member.

The appointment of a Trustee must not cause the number of Trustees to exceed any number fixed as the maximum number of Trustees.

The latest Articles of Association make clear reference to the period of time that Trustees will be appointed for.

The latest amendment to the Articles of Association now shows that the maximum number of Trustees has been increased to 15 people.

**Organisational structure**

The Board meet six times during the year. The meetings were concluded using a 'hybrid' model over both video conferencing and face to face. This model provided members with a more efficient way to meet and increased participation.

HETA is managed by the Directors (Trustees) with day-to-day responsibility delegated to the Chief Executive who is appointed by the Board.

The day to day strategic and operational management of HETA was carried out by the Senior (strategic) Leadership Team (SLT) which during 2023-24, consisted of the following team members\*;

- **Chief Executive**
- **Deputy Chief Executive**
- **Human Resources Manager**
- **Operations Manager**
- **Head of Quality and Curriculum Development (with effect from August 2024)**



**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2024**

**STRUCTURE, GOVERNANCE AND MANAGEMENT - continued**

In turn, the SLT is supported by an experienced and very able management team:

- **Health and Safety Manager**
- **2 x Centre (curriculum) Managers**
- **Field Team Manager**
- **Curriculum Manager Higher Education**
- **IT Support Manager**
- **Management Accountant**
- **Administration Manager**
- **Teaching and Learning Improvement Manager**
- **Sales and Marketing Manager**

*\*From September 1<sup>st</sup>, 2023, the post of Head of Sales and Marketing ceased to exist following the resignation of the post holder and responsibility for this department has been taken over by the Sales and Marketing Manager.*

**The Management of Risk**

HETA has adopted a Business Risk Register (BRR) and the Board will receive updates on each area of risk to assess the appropriateness and robustness of the controls being deployed to mitigate risk. The BRR is reviewed periodically by the management team and at board meetings by the Trustees.

**Policy on Reserves**

The charity will aim to hold, non-committed, end of year cash reserves of not less than 50% and not more than 150% of the total annual staff and contractor employment costs. The reserves policy remains a key aspect of financial health, but the Trustees continue to review this annually.

This formula will enable the directors and management of HETA adequate contingency funds to deal with significant variations of year-to-year business activity.

At the Balance Sheet date the unrestricted cash reserves represented 25% (2023: 39%) of the year's employment costs (including subcontract instructors and excluding HATA apprentices). The board approved the reserves dropping below the target in order to finance the construction of the new centre at Grimsby.

The need to vacate our previous (rented) premises at Stallingborough (Grimsby) and the strong desire to create a higher quality, 21<sup>st</sup> century learning and working environment was a driving force behind the new build project mentioned above.

For context, the construction phase probably started at the worst possible time post pandemic and a war in Ukraine. Material costs were high, and price continuity was unpredictable added to by labour shortages which led to higher contractor prices.

Combining all this with the fact that the UK was in a 'funding hiatus' and that no additional capital grants were available, this meant that the build project was financed from both bank borrowings and reserves.

Whilst the reserves policy exists, the board of Trustees approved that this can be flexible in order to achieve the project completion.

Reserves for 2024-25 and 2025-26 are forecast to be at 22% and 38% respectively and rising in subsequent years taking HETA back within the tolerances allowed in the reserves policy. HETA has a number of strategic aims of which one relates to levels of debt; *"To reduce our level of debt and increase our cash reserves"*

The current reserves reflect the fact that the Board have chosen to 'overpay' on monthly capital payments that will see the overall debt level reduced. Two building loans are scheduled to be paid off in December 2024 and July 2025.

**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2024**

**KEY ACHIEVEMENTS AND PERFORMANCE**

**Income Diversification**

It is important that HETA follows a plan to diversify income and not be solely reliant on the core funding from the Department of Education. Our commercial training courses have grown steadily with the expansion of our sales and marketing function. It is important to note in addition to commercial sales, that this team drives the recruitment process for both our Level 3 funded programmes and our Higher National education programmes that are mainly fee paying rather than government funded.

Combining both income streams demonstrates a modest but healthy year on year increase.

**Out of Area Recruitment**

HETA continues to recruit learners from outside of the Humber region. In 2023-24, we were successful in attracting employers and their learners from West and South Yorkshire, London and the South East of England.

This pattern is continuing into 2024-25.

**Armed Forces@HETA**

HETA has been a signatory of the Armed Forces Covenant since 2022 and following a successful application, we have now secured the next level up as a Silver Award holder. This follows a review of activities, policies and procedures and the ability to demonstrate that we support the UK Armed Forces community.

The Armed Forces Covenant is a promise that together we acknowledge and understand that those who serve or have served in the Armed Forces, and their families, including the bereaved, should be treated with fairness and respect in the communities, economy, and society they serve with their lives.

<https://www.armedforcescovenant.gov.uk/about-the-covenant/>

HETA has been actively engaged with the armed forces to raise awareness of engineering careers for veterans transitioning to civilian life. We provided Information, Advice, and Guidance (IAG) at key events, including the Catterick Army Base, Manchester and London Veterans UK Roadshows, and attended events for cadets at Leconfield Barracks.

These initiatives highlighted the transferable skills veterans bring to the engineering sector and showcased the opportunities available to them. Our dedication to supporting the armed forces community was recognised with the prestigious Silver Armed Forces Covenant Award, reflecting our commitment to fostering career pathways for those who have served.

**Ofsted**

December 2023 saw HETA receive a full inspection from Ofsted-the previous inspection was in 2017. The outcome was graded as Good-this matched the previous inspection grade. For more detailed information then please follow this link to read the full inspection report: <https://files.ofsted.gov.uk/v1/file/50238232>

**Overall effectiveness Good**

- The quality of education- *Good*
- Behaviour and attitudes- *Good*
- Personal development- *Good*
- Leadership and management- *Good*
- Education programmes for young people- *Good*
- Apprenticeships- *Good*

**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2024**

**KEY ACHIEVEMENTS AND PERFORMANCE - continued**

**Funding and Fundraising Activities**

Income streams at HETA are structured in such a way to provide some degree of financial security and sustainability that allows us to reinvest in the best teaching and learning facilities and working conditions for staff.

**In simple terms we aim to maintain four strands of revenue generation;**

- Contracted funding from the Department for Education to support the delivery of funded programmes including Apprenticeships and Traineeships.
- Higher Education that is paid for by employers to deliver the Higher National Certificate and Diploma.
- Commercial training courses to upskill those already in the labour market paid for by employers and individuals.
- Additional grant funding from different sources designed to fund new provision, acquisition of new equipment, training resources and discrete interventions to support young people.

HETA has continued to deliver a significant number of training and education programmes to our different client groups that have generated income to support the continued growth of the charity.

These include;

- Level 3 & 4 Apprenticeships to both 16-18 and 19+ learners - **£5,039k**
- Study Programme (Traineeships) for unsponsored learners - **£220k**
- HE programmes - **£521k**
- Adult upskilling courses for those already operating in the labour market - **£906k**
- Other income streams - **£723k**

**Overall income year on year is;**

£7,409k 2023-24 against £6,241k 2022-23

In delivering these various activities, the company has generated an operating surplus of **£915k**- an income uplift of 19% year on year-this reflects the strength in how our income streams have been diversified.

This surplus allows for continued investment in the current and future activities of the Charity; **Investment in new assets for the year was £698k.**



**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2024**

**KEY ACHIEVEMENTS AND PERFORMANCE - continued**

**Additional Grant Funding**

HETA was particularly successful in attracting new grants by participating in a key national initiative from the Department of Education:

**LSIPs and LSIFs**

Local Skills Improvement Plans-LSIPs were conceived to define and set out the key priorities and changes needed in a local area to make post 16 technical education or training more responsive and closely aligned to local labour market needs and provide a representative and coherent employer view of the skills most needed to support local economic growth and boost productivity, and improve employability and progression for learners.

The LSIF supports the reforms introduced in the skills for jobs white paper, providing investment in the technical skills system to better support the needs of the local labour market and wider economy.

The Local Skills Improvement Fund was aligned to the LSIPS. The fund is being made available to collaborations of FE/Post 16 providers to enable them to respond to the priorities in the Local Skills Improvement Plans (LSIPs).

The local skills improvement fund (LSIF) was designed to enable further education providers across a geographic area to respond collectively to the priorities in the local skills improvement plans (LSIPs). The LSIPs were submitted by the designated employer representative body for each area by 31 May 2023. For the Humber region these were the Hull and Humber Chamber of Commerce and the Federation of Small Businesses.

HETA was successful in securing partner place in the LSIF Partnership for both Greater Lincolnshire and Hull and East Yorkshire.

As an active partner, we secured vital capital and revenue funding totalling £850k-this has allowed us to invest in new equipment that support curriculum developments and an improved learner experience.

HETA was able to secure additional funding from the LSIF which enabled us to make significant investments in new capital equipment and new curriculum design.

**Ann Watsons Trust**

Established in the East Riding of Yorkshire, the Trust is now 300 years old making it one of the older charities in the United Kingdom and to this day it continues to fulfil the charitable objectives of its founder Mrs Ann Watson.

Along with other charitable aims, the trust seeks to make grants for the advancement of education of young people under 25 years in Hull and the East Riding of Yorkshire.

In 1720, Ann Watson's Will established a Trust to improve the educational opportunities of local children to improve their employability and this remains a key objective of the Trust to this day.

All beneficiaries of a grant must be under 25 years of age, have lived in Hull or the East Riding of Yorkshire and be either currently attending or have attended a school in that area for at least three years.

Funding was used to support our Traineeships. This group of learners follow a similar path of study to the paid apprentices but receive no wage other than a small amount of money to reimburse travel costs.

In 2023/24, HETA successfully utilised the Ann Watson Trust funding to support 14 learners, achieving an incredible 100% progression rate into employment and apprenticeships with prestigious companies such as Siemens, Reckitts, and Paragon Toolmaking.

**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2024**

**KEY ACHIEVEMENTS AND PERFORMANCE - continued**

The Ann Watson Trust has proved to be invaluable to learners, especially those from low-income families, providing essential financial support to overcome barriers such as transport, equipment, and living costs. This assistance empowers them to focus on their training, opening doors to life-changing opportunities in engineering careers.

Among these success stories:

- *Kira made history as our first female unsponsored learner in the Fabrication and Welding Department, she used the Ann Watson Trust to buy a small welding rig for home so she could practise her technique.*
- *Alfie, now thriving in his role at Reckitts, used the trust to fund a laptop, enabling him to excel in his work, while another learner relied on the funding for transport from the outskirts of Hull, ensuring consistent attendance and commitment.*

HETA has established a relationship with AWT and we are incredibly grateful for the support of the Trust's staff and Trustees.

During 2023-24, the Ann Watsons Trust made a contribution of £30k.

**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2024**

**CHARITABLE ACTIVITIES**

**Fulfilling our charitable ethos - Getting Young People into Work and working with Schools**

**“HETA is a training provider and a Job Broker”.**

**Traineeships@HETA are a ‘cornerstone’ programme of teaching and learning and demonstrate our commitment to developing young people and to ensure our client base can access high quality job applicants.**

In 2023-24, HETA continued to secure employment for a significant number of young people acting as a recruiter for employers. This approach essentially has two facets-Traineeships (Study Programmes) and Sponsored Apprenticeships.

*Study Programmes* are a specific funding stream from the Department for Education-for ease of understanding HETA continues to refer to them as “Traineeships”.

The Traineeship is designed to act as a pathway into employment, an apprenticeship or further learning. The entry criteria and delivery requirements are flexible.

HETA uses the Government's Study (Traineeship) Programme to widen participation and to ensure small to medium employers can access suitable Apprenticeship candidates without having to commit to paying a whole year of ‘off the job’ wages.

HETA is now into the 11th year of delivering on this programme and has adopted a model that is regarded as being exemplary practice which sees young people being exposed to both trade and employability skills with progression into a job.

The company receives a significantly lower funding amount that is far less than the core funding for an Advanced Apprenticeship. We purposely deliver a much-enhanced learning experience that is not covered by the funding allocation.

In short, HETA over delivers in order to maximise employment opportunities for young people and to ensure that employers have access to a talent pipeline.

**The following data shows the successful outcome for the Traineeship programme at HETA:**

- 45 out of 47 traineeships went on to a successful outcome - 96%.
- 37 out of 47 traineeships went on to an apprenticeship with HETA – 79%

**Community Marketing & Support**

Being part of the community is vital to HETA, reflecting our commitment to supporting and inspiring local initiatives. One area was highlighting the synergy between sports and engineering—both demanding teamwork, precision, and perseverance.

We proudly sponsored clubs such as Hull City Ladies, South Cave Under 7s, and Myton Warriors, with the Under 7s giving back through charity work with a local foodbank.

Additionally, we collaborated with Grimsby NHS on an inspiring project to repurpose their smoking shelter into art features, showcasing the creativity and problem-solving at the heart of engineering. These efforts demonstrate our dedication to fostering community connections and driving positive change.



**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2024**

**CHARITABLE ACTIVITIES - continued**

**Welfare for Learners and Staff**

HETA seeks to deliver the best possible learning experience for young people, however our aim is to support our learners in a more holistic manner. This includes support and education around physical and mental health. In some cases, we provide financial support to buy uniform, IT kit and we manage the travel allowances for Study Programmes (Traineeships).

A number of staff have trained as Mental Health First Aiders and attend update sessions around MH issues so we can better support learners.

As part of a more rounded approach to the future wellbeing of the younger learners, HETA self-funds and provides a programme of information, training and counselling around the issues of;

- Diet
- Alcohol
- Drugs
- Mental health issues- we now have mental health 'First Aiders' embedded on each site
- Fitness
- Team Working
- Communication Skills
- Safeguarding and the "Prevent" (from radicalisation) strategy

Our staff are HETA, they are our greatest asset and the investment in finding, recruiting, training and retaining the best people remains a cornerstone of the business.

Our aim is that the employment conditions at HETA for existing and potential staff, is regarded as being good enough to make us an "Employer of Choice".

Terms of employment include;

- *Salaries that are competitive to the education sector*
- *Generous leave entitlement and support for those with caring responsibilities*
- *Private Health Cover*
- *Contributory pension scheme*
- *Life Insurance*
- *Salary sacrifice schemes*
- *Subsidised catering facilities*

The recruitment market remains a challenge across most business sectors and HETA is no exception. The company is mindful of normal 'churn' via retirements and resignations and as such adopted a more proactive approach to recruitment.

By utilising a range of tactics to recruit and to try and succession plan (for retirees) it has been possible to recruit some excellent replacement staff. However, the increased use of external recruitment agencies has been a necessity resulting in much higher expenditure on recruitment fees.

HETA continues to invest in staff development via structured Continuous Development Days, online training, teacher training from Levels 3 to 5, external events, webinars etc.

The company also tries to balance workloads with home commitments and aims to be a family friendly employer supporting those with carer responsibilities.

**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2024**

**CHARITABLE ACTIVITIES - continued**

**Information, Advice and Guidance Engagement & Outreach activities**

HETA continues to provide a range of unfunded activities to schools around Information, Advice and Guidance (IAG) to young people. The data table below provides detail about the activities carried out by HETA in 2023-24:

***School Visits and other IAG activities***

- **Overall Delivered Activities: 192**
- **School Visits: 134**
- **College Visits: 18**
- **Combined School and College Events: 28**
- **Large Events: 12**

The overall aim is to engage with schools across the region and beyond going out to South Yorkshire and Greater Lincolnshire. In real terms this means a raft of different activities and the examples below give a flavour and diversity of the type of outreach that HETA delivers.

- Secondary School: Two Day Event. Planned and delivered for two year groups. Students were tasked with planning and building a marble run made from recycled materials. Students were assigned teams where each student was assigned a specific role for the project. To start each day, students were given an assembly on HETA and apprenticeships in general, before being provided with a brief of the task.
- 6th Form College: Large careers fair hosting students from other local schools and colleges. Over 700 attendees and 70+ providers present.
- Hull Science Festival: Family focused event hosted at Hull University with a huge variety of STEM related events and activities. We hosted a practical activity in the 'Discovery Zone'. Over 2000 tickets allocated for events throughout the day.
- Skills For Life Apprenticeship Fair at York Racecourse: Visited by local schools and colleges as well as parents visiting with their children later in the evening, focused solely on apprenticeship pathways.
- Doncaster Chamber: "Opportunities Live": Large careers fair hosted for schools across the region to visit and engage with employers and training providers.
- Grimsby Job Centre: Event for those seeking employment or exploring the possibility of a career change to engage with employers or training providers offering apprenticeship pathways into a new industry.
- Civic Centre Immingham: Event for those seeking employment or exploring the possibility of a career change to engage with employers or training providers offering apprenticeship pathways into a new industry.
- Skills Humber & East Riding: Event hosted by Optimus Education at Hull University to allow schools from in around the city to engage with employers, training providers colleges and universities. Across 2 days we engaged with Y9/10 students from a variety of schools.
- Hull & Humber Chamber of Commerce: Took place as part of Humber Business Week 2023, focused on gathering local employers/training providers.
- Humber Stem Event: Event hosted at Craven Park focused on engaging primary school students in STEM activities hosted by employers in STEM and training providers such as ourselves. We were tasked with creating a 45 minute session for multiple schools throughout the day. Students were provided with a resource pack, given a presentation on STEM careers linked to HETA's provision and tasked with building a race car from cardboard components.

**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2024**

**CHARITABLE ACTIVITIES - continued**

- Hull & East Yorkshire Schools & Colleges Summer Conference, a celebration of the careers education taking place in the region.
- North East Lincolnshire Skills Fair: Hosted at Grimsby Auditorium and sponsored by P66. Attended by a large number of schools from across North East Lincolnshire, providing them with an opportunity to engage with employers, training providers, colleges and universities.

**Volunteers/Volunteering**

HETA does not recruit volunteers as part of our core activities, preferring to use establishment staff. However the Board of Trustees are all volunteers.

We do encourage staff to carry out a range of unfunded 'pro bono' activities. Some staff are Governors at schools across the region and also work with other charities.

The CEO is a member of the Hull and East Yorkshire (HEY) Business, Growth and Skills Hub, Skills Board and Joint Chair of the HEY Apprenticeship & Technical Education Working Group and is a member of the Local Skills Improvement Plan (LSIP) Board.



**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2024**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of Humberside Engineering Training Association Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

**AUDITORS**

The auditors, Sadofskys, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 18/03/25 and signed on the board's behalf by:



I C Palmer – Trustee & Chair

**Report of the Independent Auditors to the Members of**  
**Humberside Engineering Training**  
**Association Limited**

**Opinion**

We have audited the financial statements of Humberside Engineering Training Association Limited (the 'parent charity') and its subsidiaries (together comprising the 'charitable group') for the year ended 31st August 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated 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 group's and parent charity's affairs as at 31st August 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.



**Report of the Independent Auditors to the Members of**  
**Humberside Engineering Training**  
**Association Limited**

**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.

**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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:
- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the charitable sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, UK tax legislation, and data protection, anti-bribery, employment, environmental, health and safety legislation along with industry specific regulations and requirements.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

**Report of the Independent Auditors to the Members of**  
**Humberside Engineering Training**  
**Association Limited**

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators, and the company's legal advisors.

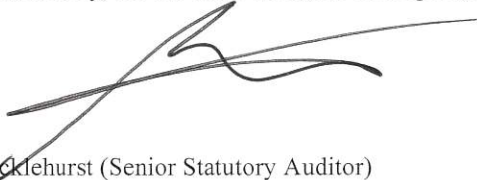
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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](http://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.

  
Alan Brocklehurst (Senior Statutory Auditor)  
for and on behalf of Sadofskys  
Statutory Auditors  
Princes House  
Wright Street  
Hull  
East Yorkshire  
HU2 8HX

|                                                                                                                                                                                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p style="text-align: center;"><b>SADOFSKYS Limited</b><br/><b>Chartered Accountants</b><br/><b>Princes House, Wright Street, Hull</b><br/><b>HU2 8HX Tel 01482 228488</b></p> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Date: 18/3/2025

**Humberside Engineering Training  
Association Limited**

**Consolidated Statement of Financial Activities  
for the year ended 31st August 2024**

|                                    |       | 2024<br>Unrestricted<br>funds<br>£ | 2023<br>Unrestricted<br>funds<br>£ |
|------------------------------------|-------|------------------------------------|------------------------------------|
|                                    | Notes |                                    |                                    |
| <b>INCOME AND ENDOWMENTS FROM</b>  |       |                                    |                                    |
| Donations and legacies             |       | -                                  | -                                  |
| <b>Charitable activities</b>       | 4     |                                    |                                    |
| Apprentice Training                |       | 5,219,852                          | 4,286,942                          |
| HNC & HND                          |       | 597,625                            | 380,450                            |
| Adult Training                     |       | 906,068                            | 877,802                            |
| Investment income                  | 3     | 19,383                             | 19,621                             |
| Other income                       | 3     | <u>667,721</u>                     | <u>676,387</u>                     |
| <b>Total</b>                       |       | <u>7,410,649</u>                   | <u>6,241,202</u>                   |
| <b>EXPENDITURE ON</b>              |       |                                    |                                    |
| <b>Charitable activities</b>       | 5     |                                    |                                    |
| Apprentice Training                |       | 4,976,549                          | 4,283,139                          |
| HNC & HND                          |       | 531,029                            | 437,408                            |
| Adult Training                     |       | 988,317                            | 1,060,068                          |
| Work with Schools                  |       | -                                  | -                                  |
| <b>Total</b>                       |       | <u>6,495,895</u>                   | <u>5,780,615</u>                   |
| <b>NET INCOME</b>                  |       | 914,754                            | 460,587                            |
| <b>RECONCILIATION OF FUNDS</b>     |       |                                    |                                    |
| Total funds brought forward        |       | <u>7,447,531</u>                   | <u>6,986,944</u>                   |
| <b>TOTAL FUNDS CARRIED FORWARD</b> |       | <u>8,362,285</u>                   | <u>7,447,531</u>                   |

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing operations.

**FUND ACCOUNTING**

All income and expenditure relates to unrestricted funds.

The notes form part of these financial statements



**Humberside Engineering Training  
Association Limited**

**Consolidated Balance Sheet  
31st August 2024**

|                                                  | Notes | 2024<br>Unrestricted<br>funds<br>£ | 2023<br>Unrestricted<br>funds<br>£ |
|--------------------------------------------------|-------|------------------------------------|------------------------------------|
| <b>FIXED ASSETS</b>                              |       |                                    |                                    |
| Tangible assets                                  | 11    | <u>11,441,527</u>                  | <u>11,273,710</u>                  |
| <b>CURRENT ASSETS</b>                            |       |                                    |                                    |
| Debtors                                          | 13    | <u>915,385</u>                     | 800,332                            |
| Cash at bank                                     |       | <u>937,674</u>                     | <u>1,367,550</u>                   |
|                                                  |       | <b>1,853,059</b>                   | <b>2,167,882</b>                   |
| <b>CREDITORS</b>                                 |       |                                    |                                    |
| Amounts falling due within one year              | 14    | <u>(1,176,202)</u>                 | <u>(1,371,197)</u>                 |
| <b>NET CURRENT ASSETS</b>                        |       | <u><b>676,857</b></u>              | <u><b>796,685</b></u>              |
| <b>TOTAL ASSETS LESS CURRENT<br/>LIABILITIES</b> |       | <b>12,118,384</b>                  | <b>12,070,395</b>                  |
| <b>CREDITORS</b>                                 |       |                                    |                                    |
| Amounts falling due after more than one year     | 15    | <u>(3,756,099)</u>                 | <u>(4,622,864)</u>                 |
| <b>NET ASSETS</b>                                |       | <u><b>8,362,285</b></u>            | <u><b>7,447,531</b></u>            |
| <b>FUNDS</b>                                     | 19    |                                    |                                    |
| Unrestricted funds                               |       | <u><b>8,362,285</b></u>            | <u><b>7,447,531</b></u>            |
| <b>TOTAL FUNDS</b>                               |       | <u><b>8,362,285</b></u>            | <u><b>7,447,531</b></u>            |

The financial statements were approved by the Board of Trustees and authorised for issue on 18/03/25  
and were signed on its behalf by:

  
I C Palmer – Trustee/Director

The notes form part of these financial statements

**Humberside Engineering Training  
Association Limited**

**Company Balance Sheet  
31st August 2024**

|                                                  | Notes | 2024<br>Unrestricted<br>funds<br>£ | 2023<br>Unrestricted<br>funds<br>£ |
|--------------------------------------------------|-------|------------------------------------|------------------------------------|
| <b>FIXED ASSETS</b>                              |       |                                    |                                    |
| Tangible assets                                  | 11    | 11,441,527                         | 11,273,710                         |
| Investments                                      | 12    | <u>1</u>                           | <u>1</u>                           |
|                                                  |       | 11,441,528                         | 11,273,711                         |
| <b>CURRENT ASSETS</b>                            |       |                                    |                                    |
| Debtors                                          | 13    | 939,686                            | 895,398                            |
| Cash at bank                                     |       | <u>860,366</u>                     | <u>1,180,975</u>                   |
|                                                  |       | 1,800,052                          | 2,076,373                          |
| <b>CREDITORS</b>                                 |       |                                    |                                    |
| Amounts falling due within one year              | 14    | <u>(1,133,111)</u>                 | <u>(1,311,228)</u>                 |
| <b>NET CURRENT ASSETS</b>                        |       | <u>666,941</u>                     | <u>765,145</u>                     |
| <b>TOTAL ASSETS LESS CURRENT<br/>LIABILITIES</b> |       | 12,108,469                         | 12,038,856                         |
| <b>CREDITORS</b>                                 |       |                                    |                                    |
| Amounts falling due after more than one year     | 15    | <u>(3,756,099)</u>                 | <u>(4,622,864)</u>                 |
| <b>NET ASSETS</b>                                |       | <u>8,352,370</u>                   | <u>7,415,992</u>                   |
| <b>FUNDS</b>                                     | 19    |                                    |                                    |
| Unrestricted funds                               |       | <u>8,352,370</u>                   | <u>7,415,992</u>                   |
| <b>TOTAL FUNDS</b>                               |       | <u>8,352,370</u>                   | <u>7,415,992</u>                   |

The financial statements were approved by the Board of Trustees and authorised for issue on 18/03/25  
and were signed on its behalf by:

  
I C Palmer – Trustee/Director

The notes form part of these financial statements

**Humberside Engineering Training  
Association Limited**

**Consolidated Cash Flow Statement  
for the year ended 31st August 2024**

|                                                                           | Notes | 2024<br>£                    | 2023<br>£                      |
|---------------------------------------------------------------------------|-------|------------------------------|--------------------------------|
| <b>Cash flows from operating activities</b>                               |       |                              |                                |
| Cash generated from operations                                            | 1     | 1,438,458                    | 1,617,766                      |
| Interest paid                                                             |       | <u>(438,700)</u>             | <u>(239,359)</u>               |
| Net cash provided by operating activities                                 |       | <u>999,758</u>               | <u>1,378,407</u>               |
| <b>Cash flows from investing activities</b>                               |       |                              |                                |
| Purchase of tangible fixed assets                                         |       | (697,834)                    | (5,774,325)                    |
| Sale of tangible fixed assets                                             |       | -                            | 1,099                          |
| Interest received                                                         |       | <u>19,383</u>                | <u>19,621</u>                  |
| Net cash (used in)/provided by investing activities                       |       | <u>(678,451)</u>             | <u>(5,753,605)</u>             |
| <b>Cash flows from financing activities</b>                               |       |                              |                                |
| New loans in year                                                         |       | -                            | 3,700,000                      |
| Loan repayments in year                                                   |       | <u>(751,183)</u>             | <u>(122,801)</u>               |
| Net cash provided by/(used in) financing activities                       |       | <u>(751,183)</u>             | <u>3,577,199</u>               |
|                                                                           |       | <hr/>                        | <hr/>                          |
| <b>Change in cash and cash equivalents in the reporting period</b>        |       | <b>(429,876)</b>             | <b>(797,999)</b>               |
| <b>Cash and cash equivalents at the beginning of the reporting period</b> |       | <b><u>1,367,550</u></b>      | <b><u>2,165,549</u></b>        |
| <b>Cash and cash equivalents at the end of the reporting period</b>       |       | <b><u><u>937,674</u></u></b> | <b><u><u>1,367,550</u></u></b> |

The notes form part of these financial statements

**Humberside Engineering Training  
Association Limited**

**Notes to the Consolidated Cash Flow Statement  
for the year ended 31st August 2024**

**1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

|                                                                                                 | 2024<br>£               | 2023<br>£               |
|-------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Net income for the reporting period (as per the Consolidated Statement of Financial Activities) | 914,754                 | 460,587                 |
| Adjustments for:                                                                                |                         |                         |
| Depreciation charges                                                                            | 530,017                 | 339,037                 |
| Interest received                                                                               | (19,383)                | (19,621)                |
| Interest paid                                                                                   | 438,700                 | 239,359                 |
| (Increase)/decrease in debtors                                                                  | (115,053)               | 159,971                 |
| Increase/(decrease) in creditors                                                                | (310,577)               | 438,433                 |
| <b>Net cash provided by operations</b>                                                          | <b><u>1,438,458</u></b> | <b><u>1,617,766</u></b> |

**2. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)**

|                                 | At 1/9/23<br>£            | Cash flow<br>£        | At 31/8/24<br>£           |
|---------------------------------|---------------------------|-----------------------|---------------------------|
| <b>Net cash</b>                 |                           |                       |                           |
| Cash at bank                    | <u>1,367,550</u>          | <u>(429,876)</u>      | <u>937,674</u>            |
|                                 | <u>1,367,550</u>          | <u>(429,876)</u>      | <u>937,674</u>            |
| <b>Debt</b>                     |                           |                       |                           |
| Debts falling due within 1 year | (271,184)                 | (115,582)             | (386,766)                 |
| Debts falling due after 1 year  | <u>(4,622,864)</u>        | <u>866,765</u>        | <u>(3,756,099)</u>        |
|                                 | <u>(4,894,048)</u>        | <u>751,183</u>        | <u>(4,142,865)</u>        |
| <b>Total</b>                    | <b><u>(3,526,498)</u></b> | <b><u>321,307</u></b> | <b><u>(3,205,191)</u></b> |

The notes form part of these financial statements

**Humberside Engineering Training  
Association Limited**

**Notes to the Consolidated Financial Statements  
for the year ended 31st August 2024**

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

**Basis of consolidation**

The group financial statements consolidate the financial statements of the charity and its subsidiary undertaking, Humberside Apprentice Training Agency Limited, at 31<sup>st</sup> August 2024 using acquisition accounting.

**Income**

**Income from resources from charitable activities**

Incoming resources from charitable activities excludes value added tax. Where income resources are dependent upon the Charity delivering a service, the income is not recognised until the service is delivered.

**Donations**

Donations and gifts are included in full in the Statement of Financial Activities when receivable.

**Grants**

Grants and allowances receivable are accounted for as income in the year in which entitlement arises.

**Gifts**

Gifts in kind are valued by reference to the equivalent commercial cost of acquiring such assets or services.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under 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 resources.

**Allocation and apportionment of costs**

Expenses directly associated with the delivery of training are charged as direct charitable expenses and split between those relating to unrestricted and those relating to restricted funds.

Depreciation is split between restricted and unrestricted funds by reference to the charge arising on each specific asset.

Employees are categorized as either directly involved in training or administration and related costs apportioned accordingly. Staff time spent delivering projects which are subject to restricted funding is recharged from unrestricted funds at agreed hourly rates.

Direct costs not capable of being attributed to any individual class of activity are apportioned according to the relative income of each activity. Support costs are apportioned according to the amount of direct cost associated with each class of activity. Governance costs reflect the strategic and compliance costs of the charity including an allowance for the Chief Executive's time spent on such matters.



**Humberside Engineering Training  
Association Limited**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31st August 2024**

**1. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

|                       |                                           |
|-----------------------|-------------------------------------------|
| Freehold property     | - 20% on cost, 10% on cost and 2% on cost |
| Plant and machinery   | - 10% on cost                             |
| Fixtures and fittings | - 10% on cost                             |
| Computer equipment    | - 20% on cost                             |

**Taxation**

As a registered charity, the company is generally exempt from Corporation Tax, but not from VAT. The company accounts for VAT in accordance with the regulations relevant to the nature of the supplies which it makes. Any irrecoverable VAT is shown separately as an expense.

**Fund accounting**

Incoming resources for services where, upon full performance of the service, any surplus can be retained and used for general purposes are classified as unrestricted, whereas if any surplus is receivable by the donor then the resources are classed as restricted.

**Leases**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Rents payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**3. INVESTMENT INCOME**

|                          | <b>2024</b>           | 2023           |
|--------------------------|-----------------------|----------------|
|                          | <b>£</b>              | £              |
| Other income             | <b>667,721</b>        | 676,387        |
| Deposit account interest | <b><u>19,383</u></b>  | <u>19,621</u>  |
|                          | <b><u>687,104</u></b> | <u>696,008</u> |

**Humberside Engineering Training  
Association Limited**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31st August 2024**

**4. INCOME FROM CHARITABLE ACTIVITIES**

|                     | Activity            | 2024<br>£        | 2023<br>£        |
|---------------------|---------------------|------------------|------------------|
| Apprenticeship fees | Apprentice Training | 418,684          | 464,187          |
| ESFA funding        | Apprentice Training | 4,801,169        | 3,822,755        |
| ESFA funding        | HNC & HND           | 76,700           | 29,500           |
| HNC income          | HNC & HND           | 520,925          | 350,950          |
| Adult training      | Adult Training      | 897,048          | 849,892          |
| Passport            | Adult Training      | 9,020            | 27,910           |
|                     |                     | <u>6,723,546</u> | <u>5,545,194</u> |

**5. CHARITABLE ACTIVITIES COSTS**

|                     | Direct<br>Costs<br>£ | Support<br>costs (see<br>note 6)<br>£ | 2024<br>Totals<br>£ |
|---------------------|----------------------|---------------------------------------|---------------------|
| Apprentice Training | 3,450,871            | 1,525,678                             | 4,976,549           |
| HNC & HND           | 360,910              | 170,119                               | 531,029             |
| Adult Training      | 671,367              | 316,950                               | 988,317             |
|                     | <u>4,483,148</u>     | <u>2,012,747</u>                      | <u>6,495,895</u>    |

**6. SUPPORT COSTS**

|                     | Management<br>£ | Finance<br>£             | Human<br>resources<br>£ |
|---------------------|-----------------|--------------------------|-------------------------|
| Apprentice Training | 175,044         | 436,874                  | 582,370                 |
| HNC & HND           | 19,518          | 48,712                   | 64,937                  |
| Adult Training      | 36,363          | 90,758                   | 120,984                 |
|                     | <u>230,925</u>  | <u>576,344</u>           | <u>768,291</u>          |
|                     | Other<br>£      | Governance<br>costs<br>£ | 2024<br>Totals<br>£     |
| Apprentice Training | 278,777         | 52,613                   | 1,525,678               |
| HNC & HND           | 31,086          | 5,866                    | 170,119                 |
| Adult Training      | 57,915          | 10,930                   | 316,950                 |
|                     | <u>367,778</u>  | <u>69,409</u>            | <u>2,012,747</u>        |

**Humberside Engineering Training  
Association Limited**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31st August 2024**

**7. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

|                             | 2024     | 2023           |
|-----------------------------|----------|----------------|
|                             | £        | £              |
| Auditors' remuneration      | 11,916   | 10,450         |
| Depreciation - owned assets | 530,017  | 339,037        |
| Other operating leases      | <u>-</u> | <u>140,000</u> |

**8. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31st August 2024 nor for the year ended 31st August 2023.

**Trustees' expenses**

Travel and subsistence expenses totalling £620 were paid to the trustees during the year (2023: £61).

**9. STAFF COSTS**

|                       | 2024             | 2023             |
|-----------------------|------------------|------------------|
|                       | £                | £                |
| Wages and salaries    | 3,332,116        | 3,173,014        |
| Social security costs | 289,726          | 260,699          |
| Other pension costs   | <u>463,017</u>   | <u>416,616</u>   |
|                       | <u>4,084,859</u> | <u>3,850,329</u> |

The average monthly number of employees during the year was as follows:

|                      | 2024      | 2023      |
|----------------------|-----------|-----------|
| Management           | 4         | 5         |
| Administration       | 12        | 14        |
| Training and support | 61        | 58        |
| Apprentices-HATA     | <u>9</u>  | <u>12</u> |
|                      | <u>86</u> | <u>89</u> |

The average number of employees during the year is based on Full Time Equivalents.

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

|                   | 2024     | 2023     |
|-------------------|----------|----------|
| £60,001 - £70,000 | 1        | 2        |
| £70,001 - £80,000 | 1        | -        |
| £80,001 - £90,000 | <u>-</u> | <u>1</u> |
|                   | <u>2</u> | <u>3</u> |

**Humberside Engineering Training**  
**Association Limited**

**Notes to the Consolidated Financial Statements - continued**  
**for the year ended 31st August 2024**

**10. NET INCOMING RESOURCES OF PARENT COMPANY**

As permitted by paragraph 397 of the SORP, the Statement of Financial Activities of the parent charity is not presented in these financial statements. The parent's net incoming resources for the year ended 31<sup>st</sup> August 2024 totalled £936,378 (2023: £468,960).

**Humberside Engineering Training  
Association Limited**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31st August 2024**

**11. TANGIBLE FIXED ASSETS**

| <b>Group and Charity</b> | Freehold<br>property<br>£ | Plant and<br>machinery<br>£ | Fixtures<br>and<br>fittings<br>£ | Computer<br>equipment<br>£ | Totals<br>£ |
|--------------------------|---------------------------|-----------------------------|----------------------------------|----------------------------|-------------|
| <b>COST</b>              |                           |                             |                                  |                            |             |
| At 1st September 2023    | 10,601,636                | 2,004,330                   | 329,531                          | 684,017                    | 13,619,514  |
| Additions                | 137,179                   | 357,107                     | 15,035                           | 188,513                    | 697,834     |
| Disposals                | -                         | -                           | -                                | (227,086)                  | (227,086)   |
| At 31st August 2024      | 10,738,815                | 2,361,437                   | 344,566                          | 645,444                    | 14,090,262  |
| <b>DEPRECIATION</b>      |                           |                             |                                  |                            |             |
| At 1st September 2023    | 673,124                   | 1,016,173                   | 187,136                          | 469,371                    | 2,345,804   |
| Charge for year          | 225,028                   | 184,574                     | 26,248                           | 94,167                     | 530,017     |
| Eliminated on disposal   | -                         | -                           | -                                | (227,086)                  | (227,086)   |
| At 31st August 2024      | 898,152                   | 1,200,747                   | 213,384                          | 336,452                    | 2,648,735   |
| <b>NET BOOK VALUE</b>    |                           |                             |                                  |                            |             |
| At 31st August 2024      | 9,840,663                 | 1,160,690                   | 131,182                          | 308,992                    | 11,441,527  |
| At 31st August 2023      | 9,928,512                 | 988,157                     | 142,395                          | 214,646                    | 11,273,710  |

**12. FIXED ASSET INVESTMENTS**

| <b>Charity</b>                             | Shares in<br>group<br>undertakings<br>£ |
|--------------------------------------------|-----------------------------------------|
| <b>MARKET VALUE</b>                        |                                         |
| At 1st September 2023 and 31st August 2024 | 1                                       |
| <b>NET BOOK VALUE</b>                      |                                         |
| At 31st August 2024                        | 1                                       |
| At 31st August 2023                        | 1                                       |

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

**Humber Apprentice Training Agency Limited (10234302)**  
Registered Office: United Kingdom  
Nature of business: Trading

This investment represents 100% of the voting equity instruments of the subsidiary.

**Humberside Engineering Training  
Association Limited**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31st August 2024**

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                    | <b>Group</b>          |                       | <b>Charity</b>        |                       |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                    | <b>2024</b>           | <b>2023</b>           | <b>2024</b>           | <b>2023</b>           |
|                                    | <b>£</b>              | <b>£</b>              | <b>£</b>              | <b>£</b>              |
| Trade debtors                      | 721,559               | 657,055               | 706,773               | 650,293               |
| Amounts owed by group undertakings | -                     | -                     | 49,147                | 112,737               |
| Prepayments                        | <u>193,826</u>        | <u>143,277</u>        | <u>183,766</u>        | <u>132,368</u>        |
|                                    | <u><b>915,385</b></u> | <u><b>800,332</b></u> | <u><b>939,686</b></u> | <u><b>895,398</b></u> |

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                         | <b>Group</b>            |                         | <b>Charity</b>          |                         |
|-----------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                         | <b>2024</b>             | <b>2023</b>             | <b>2024</b>             | <b>2023</b>             |
|                                         | <b>£</b>                | <b>£</b>                | <b>£</b>                | <b>£</b>                |
| Bank loans and overdrafts (see note 16) | 386,766                 | 271,184                 | 386,766                 | 271,184                 |
| Trade creditors                         | 230,343                 | 609,502                 | 230,343                 | 609,502                 |
| Amounts owed to group undertakings      | -                       | -                       | -                       | -                       |
| Social security and other taxes         | 115,973                 | 54,101                  | 114,988                 | 52,815                  |
| Accrued expenses                        | <u>443,120</u>          | <u>436,410</u>          | <u>401,014</u>          | <u>377,727</u>          |
|                                         | <u><b>1,176,202</b></u> | <u><b>1,371,197</b></u> | <u><b>1,133,111</b></u> | <u><b>1,311,228</b></u> |

**15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

| <b>Group and Charity</b> | <b>2024</b>             | <b>2023</b>             |
|--------------------------|-------------------------|-------------------------|
|                          | <b>£</b>                | <b>£</b>                |
| Bank loans (see note 16) | <u><b>3,756,099</b></u> | <u><b>4,622,864</b></u> |

**16. LOANS**

An analysis of the maturity of loans is given below:

| <b>Group and Charity</b>                        | <b>2024</b>             | <b>2023</b>             |
|-------------------------------------------------|-------------------------|-------------------------|
|                                                 | <b>£</b>                | <b>£</b>                |
| Amounts falling due within one year on demand:  |                         |                         |
| Bank loans                                      | <u><b>386,766</b></u>   | <u><b>271,184</b></u>   |
| Amounts falling due between two and five years: |                         |                         |
| Bank loans - 2-5 years                          | <u><b>1,089,883</b></u> | <u><b>1,113,354</b></u> |
| Amounts falling due in more than five years:    |                         |                         |
| Bank loans – more than 5 years                  | <u><b>2,666,216</b></u> | <u><b>3,509,510</b></u> |

The loans are repayable by monthly instalments and are over a ten years or fifteen year period.

The first loan commenced in August 2014 and is over a term of ten years. Interest is charged at 3.00% over bank base rate.



**Humberside Engineering Training  
Association Limited**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31st August 2024**

**16. LOANS - continued**

The second loan commenced in June 2017 and is over a term of fifteen years. Interest is charged at 3.00% over bank base rate.

The third loan commenced in April 2023 and is over a term of fifteen years. Interest is charged at 2.25% over bank base rate.

All loan interest is charged directly to expenses as incurred.

**17. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

| <b>Group and Charity</b> | <b>2024</b>     | <b>2023</b>           |
|--------------------------|-----------------|-----------------------|
|                          | <b>£</b>        | <b>£</b>              |
| Within one year          | <u><u>-</u></u> | <u><u>140,000</u></u> |

Leases are negotiated over various terms to suit the requirements at that time. Break clauses are included wherever appropriate and the above liability has been calculated from the balance sheet date to either the end of the lease or the first break clause, whichever is earlier.

**18. SECURED DEBTS**

The following secured debts are included within creditors:

| <b>Group and Charity</b> | <b>2024</b>             | <b>2023</b>             |
|--------------------------|-------------------------|-------------------------|
|                          | <b>£</b>                | <b>£</b>                |
| Bank loans               | <u><u>4,142,865</u></u> | <u><u>4,894,048</u></u> |

The loans are secured by charges over the charity's freehold land and buildings.

**19. MOVEMENT IN FUNDS**

|                           | At 1/9/23               | Net<br>movement<br>in funds | At<br>31/8/24           |
|---------------------------|-------------------------|-----------------------------|-------------------------|
|                           | £                       | £                           | £                       |
| <b>Unrestricted funds</b> |                         |                             |                         |
| General fund              | 7,447,531               | 916,284                     | 8,363,815               |
|                           | <u>7,447,531</u>        | <u>916,284</u>              | <u>8,363,815</u>        |
| <b>TOTAL FUNDS</b>        | <u><u>7,447,531</u></u> | <u><u>916,284</u></u>       | <u><u>8,363,815</u></u> |

**Humberside Engineering Training  
Association Limited**

**Notes to the Financial Statements - continued  
for the year ended 31st August 2024**

**19. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

|                           | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Movement<br>in funds<br>£ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| <b>Unrestricted funds</b> |                            |                            |                           |
| General fund              | 7,410,649                  | (6,495,895)                | 914,754                   |
|                           | <hr/>                      | <hr/>                      | <hr/>                     |
| <b>TOTAL FUNDS</b>        | <u>7,410,649</u>           | <u>(6,495,895)</u>         | <u>914,754</u>            |

**20. PENSION COMMITMENTS**

The company operates a group personal pensions scheme. The assets of the scheme are held by independent managers. Contributions into the scheme during the year amounted to £420,385 (2023: £378,611). There were no amounts prepaid at the balance sheet date. Contributions outstanding at the balance sheet date totalled £35,427 (2023: £34,739).

**21. RELATED PARTY DISCLOSURES**

Debtor and creditor balances within the charity's subsidiary company are shown in notes 13 & 14. All balances are interest free and repayable on demand.

During the year key management personnel remuneration of £318,765 (2023: £370,913) was paid.

During the year the company obtained legal services from a firm of solicitors in which one of the charity's trustees is a partner. The transaction was conducted on an arm's length basis for a total consideration of £4,950 (2023: £15,891). Due process and declaration of interests was followed.

There are no further related party transactions that require to be disclosed.

**22. INDEMNITY INSURANCE**

The company's insurance premiums include indemnity insurance to protect both the Charity and the Trustees.



**HUMBERSIDE ENGINEERING TRAINING ASSOCIATION LIMITED**

England & Wales - Charity number 508775

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# Accounts

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REGISTERED COMPANY NUMBER: 01007353 (England and Wales)  
REGISTERED CHARITY NUMBER: 508775

Report of the Trustees and  
Consolidated Financial Statements  
for the Year Ended 31st August 2023  
for  
Humberside Engineering Training  
Association Limited

Sadofskys  
Statutory Auditors  
Princes House  
Wright Street  
Hull  
East Yorkshire  
HU2 8HX

**Humberside Engineering Training  
Association Limited**

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for the year ended 31st August 2023**

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**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2023**

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 group for the year ended 31st August 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 2019).

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

01007353 (England and Wales)

**Registered Charity number**

508775

**Registered office**

27-31 Dansom Lane  
Hull  
HU8 7LA

**Trustees**

I C Palmer - Chair  
R M Swain  
L S Fretter  
T Mottershead  
E J Greenfield  
D J Oliver  
M T Daubney  
M R Brunton (appointed 19/9/23)  
B Houston (appointed 19/9/23)  
D P Sowden (resigned 21/3/23)  
M T Joslin (resigned 25/7/23)

**Company Secretary**

I Elliott

**Auditors**

Sadofskys  
Statutory Auditors  
Princes House  
Wright Street  
Hull  
East Yorkshire  
HU2 8HX

**Solicitors**

Bridge McFarland  
1 Marina Court  
Hull  
HU1 2AZ

**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2023**

**Expertise, experience, capabilities of HETA**

HETA is a not-for-profit Charity "Group Training Association" established in 1967 which now operates from 3 wholly owned sites, Dansom Lane (Hull), Pioneer Park (Grimsby) and Foxhills (Scunthorpe) to serve employers across the Humber Region that operate in the engineering, manufacturing and process industries.

The GTA model still exists in name but in real terms the company operates as a commercially focused but not for profit training provider with a FE/Charitable ethos that serves our learners and employers to ensure we deliver training and education that will meet the skills needs of the region.

Governance is provided by a group of Trustees who meet six times per year.

HETA currently employs around 80 people across the three sites with a turnover of approx. £6m pa. Our real estate is wholly owned.

HETA currently trains and assesses around 600 Engineering learners per year across levels 3, 4 & 5 and delivers 'in-work' training for adults to over 350 client companies across the Yorkshire and Humber region. HETA also delivers training contracts for employers who have multiple sites across the UK.

**OBJECTIVES AND ACTIVITIES**

To advance the theoretical and practical education and training of persons engaged or intending to be engaged in the engineering industry.

**The HETA vision is;**

**To be the leading Engineering training provider delivering exceptional, high-quality training that continually meets customer requirements.**

We will provide trainees with the qualifications, skills and workplace experience required to obtain sustained employment and abilities to respond to the changes across our core industries.

**HETA will be guided and follow the following 6 strategic aims;**

- A. To maintain the work required to be an Ofsted graded provider rated Good or Good with Outstanding features
- B. To be the engineering training "Provider of Choice" across the Humber region designing and delivering high quality skills training
- C. To reduce our reliance of public funding in the pursuit of commercial income whilst maximising existing ESFA contract values
- D. To reduce our level of debt and increase our cash reserves
- E. To be an "Employer of Choice" and to create a positive working environment that generates, encourages and promotes equality of opportunity for all staff and that is creative and entrepreneurial that will enable the business to grow.
- F. To monitor the skills needs across the Humber region and respond to meet that demand.

**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2023**

**OBJECTIVES AND ACTIVITIES - continued**

**We will be driven to achieve the following top level Key Performance Indicators;**

1. Increase growth in turnover in line with the overall three-year financial plan
2. Deliver an annual surplus to re-invest in the business of no less than 5% per annum
3. Maintain a Self-Assessed Grade of at least Good (2) with Outstanding features
4. Agree and achieve annual targets for recruitment/retention and Qualification Achievement Rates (QAR) that are well above national benchmarks
5. Maintain and increase our market share of Advanced Apprenticeships using ESFA annual data to agree targets and measure our performance.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Charity constitution**

The company is limited by guarantee. It was incorporated on 7th April 1971 under the Companies Acts 1948 and 1967 and is governed by its memorandum and Articles of Association as amended September 1980, April, 1995 and May 2021.

**Recruitment and appointment of new trustees**

HETA aims to develop and maintain a diverse group of individuals that will support the aim of the company. Trustees are identified and recruited based on skill set and experience.

No one is entitled to act as a Trustee whether on appointment or on any reappointment until he or she has expressly acknowledged, in whatever way the Trustee decide, his or her acceptance of the office of Trustee and Member.

The appointment of a Trustee must not cause the number of Trustees to exceed any number fixed as the maximum number of Trustees.

The latest Articles of Association make clear reference to the period of time that Trustees will be appointed for.

**Organisational structure**

The Board meet six times during the year. The meetings were concluded using a 'hybrid' model over both video conferencing and face to face. This model provided members with a more efficient way to meet and increased participation.

HETA is managed by the Directors (Trustees) with day to day responsibility delegated to the Chief Executive who is appointed by the Board.

The day to day strategic and operational management of HETA was carried out by the Senior (strategic) Leadership Team (SLT) which during 2022-23, consisted of the following team members\*;

- **Chief Executive**
- **Deputy Chief Executive**
- **Human Resources Manager**
- **Operations Manager**
- **Head of Sales and Marketing**

**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2023**

**STRUCTURE, GOVERNANCE AND MANAGEMENT - continued**

In turn, the SLT is supported by;

- **Health and Safety Manager**
- **2 x Centre (curriculum) Managers**
- **Field Team Manager**
- **Curriculum Manager Higher Education**
- **IT Support Manager**
- **Management Accountant**
- **Administration Manager**
- **Teaching and Learning Improvement Manager**
- **Sales and Marketing Manager**

*\*From September 1<sup>st</sup>, 2023, the post of Head of Sales and Marketing ceased to exist following the resignation of the post holder and responsibility for this department has been taken over by the Sales and Marketing Manager.*

**The Management of Risk**

HETA has adopted a Business Risk Register (BRR) and the Board will receive updates on each area of risk to assess the appropriateness and robustness of the controls being deployed to mitigate risk. The BRR is reviewed periodically by the management team and at board meetings by the Trustees.

**Policy on Reserves**

The charity will aim to hold, non-committed, end of year cash reserves of not less than 50% and not more than 150% of the total annual staff and contractor employment costs. The reserves policy remains a key aspect of financial health, but the Trustees continue to review this annually.

This formula will enable the directors and management of HETA adequate contingency funds to deal with significant variations of year-to-year business activity.

At the Balance Sheet date the unrestricted cash reserves represented 39% (2022: 65%) of the year's employment costs (including subcontract instructors and excluding HATA apprentices). The board approved the reserves dropping below the target in order to finance the construction of the new centre at Grimsby.

The need to vacate our previous (rented) premises at Stallingborough (Grimsby) and the strong desire to create a higher quality, 21<sup>st</sup> century learning and working environment was a driving force behind the new build project mentioned above.

Arguably, the construction phase took place at the worst possible time; material costs were high and unpredictable and labour shortages had an impact on contractor prices. Combined with the fact that the UK was in a 'funding hiatus' and that no additional capital grants were available, meant that the build project was financed from both bank borrowings and reserves.

Whilst the reserves policy exists, the board of Trustees approved that this can be flexible in order to achieve the project completion.

Reserves for 2023-24 and 2024-25 are forecast to be at 29% and 40% respectively and rising in subsequent years taking HETA back within the tolerances allowed in the reserves policy.



**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2023**

**KEY ACHIEVEMENTS AND PERFORMANCE**

2022-23 saw HETA start and complete the last phase of what has been a significant investment in the real estate of the charity. In summary HETA now wholly own three training centres at Hull, Grimsby and Scunthorpe.

It was the design, construction and completion of the centre at Grimsby that completed a ten-year period of investment totalling £13.3M providing 9,750 square metres of training space across 6.1 acres of land.

It is important to note that the financing of the new centre was achieved through the use of reserves and extended borrowing from our bank.

Given the lack of grant funding for capital project like this, the project would have not been able to proceed unless the Trustees had taken the decision to utilise the reserves which has resulted in the charity going below the agreed percentage of cash to be held at any given time.



**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2023**

**KEY ACHIEVEMENTS AND PERFORMANCE - continued**

**Funding and Fundraising Activities**

Income streams at HETA are structured in such a way to provide some degree of financial security and sustainability that allows us to reinvest in the best teaching and learning facilities and working conditions for staff.

**In simple terms we aim to maintain four strands of revenue generation;**

- Contracted funding from the Department for Education to support the delivery of funded programmes including Apprenticeships and Traineeships
- Higher Education that is paid for by employers to deliver the Higher National Certificate and Diploma
- Commercial training courses to upskill those already in the labour market paid for by employers and individuals
- Additional grant funding from different sources designed to fund new provision, acquisition of new equipment, training resources and discrete interventions to support young people.

HETA has continued to deliver a significant number of training and education programmes to our different client groups that have generated income to support the continued growth of the charity.

These include;

- Advanced Apprenticeships to both 16-18 and 19+ learners - **£4,129k**
- Traineeships for unsponsored learners - **£158k**
- HE programmes - **£380k**
- Adult upskilling courses for those already operating in the labour market - **£878k**
- Other income streams - **£696k**

**Overall income year on year is;**

£6,241K 2022-23 against £5,641k 2021-22

In delivering these various activities, the company has generated an operating surplus of **£461K**- an uplift of 42% year on year and reflects how businesses (both HETA and our client group) have moved on from the disruption caused by the pandemic.

This surplus allows for continued investment in the current and future activities of the Charity; **Investment in new assets for the year was £5,774K.**

**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2023**

**KEY ACHIEVEMENTS AND PERFORMANCE - continued**

**Additional Grant Funding**

HETA was particularly successful in attracting new grants by participating in two national initiatives from the Department of Education:

**Strategic Development Fund 2**

The Skills for Jobs White Paper set out the Government's blueprint for reshaping the technical skills system and SDF2 was collaborations of further education (FE) providers. The key difference this time was that Independent Training Providers were eligible to participate.

SDF2 will provide capital and revenue (programme) funding to support "changes in local teaching and training facilities and provision, enabling FE providers to meet the needs of employers, support local innovation and economic growth, and develop a more efficient overall delivery infrastructure".

HETA secured £437k and was able to make some fundamental changes to the quality of teaching and learning.

**Higher Technical Qualifications**

The Department for Education (DfE) announced plans and additional funding to improve higher technical education to help people train or retrain for high-skilled jobs. These reforms covered learners studying for higher technical education qualifications.

The reforms were/are designed to:

- Improve the quality of higher technical education on offer
- Encourage more people to take higher technical education courses and get high-skilled work
- Introduce a national approval scheme, to show which higher technical qualifications meet employers' skills needs.

HETA applied for the additional funding to support extended delivery of our Level 4 & 5 programmes and to improve teaching resources. We were successful in securing £221k.

**Ann Watsons Trust**

During 2022-23, the Ann Watsons Trust made a contribution of £39k.

This was shared amongst 8 learners providing them with a degree of financial support. The AWT funding aims to provide the unpaid Traineeships with funding that they can use for whatever purpose is required and in some cases, it will go towards the family income.

By providing this kind of support, young people feel more valued and motivated during their training programme and this improves retention leading to a successful transfer into employment.

All the AWT funded learners were able to secure jobs with companies like Afos, Bright Blue Foods, Air Products and Thorcal.

To illustrate the point funding was used by these young people to:

- Start driving lessons which enabled a learner to apply for the position at Thorcal which required him to be mobile.
- Another young man was able to use the Ann Watson funds to upgrade from a bicycle to a moped, giving him more independence and stability to an Employer.
- The AWT scholarship gave a learner a confidence boost and gave him financial support when he was unable to continue with his part time job due to illness thus keeping him on programme and successful transition into work.

**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2023**

**CHARITABLE ACTIVITIES**

**Fulfilling our charitable ethos - Getting Young People into Work**

**“HETA is a training provider and a Job Broker”.**

In 2022-23, HETA continued to secure employment for a significant number of young people acting as a recruiter for employers. This approach essentially has two facets-Traineeships and Sponsored Apprenticeships.

The Traineeship programme is a government initiative. It is designed to act as a pathway into employment, an apprenticeship or further learning. The entry criteria and delivery requirements are flexible however it was announced in 2022 that the Government were closing this programme.

The closure of this funding stream had serious implications both internally and externally resulting in loss of income and more importantly, loss of opportunity for young people to gain access to apprenticeship training at HETA.

Following some significant lobbying with support from our local authorities, HETA was able to secure a contract to deliver Traineeship type Study programmes.

HETA uses the Government's Study (Traineeship) programme to widen participation and to ensure small to medium employers can access suitable Apprenticeship candidates without having to commit to paying a whole year of 'off the job' wages.

HETA is now into the 10th year of delivering on this programme and has adopted a model that is regarded as being exemplary practice which sees young people being exposed to both trade and employability skills with progression into a job (please see section above re: job placement).

\*The company receives a funding amount that is now one fifth (previously one third) of the core funding for an Advanced Apprenticeship. We purposely deliver a much-enhanced learning experience that is not covered by the funding allocation.

In short, HETA over delivers in order to maximise employment opportunities for young people and to ensure that employers have access to a talent pipeline.

**Data shows the following:**

- 41 out of 44 traineeships went on to a successful outcome - 93%.
- 38 out of 44 traineeships went on to an apprenticeship with HETA – 86%

**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2023**

**CHARITABLE ACTIVITIES - continued**

**Welfare for Learners and Staff**

HETA seeks to deliver the best possible learning experience for young people however our aim is to support our learners in a more holistic manner. This includes support and education around physical and mental health. In some cases, we provide financial support to buy uniform, IT kit and we manage the travel allowances for Traineeships.

A number of staff have trained as Mental Health First Aiders and attend update session around ME issues so we can better support learners.

As part of a more rounded approach to the future wellbeing of the younger learners, HETA self-funds and provides a programme of information, training and counselling around the issues of;

- Diet
- Alcohol
- Drugs
- Mental health issues- we now have mental health 'First Aiders' embedded on each site
- Fitness
- Team Working
- Communication Skills
- Safeguarding and the "Prevent" (from radicalisation) strategy

Our staff are HETA are our greatest asset and the investment in finding, recruiting, training and retaining the best people remains a cornerstone of the business.

The recruitment market remains a challenge across most business sectors and HETA is no exception. The company is mindful of normal 'churn' via retirements and resignations and as such adopted a more proactive approach to recruitment.

By utilising a range of tactics to recruit and to try and succession plan (for retirees) it has been possible to recruit some excellent replacement staff however the increased use of external recruitment agencies has been a necessity resulting in much higher expenditure on recruitment fees.

HETA continues to invest in staff development via structured Continuous Development Days, online training, teacher training from Levels 3 to 5, external events, webinars etc.

The company also tries to balance workloads with home commitments and aims to be a family friendly employer supporting those with carer responsibilities.

**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2023**

**CHARITABLE ACTIVITIES - continued**

**Schools Engagement**

HETA continues to provide a range of unfunded activities to schools around Information, Advice and Guidance (IAG) to young people. The data table below provides detail about the activities carried out by HETA in 2022-23:

| School and Post 16 College IAG Activities 2022-23                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 49% of HETA applicants had heard about what we offer directly from their school or college                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Summary of Activities: Overall 207 were carried out during the year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 171 Schools across our region                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 9 Post 16 Colleges                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 18 Combined Schools and College                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <ul style="list-style-type: none"><li>• HETA was present at 9 large external events ;</li><li>• Hull University Science Festival</li><li>• Franklin 6<sup>th</sup> Form College Careers Event with 700+ attendees</li><li>• Doncaster Chamber of Commerce “<i>Opportunities Live</i>”</li><li>• Grimsby Job Centre Plus</li><li>• Civic Centre, Immingham Careers event</li><li>• Hull and Humber Chamber of Commerce “<i>Jobs Expo</i>”</li><li>• Bath Halls, Scunthorpe Careers Event</li><li>• MKM Stadium, Hull Careers Event</li><li>• North Est Lincolnshire “<i>Skills Fair</i>”</li></ul> |

The overall aim is to engage with schools across the region and beyond going out to South Yorkshire and Greater Lincolnshire. In real terms this means a raft of different activities but the response to the pandemic curtailed a lot of the planned work normally have carried out.

**Volunteers/Volunteering**

HETA does not recruit volunteers as part of our core activities preferring to use establishment staff however the Board of Trustees are all volunteers.

We do encourage staff to carry out a range of unfunded ‘pro bono’ activities. Some staff are Governors at schools across the region and also work with other charities.

The CEO is a member of the Hull and East Yorkshire (HEY) Local Enterprise Partnership Skills and Employment Board and Vice Chair of the HEY LEP Apprenticeship Group and is a member of the Local Skills Improvement Plan (LSIP) Board.

**Humberside Engineering Training  
Association Limited**

**Report of the Trustees  
for the year ended 31st August 2023**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of Humberside Engineering Training Association Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

**AUDITORS**

The auditors, Sadofskys, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on .....19/3/24..... and signed on the board's behalf by:



.....  
I C Palmer – Trustee & Chair

**Report of the Independent Auditors to the Members of**  
**Humberside Engineering Training**  
**Association Limited**

**Opinion**

We have audited the financial statements of Humberside Engineering Training Association Limited (the 'parent charity') and its subsidiaries (together comprising the 'charitable group') for the year ended 31st August 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated 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 group's and parent charity's affairs as at 31st August 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.



**Report of the Independent Auditors to the Members of**  
**Humberside Engineering Training**  
**Association Limited**

**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.

**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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:
- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the charitable sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, UK tax legislation, and data protection, anti-bribery, employment, environmental, health and safety legislation along with industry specific regulations and requirements.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

**Report of the Independent Auditors to the Members of**  
**Humberside Engineering Training**  
**Association Limited**

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators, and the company's legal advisors.

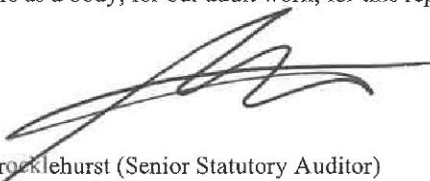
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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](http://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.



Alan Brocklehurst (Senior Statutory Auditor)  
for and on behalf of Sadofskys  
Statutory Auditors  
Princes House  
Wright Street  
Hull  
East Yorkshire  
HU2 8HX

Date: .....19/3/24.....

**Humberside Engineering Training  
Association Limited**

**Consolidated Statement of Financial Activities  
for the year ended 31st August 2023**

|                                    |       | 2023<br>Unrestricted<br>fund<br>£ | 2022<br>Unrestricted<br>funds<br>£ |
|------------------------------------|-------|-----------------------------------|------------------------------------|
| <b>INCOME AND ENDOWMENTS FROM</b>  | Notes |                                   |                                    |
| Donations and legacies             |       | -                                 | -                                  |
| <b>Charitable activities</b>       | 4     |                                   |                                    |
| Apprentice Training                |       | 4,286,942                         | 4,397,513                          |
| HNC & HND                          |       | 380,450                           | 352,647                            |
| Adult Training                     |       | 877,802                           | 820,580                            |
| Investment income                  | 3     | 19,621                            | 3,767                              |
| Other income                       | 3     | 676,387                           | 66,910                             |
| <b>Total</b>                       |       | <b>6,241,202</b>                  | <b>5,641,417</b>                   |
| <b>EXPENDITURE ON</b>              |       |                                   |                                    |
| <b>Charitable activities</b>       | 5     |                                   |                                    |
| Apprentice Training                |       | 4,283,139                         | 3,936,250                          |
| HNC & HND                          |       | 437,408                           | 447,226                            |
| Adult Training                     |       | 1,060,068                         | 916,373                            |
| Work with Schools                  |       | -                                 | 16,833                             |
| <b>Total</b>                       |       | <b>5,780,615</b>                  | <b>5,316,682</b>                   |
| <b>NET INCOME</b>                  |       | <b>460,587</b>                    | <b>324,735</b>                     |
| <b>RECONCILIATION OF FUNDS</b>     |       |                                   |                                    |
| Total funds brought forward        |       | 6,986,944                         | 6,662,209                          |
| <b>TOTAL FUNDS CARRIED FORWARD</b> |       | <b>7,447,531</b>                  | <b>6,986,944</b>                   |

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing operations.

**FUND ACCOUNTING**

All income and expenditure relates to unrestricted funds.

The notes form part of these financial statements

**Humberside Engineering Training  
Association Limited**

**Consolidated Balance Sheet  
31st August 2023**

|                                                  | Notes | 2023<br>Unrestricted<br>fund<br>£ | 2022<br>Unrestricted<br>funds<br>£ |
|--------------------------------------------------|-------|-----------------------------------|------------------------------------|
| <b>FIXED ASSETS</b>                              |       |                                   |                                    |
| Tangible assets                                  | 11    | <u>11,273,710</u>                 | <u>5,839,521</u>                   |
| <b>CURRENT ASSETS</b>                            |       |                                   |                                    |
| Debtors                                          | 13    | 800,332                           | 960,303                            |
| Cash at bank                                     |       | <u>1,367,550</u>                  | <u>2,165,546</u>                   |
|                                                  |       | <b>2,167,882</b>                  | <b>3,125,849</b>                   |
| <b>CREDITORS</b>                                 |       |                                   |                                    |
| Amounts falling due within one year              | 14    | <u>(1,371,197)</u>                | <u>(827,365)</u>                   |
| <b>NET CURRENT ASSETS</b>                        |       | <u><b>796,685</b></u>             | <u><b>2,298,484</b></u>            |
| <b>TOTAL ASSETS LESS CURRENT<br/>LIABILITIES</b> |       | <b>12,070,395</b>                 | <b>8,138,005</b>                   |
| <b>CREDITORS</b>                                 |       |                                   |                                    |
| Amounts falling due after more than one year     | 15    | <u>(4,622,864)</u>                | <u>(1,151,061)</u>                 |
| <b>NET ASSETS</b>                                |       | <u><b>7,447,531</b></u>           | <u><b>6,986,944</b></u>            |
| <b>FUNDS</b>                                     | 19    |                                   |                                    |
| Unrestricted funds                               |       | <u><b>7,447,531</b></u>           | <u><b>6,986,944</b></u>            |
| <b>TOTAL FUNDS</b>                               |       | <u><b>7,447,531</b></u>           | <u><b>6,986,944</b></u>            |

The financial statements were approved by the Board of Trustees and authorised for issue on 19/3/24  
and were signed on its behalf by:



I C Palmer – Trustee/Director

The notes form part of these financial statements

**Humberside Engineering Training  
Association Limited**

**Company Balance Sheet  
31st August 2023**

|                                                  | Notes | 2023<br>Unrestricted<br>fund<br>£ | 2022<br>Unrestricted<br>funds<br>£ |
|--------------------------------------------------|-------|-----------------------------------|------------------------------------|
| <b>FIXED ASSETS</b>                              |       |                                   |                                    |
| Tangible assets                                  | 11    | 11,273,710                        | 5,839,521                          |
| Investments                                      | 12    | <u>1</u>                          | <u>1</u>                           |
|                                                  |       | 11,273,711                        | 5,839,522                          |
| <b>CURRENT ASSETS</b>                            |       |                                   |                                    |
| Debtors                                          | 13    | 895,398                           | 1,027,966                          |
| Cash at bank                                     |       | <u>1,180,975</u>                  | <u>2,043,039</u>                   |
|                                                  |       | 2,076,373                         | 3,071,005                          |
| <b>CREDITORS</b>                                 |       |                                   |                                    |
| Amounts falling due within one year              | 14    | <u>(1,311,228)</u>                | <u>(812,434)</u>                   |
| <b>NET CURRENT ASSETS</b>                        |       | <u>765,145</u>                    | <u>2,258,571</u>                   |
| <b>TOTAL ASSETS LESS CURRENT<br/>LIABILITIES</b> |       | 12,038,856                        | 8,098,092                          |
| <b>CREDITORS</b>                                 |       |                                   |                                    |
| Amounts falling due after more than one year     | 15    | <u>(4,622,864)</u>                | <u>(1,151,061)</u>                 |
| <b>NET ASSETS</b>                                |       | <u>7,415,992</u>                  | <u>6,947,031</u>                   |
| <b>FUNDS</b>                                     | 19    |                                   |                                    |
| Unrestricted funds                               |       | <u>7,415,992</u>                  | <u>6,947,031</u>                   |
| <b>TOTAL FUNDS</b>                               |       | <u>7,415,992</u>                  | <u>6,947,031</u>                   |

The financial statements were approved by the Board of Trustees and authorised for issue on 19/3/24 and were signed on its behalf by:



I C Palmer – Trustee/Director

The notes form part of these financial statements

**Humberside Engineering Training  
Association Limited**

**Consolidated Cash Flow Statement  
for the year ended 31st August 2023**

|                                                                           | Notes | 2023<br>£          | 2022<br>£        |
|---------------------------------------------------------------------------|-------|--------------------|------------------|
| <b>Cash flows from operating activities</b>                               |       |                    |                  |
| Cash generated from operations                                            | 1     | 1,617,766          | 564,744          |
| Interest paid                                                             |       | <u>(239,359)</u>   | <u>(40,045)</u>  |
| Net cash provided by operating activities                                 |       | <u>1,378,409</u>   | <u>524,699</u>   |
| <b>Cash flows from investing activities</b>                               |       |                    |                  |
| Purchase of tangible fixed assets                                         |       | (5,774,325)        | (461,017)        |
| Sale of tangible fixed assets                                             |       | 1,099              | 950,092          |
| Interest received                                                         |       | <u>19,621</u>      | <u>3,767</u>     |
| Net cash (used in)/provided by investing activities                       |       | <u>(5,753,605)</u> | <u>492,842</u>   |
| <b>Cash flows from financing activities</b>                               |       |                    |                  |
| New loans in year                                                         |       | 3,700,000          | -                |
| Loan repayments in year                                                   |       | <u>(122,801)</u>   | <u>(156,525)</u> |
| Net cash provided by/(used in) financing activities                       |       | <u>3,577,199</u>   | <u>(156,525)</u> |
| <b>Change in cash and cash equivalents in the reporting period</b>        |       | <u>(797,999)</u>   | <u>861,016</u>   |
| <b>Cash and cash equivalents at the beginning of the reporting period</b> |       | <u>2,165,546</u>   | <u>1,304,530</u> |
| <b>Cash and cash equivalents at the end of the reporting period</b>       |       | <u>1,367,547</u>   | <u>2,165,546</u> |

The notes form part of these financial statements

**Humberside Engineering Training  
Association Limited**

**Notes to the Consolidated Cash Flow Statement  
for the year ended 31st August 2023**

**1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

|                                                                                                 | 2023<br>£               | 2022<br>£             |
|-------------------------------------------------------------------------------------------------|-------------------------|-----------------------|
| Net income for the reporting period (as per the Consolidated Statement of Financial Activities) | 460,587                 | 324,735               |
| Adjustments for:                                                                                |                         |                       |
| Depreciation charges                                                                            | 339,037                 | 309,958               |
| (Profit)/Loss on disposal of fixed assets                                                       | -                       | (92)                  |
| Interest received                                                                               | (19,621)                | (3,767)               |
| Interest paid                                                                                   | 239,359                 | 40,045                |
| Decrease in debtors                                                                             | 159,971                 | 109,735               |
| Increase/(decrease) in creditors                                                                | 438,433                 | 3,600                 |
| <b>Net cash provided by operations</b>                                                          | <b><u>1,617,766</u></b> | <b><u>564,744</u></b> |

**2. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)**

|                                 | At 1/9/22<br>£     | Cash flow<br>£     | At 31/8/23<br>£    |
|---------------------------------|--------------------|--------------------|--------------------|
| <b>Net cash</b>                 |                    |                    |                    |
| Cash at bank                    | <u>2,165,546</u>   | <u>(797,999)</u>   | <u>1,367,547</u>   |
|                                 | <u>2,165,546</u>   | <u>(797,999)</u>   | <u>1,367,547</u>   |
| <b>Debt</b>                     |                    |                    |                    |
| Debts falling due within 1 year | (165,788)          | (105,396)          | (271,184)          |
| Debts falling due after 1 year  | <u>(1,151,061)</u> | <u>(3,471,803)</u> | <u>(4,622,864)</u> |
|                                 | <u>(1,316,849)</u> | <u>(3,577,199)</u> | <u>(4,894,048)</u> |
| <b>Total</b>                    | <u>726,190</u>     | <u>(4,439,263)</u> | <u>(3,713,073)</u> |

The notes form part of these financial statements

**Humberside Engineering Training  
Association Limited**

**Notes to the Consolidated Financial Statements  
for the year ended 31st August 2023**

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

**Basis of consolidation**

The group financial statements consolidate the financial statements of the charity and its subsidiary undertaking, Humberside Apprentice Training Agency Limited, at 31<sup>st</sup> August 2022 using acquisition accounting.

**Income**

**Income from resources from charitable activities**

Incoming resources from charitable activities excludes value added tax. Where income resources are dependent upon the Charity delivering a service, the income is not recognised until the service is delivered.

**Donations**

Donations and gifts are included in full in the Statement of Financial Activities when receivable.

**Grants**

Grants and allowances receivable are accounted for as income in the year in which entitlement arises.

**Gifts**

Gifts in kind are valued by reference to the equivalent commercial cost of acquiring such assets or services.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under 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 resources.

**Allocation and apportionment of costs**

Expenses directly associated with the delivery of training are charged as direct charitable expenses and split between those relating to unrestricted and those relating to restricted funds.

Depreciation is split between restricted and unrestricted funds by reference to the charge arising on each specific asset.

Employees are categorized as either directly involved in training or administration and related costs apportioned accordingly. Staff time spent delivering projects which are subject to restricted funding is recharged from unrestricted funds at agreed hourly rates.

Direct costs not capable of being attributed to any individual class of activity are apportioned according to the relative income of each activity. Support costs are apportioned according to the amount of direct cost associated with each class of activity. Governance costs reflect the strategic and compliance costs of the charity including an allowance for the Chief Executive's time spent on such matters.



**Humberside Engineering Training**  
**Association Limited**

**Notes to the Consolidated Financial Statements - continued**  
**for the year ended 31st August 2023**

**1. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

|                       |               |
|-----------------------|---------------|
| Freehold property     | - 2% on cost  |
| Plant and machinery   | - 10% on cost |
| Fixtures and fittings | - 10% on cost |
| Computer equipment    | - 20% on cost |

**Taxation**

As a registered charity, the company is generally exempt from Corporation Tax, but not from VAT. The company accounts for VAT in accordance with the regulations relevant to the nature of the supplies which it makes. Any irrecoverable VAT is shown separately as an expense.

**Fund accounting**

Incoming resources for services where, upon full performance of the service, any surplus can be retained and used for general purposes are classified as unrestricted, whereas if any surplus is receivable by the donor then the resources are classed as restricted.

**Leases**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Rents payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**3. INVESTMENT INCOME**

|                          | <b>2023</b>           | 2022          |
|--------------------------|-----------------------|---------------|
|                          | <b>£</b>              | £             |
| Other income             | <b>676,387</b>        | 66,911        |
| Deposit account interest | <b><u>19,621</u></b>  | <u>3,767</u>  |
|                          | <b><u>696,008</u></b> | <u>70,678</u> |

**Humberside Engineering Training  
Association Limited**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31st August 2023**

**4. INCOME FROM CHARITABLE ACTIVITIES**

|                     | Activity            | 2023<br>£        | 2022<br>£        |
|---------------------|---------------------|------------------|------------------|
| Apprenticeship fees | Apprentice Training | 464,187          | 472,249          |
| ESFA funding        | Apprentice Training | 3,822,755        | 3,925,264        |
| ESFA funding        | HNC & HND           | 29,500           | 29,500           |
| HNC income          | HNC & HND           | 350,950          | 323,147          |
| Adult training      | Adult Training      | 849,892          | 785,112          |
| Passport            | Adult Training      | 27,910           | 35,468           |
|                     |                     | <u>5,545,194</u> | <u>5,570,740</u> |

**5. CHARITABLE ACTIVITIES COSTS**

|                     | Direct<br>Costs<br>£ | Support<br>costs (see<br>note 6)<br>£ | 2023<br>Totals<br>£ |
|---------------------|----------------------|---------------------------------------|---------------------|
| Apprentice Training | 2,914,501            | 1,368,638                             | 4,283,139           |
| HNC & HND           | 289,237              | 148,171                               | 437,408             |
| Adult Training      | 701,114              | 358,954                               | 1,060,068           |
|                     | <u>3,904,852</u>     | <u>1,875,763</u>                      | <u>5,780,615</u>    |

**6. SUPPORT COSTS**

|                     | Management<br>£ | Finance<br>£             | Human<br>resources<br>£ |
|---------------------|-----------------|--------------------------|-------------------------|
| Apprentice Training | 147,220         | 247,988                  | 599,876                 |
| HNC & HND           | 15,938          | 26,850                   | 64,942                  |
| Adult Training      | 38,611          | 65,040                   | 157,326                 |
|                     | <u>201,769</u>  | <u>339,878</u>           | <u>822,144</u>          |
|                     | Other<br>£      | Governance<br>costs<br>£ | 2023<br>Totals<br>£     |
| Apprentice Training | 325,431         | 48,123                   | 1,368,638               |
| HNC & HND           | 35,231          | 5,210                    | 148,171                 |
| Adult Training      | 85,356          | 12,621                   | 358,954                 |
|                     | <u>446,018</u>  | <u>65,954</u>            | <u>1,875,763</u>        |

**Humberside Engineering Training  
Association Limited**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31st August 2023**

**7. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

|                             | <b>2023</b>           | 2022           |
|-----------------------------|-----------------------|----------------|
|                             | £                     | £              |
| Auditors' remuneration      | <b>10,450</b>         | 9,490          |
| Depreciation - owned assets | <b>339,037</b>        | 309,958        |
| Other operating leases      | <b><u>140,000</u></b> | <u>130,000</u> |

**8. TRUSTEES' REMUNERATION AND BENEFITS**

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

**Trustees' expenses**

Travel and subsistence expenses totalling £61 were paid to one trustee during the year (2022: £97).

**9. STAFF COSTS**

|                       | <b>2023</b>             | 2022             |
|-----------------------|-------------------------|------------------|
|                       | £                       | £                |
| Wages and salaries    | <b>3,173,014</b>        | 3,083,703        |
| Social security costs | <b>260,699</b>          | 257,326          |
| Other pension costs   | <b><u>416,616</u></b>   | <u>363,664</u>   |
|                       | <b><u>3,850,329</u></b> | <u>3,704,693</u> |

The average monthly number of employees during the year was as follows:

|                      | <b>2023</b>      | 2022      |
|----------------------|------------------|-----------|
| Management           | <b>5</b>         | 5         |
| Administration       | <b>14</b>        | 14        |
| Training and support | <b>58</b>        | 55        |
| Apprentices-HATA     | <b><u>12</u></b> | <u>21</u> |
|                      | <b><u>89</u></b> | <u>95</u> |

The average number of employees during the year is based on Full Time Equivalents.

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

|                    | <b>2023</b>     | 2022     |
|--------------------|-----------------|----------|
| £70,001 - £80,000  | <b>1</b>        | 1        |
| £90,001 - £100,000 | <b><u>1</u></b> | <u>1</u> |
|                    | <b><u>2</u></b> | <u>2</u> |

**Humberside Engineering Training  
Association Limited**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31st August 2023**

**10. NET INCOMING RESOURCES OF PARENT COMPANY**

As permitted by paragraph 397 of the SORP, the Statement of Financial Activities of the parent charity is not presented in these financial statements. The parent's net incoming resources for the year ended 31<sup>st</sup> August 2023 totalled £476,025 (2022: £337,185).

**Humberside Engineering Training  
Association Limited**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31st August 2023**

**11. TANGIBLE FIXED ASSETS**

| <b>Group and Charity</b> | Freehold<br>property<br>£ | Plant and<br>machinery<br>£ | Fixtures<br>and<br>fittings<br>£ | Computer<br>equipment<br>£ | Totals<br>£ |
|--------------------------|---------------------------|-----------------------------|----------------------------------|----------------------------|-------------|
| <b>COST</b>              |                           |                             |                                  |                            |             |
| At 1st September 2022    | 5,386,936                 | 1,710,364                   | 262,039                          | 486,949                    | 7,846,288   |
| Additions                | 5,215,799                 | 293,966                     | 67,492                           | 197,068                    | 5,774,325   |
| Disposals                | (1,099)                   | -                           | -                                | -                          | (1,099)     |
| At 31st August 2023      | 10,601,636                | 2,004,330                   | 329,531                          | 684,017                    | 13,619,514  |
| <b>DEPRECIATION</b>      |                           |                             |                                  |                            |             |
| At 1st September 2022    | 559,590                   | 873,500                     | 168,001                          | 405,676                    | 2,006,767   |
| Charge for year          | 113,534                   | 142,673                     | 19,135                           | 63,695                     | 339,037     |
| At 31st August 2023      | 673,124                   | 1,016,173                   | 187,136                          | 469,371                    | 2,345,804   |
| <b>NET BOOK VALUE</b>    |                           |                             |                                  |                            |             |
| At 31st August 2023      | 9,928,512                 | 988,157                     | 142,395                          | 214,646                    | 11,273,710  |
| At 31st August 2022      | 4,827,346                 | 836,864                     | 94,038                           | 81,273                     | 5,839,521   |

**12. FIXED ASSET INVESTMENTS**

| <b>Charity</b>                             | Shares in<br>group<br>undertakings<br>£ |
|--------------------------------------------|-----------------------------------------|
| <b>MARKET VALUE</b>                        |                                         |
| At 1st September 2022 and 31st August 2023 | 1                                       |
| <b>NET BOOK VALUE</b>                      |                                         |
| At 31st August 2023                        | 1                                       |
| At 31st August 2022                        | 1                                       |

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

**Humber Apprentice Training Agency Limited (10234302)**

Registered Office: United Kingdom

Nature of business: Trading

This investment represents 100% of the voting equity instruments of the subsidiary.

**Humberside Engineering Training  
Association Limited**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31st August 2023**

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                    | <b>Group</b>   |                | <b>Charity</b> |                  |
|------------------------------------|----------------|----------------|----------------|------------------|
|                                    | <b>2023</b>    | <b>2022</b>    | <b>2023</b>    | <b>2022</b>      |
|                                    | <b>£</b>       | <b>£</b>       | <b>£</b>       | <b>£</b>         |
| Trade debtors                      | 657,055        | 819,031        | 650,293        | 817,505          |
| Amounts owed by group undertakings | -              | -              | 112,737        | 69,189           |
| Prepayments                        | 143,277        | 141,272        | 132,368        | 141,272          |
|                                    | <u>800,332</u> | <u>960,303</u> | <u>895,398</u> | <u>1,027,966</u> |

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                         | <b>Group</b>     |                | <b>Charity</b>   |                |
|-----------------------------------------|------------------|----------------|------------------|----------------|
|                                         | <b>2023</b>      | <b>2022</b>    | <b>2023</b>      | <b>2022</b>    |
|                                         | <b>£</b>         | <b>£</b>       | <b>£</b>         | <b>£</b>       |
| Bank loans and overdrafts (see note 16) | 271,184          | 165,788        | 271,184          | 165,788        |
| Trade creditors                         | 609,502          | 270,314        | 609,502          | 270,255        |
| Amounts owed to group undertakings      | -                | -              | -                | 1              |
| Social security and other taxes         | 54,101           | 105,780        | 52,815           | 104,200        |
| Accrued expenses                        | 436,410          | 285,483        | 377,727          | 272,191        |
|                                         | <u>1,371,197</u> | <u>827,365</u> | <u>1,311,228</u> | <u>812,434</u> |

**15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

| <b>Group and Charity</b> | <b>2023</b>      | <b>2022</b>      |
|--------------------------|------------------|------------------|
|                          | <b>£</b>         | <b>£</b>         |
| Bank loans (see note 16) | <u>4,622,864</u> | <u>1,151,061</u> |

**16. LOANS**

An analysis of the maturity of loans is given below:

| <b>Group and Charity</b>                        | <b>2023</b>      | <b>2022</b>    |
|-------------------------------------------------|------------------|----------------|
|                                                 | <b>£</b>         | <b>£</b>       |
| Amounts falling due within one year on demand:  |                  |                |
| Bank loans                                      | <u>271,184</u>   | <u>165,788</u> |
| Amounts falling due between two and five years: |                  |                |
| Bank loans - 2-5 years                          | <u>1,113,354</u> | <u>500,547</u> |
| Amounts falling due in more than five years:    |                  |                |
| Bank loans – more than 5 years                  | <u>3,509,510</u> | <u>650,514</u> |

The loans are repayable by monthly instalments and are over a ten years or fifteen year period. The first loan commenced in August 2014 and is over a term of ten years. Interest is charged at 3.00% over bank base rate.

The second loan commenced in June 2017 and is over a term of fifteen years. Interest is charged at 1.95% over bank base rate.

**Humberside Engineering Training  
Association Limited**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31st August 2023**

**16. LOANS - continued**

The new loan in the year which was used to fund the capital investment is over a term of fifteen years. Interest is charged at 2.25% over bank base rate.

All loan interest is charged directly to expenses as incurred.

**17. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

| <b>Group and Charity</b> | <b>2023</b>           | <b>2022</b>           |
|--------------------------|-----------------------|-----------------------|
|                          | <b>£</b>              | <b>£</b>              |
| Within one year          | <b><u>140,000</u></b> | <b><u>140,000</u></b> |

Leases are negotiated over various terms to suit the requirements at that time. Break clauses are included wherever appropriate and the above liability has been calculated from the balance sheet date to either the end of the lease of the first break clause, whichever is earlier.

**18. SECURED DEBTS**

The following secured debts are included within creditors:

| <b>Group and Charity</b> | <b>2023</b>             | <b>2022</b>             |
|--------------------------|-------------------------|-------------------------|
|                          | <b>£</b>                | <b>£</b>                |
| Bank loans               | <b><u>4,894,048</u></b> | <b><u>1,316,849</u></b> |

The loans are secured by charges over the charity's freehold land and buildings.

**19. MOVEMENT IN FUNDS**

|                           | <b>At 1/9/22</b>        | <b>Net<br/>movement<br/>in funds</b> | <b>At<br/>31/8/23</b>   |
|---------------------------|-------------------------|--------------------------------------|-------------------------|
|                           | <b>£</b>                | <b>£</b>                             | <b>£</b>                |
| <b>Unrestricted funds</b> |                         |                                      |                         |
| General fund              | <b>6,986,944</b>        | <b>460,587</b>                       | <b>7,447,531</b>        |
|                           | <hr/>                   | <hr/>                                | <hr/>                   |
| <b>TOTAL FUNDS</b>        | <b><u>6,986,944</u></b> | <b><u>460,587</u></b>                | <b><u>7,447,531</u></b> |

**Humberside Engineering Training  
Association Limited**

**Notes to the Financial Statements - continued  
for the year ended 31st August 2023**

**19. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

|                           | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Movement<br>in funds<br>£ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| <b>Unrestricted funds</b> |                            |                            |                           |
| General fund              | 6,241,202                  | (5,780,615)                | 460,587                   |
|                           | <hr/>                      | <hr/>                      | <hr/>                     |
| <b>TOTAL FUNDS</b>        | <b>6,241,202</b>           | <b>(5,780,615)</b>         | <b>460,587</b>            |

**20. PENSION COMMITMENTS**

The company operates a group personal pensions scheme. The assets of the scheme are held by independent managers. Contributions into the scheme during the year amounted to £378,611 (2022: £341,847). There were no amounts prepaid at the balance sheet date. Contributions outstanding at the balance sheet date totalled £34,739 (2022: £26,898).

**21. RELATED PARTY DISCLOSURES**

Debtor and creditor balances within the charity's subsidiary company are shown in notes 13 & 14. All balances are interest free and repayable on demand.

During the year key management personnel remuneration of £370,913 (2022: £365,299) was paid.

During the year the company obtained legal services from a firm of solicitors in which one of the charity's trustees is a partner. The transaction was conducted on an arm's length basis for a total consideration of £15,891 (2022: £10,565). Due process and declaration of interests was followed.

There are no further related party transactions that require to be disclosed.

**22. INDEMNITY INSURANCE**

The company's insurance premiums include indemnity insurance to protect both the Charity and the Trustees.



**HUMBERSIDE ENGINEERING TRAINING ASSOCIATION LIMITED**

England & Wales - Charity number 508775

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# Accounts

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**Smailes Goldie Group**  
CREATING ADVANTAGE

REGISTERED COMPANY NUMBER: 01007353 (England and Wales)  
REGISTERED CHARITY NUMBER: 508775

# **Humberside Engineering Training Association Limited**

## **Consolidated Financial Statements**

**31 August 2022**



SD-0208979-1-6



# **Humberside Engineering Training Association Limited**

## **Contents of the Consolidated Financial Statements for the year ended 31st August 2022**

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## Humberside Engineering Training Association Limited

### Report of the Trustees for the Year Ended 31st August 2022

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 group for the year ended 31st August 2022, which are also prepared to meet the requirements for a directors' report and financial statements for Companies Act purposes. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published in October 2019.

#### LEGAL AND ADMINISTRATIVE INFORMATION

|                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                    |                                                       |
|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------------------------------------------------|
| <b>Name:</b>                              | Humberside Engineering Training Association Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                    |                                                       |
| <b>Charitable Objectives:</b>             | To advance the theoretical and practical education and training of persons engaged or intending to be engaged in the engineering industry.                                                                                                                                                                                                                                                                                                                                                                                                                           |                    |                                                       |
| <b>Company Number:</b>                    | 01007353                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                    |                                                       |
| <b>Constitution:</b>                      | The Company is limited by guarantee. It was incorporated on 7 <sup>th</sup> April 1971 under the Companies Acts 1948 to 1967 and is governed by its Memorandum and Articles of Association as amended September 1980 and April, 1995.                                                                                                                                                                                                                                                                                                                                |                    |                                                       |
| <b>Trustees (who are also directors):</b> | The directors who held office during the year, and up to the date of this report are:-<br><br>M.T. Joslin (Chair)<br>R.M. Swain<br>I.C. Palmer<br>L. Maloigne (Resigned 11 April 2022)<br>D.P. Sowden<br>L.S. Fretter (Appointed 11 April 2022)<br><br>T. Mottershead<br>E.J. Greenfield<br>D.J. Oliver<br>M.T. Daubney                                                                                                                                                                                                                                              |                    |                                                       |
| <b>Appointment of Trustees:</b>           | HETA aims to develop and maintain a diverse group of individuals that will support the aim of the company. Trustees are identified and recruited based on skill set and experience.<br><br>No one is entitled to act as a Trustee whether on appointment or on any reappointment until he or she has expressly acknowledged, in whatever way the Trustees decide, his or her acceptance of the office of Trustee and Member.<br><br>The appointment of a Trustee must not cause the number of Trustees to exceed any number fixed as the maximum number of Trustees. |                    |                                                       |
| <b>Chief Executive:</b>                   | I. Elliott                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                    |                                                       |
| <b>Registered Office:</b>                 | 27-31 Dansom Lane<br>Hull<br>HU8 7LA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                    |                                                       |
| <b>Registered Charity Number:</b>         | 508775                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                    |                                                       |
| <b>Auditors:</b>                          | Smailes Goldie<br>Chartered Accountants<br>Statutory Auditor<br>Regent's Court<br>Princess Street<br>Hull<br>East Yorkshire<br>HU2 8BA                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>Solicitors:</b> | Bridge McFarland<br>1 Marina Court<br>Hull<br>HU1 2AZ |

## Humberside Engineering Training Association Limited

### Report of the Trustees for the Year Ended 31st August 2022

#### LEGAL AND ADMINISTRATIVE INFORMATION (continued)

**Bankers:** HSBC  
3-4 Jameson Street  
Hull  
HU1 3JX

**Bankers:** Santander  
2 Humber Quays  
Wellington Street  
Hull  
HU1 2BN

Enquiries about the Charity should be addressed to the Chief Executive at the Registered Office.

#### Investment Powers:

The income and property of the Association shall be applied solely towards the promotion of the objects of the Association.

#### Organisational Structure:

The business of HETA is managed by the Directors (Trustees) with day to day responsibility delegated to the Chief Executive who is appointed by the Board.

The Board met six times during the year. The meetings were conducted using a 'hybrid' model over both video conferencing and face to face. This model provided members with a more efficient way to meet and increased participation.

#### Confirmations:

The Board confirms that it considers the financial statements compliant with statutory requirements, the Memorandum and Articles of Association and SORP: Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard 102 (effective January 2019).

The Board also confirms that it has complied with the duty in section 17(5) of the Charities Act 2011 with regard to following guidance published by the Charity Commission.

The day to day strategic and operational management of HETA is carried out by the Senior (strategic) Leadership Team consists of;

- **Chief Executive**
- **Deputy Chief Executive**
- **Human Resources Manager**
- **Operations Manager**
- **Head of Sales and Marketing**

In turn they are supported by;

- **Health and Safety Manager**
- **2 x Centre (curriculum) Managers**
- **Field Team Manager**
- **Curriculum Manager Higher Education**
- **IT Support Manager**
- **Management Accountant**
- **Administration Manager**
- **Teaching and Learning Improvement Manager**

#### HETA's key strategic aims are to:

- Maintain and continuously improve the quality of our training programmes so as to **become the training provider of choice** across the region.
- **Reduce the reliance** on public funding by generating additional income through HE programmes, full cost commercial training and by delivering additional training for employers participating in the enhanced advanced apprenticeship programme.
- Maintain and improve employers' understanding of the provision to actively seek ongoing curriculum development that will allow HETA **to expand the portfolio** of training programmes.

## Humberside Engineering Training Association Limited

### Report of the Trustees for the Year Ended 31st August 2022

- Actively **engage with schools** across the Humber region so as to provide the best IAG to potential apprentices and to support teaching and learning professionals with STEM related curriculum.
- Maintain and continuously develop the quality of the staff at HETA and develop a reputation as being an **Employer of Choice**.
- Ensure equality and promote diversity among staff, learners and employers.

### Review of Activities at HETA for the year 2021-22

The tone of this year's report is written in the context of being post-pandemic, looking at some key achievements and looking forward to some significant developments.

#### 1 Summary of Activities

HETA has continued to deliver a significant number of training and education programmes to our different client groups that have generated income to support the continued growth of the charity. These include;

- Advanced Apprenticeships to both 16-18 and 19+ learners - **£4,101K**
- Traineeships for unsponsored learners - **£296K**
- HE programmes - **£353K**
- Adult upskilling courses for those already operating in the labour market - **£820K**
- Other income streams - **£71K**

#### Overall income year on year is;

£5,641K 2021-22 against £5,081K 2020-21

In delivering these various activities, the company has generated an operating surplus of **£325K**- an uplift of 77% year on year and this reflects how businesses (both HETA and our client group) have moved on from the disruption caused by the pandemic.

This surplus allows for continued investment in the current and future activities of the Charity; **Investment in new assets for the year was £461K**

#### Key documents to support the business

##### The HETA Business Plan

This key document is now into the third edition which spans 2020-2023. With input from the wider management team and the Chair, it has been revised and re-written to reflect the next stages of growth and development at HETA for the next three financial years. Following ongoing input meeting from the wider management team (and eventual sign-off from the Board of Trustees) the 4<sup>th</sup> edition will be published in 2023.

This document is a living document and will continue to be revised as market conditions change and opportunities arise. To support this top-level plan, each department within HETA has written an operational "Implementation Plan"- this focuses on the detail changes and improvements to the business.

##### Response to the global pandemic-looking back and to the future

It is universally recognised that most countries are past the worst impact of the pandemic, but residual problems are still hindering businesses across the UK-HETA is no exception.

Positively, our employer base continues to recruit Apprentices in significant numbers-the September 2021 intake was considerably larger than 2020 and the 2022 intake exceeded all previous recruitment records.

**The Self-Assessment Report (SAR)** is the other key document that allows external agencies to judge the effectiveness of HETA. The SAR for 2020-21 was published on the Ofsted portal with the 2021-22 edition about to be published.

At the time of writing, HETA is self-grading as a Grade Two (Good) provider.

As part of the internal validation/accreditation/quality assurance process, the SAR is scrutinised by external 'readers' including input from the Board of Trustees

**Report of the Trustees  
for the Year Ended 31st August 2022**

**2 Significant Developments**

**A new training centre at Grimsby**

HETA operates from three sites across the Humber region - Hull, Scunthorpe and Stallingborough (Grimsby) and it is this centre that is now the focus of the ongoing property strategy. The current Stallingborough training centre sits within the CATCH complex/campus and as such is leased.

The current lease expired in August 2022 but it was possible to obtain an extension until August 2023.

A decision was taken to acquire suitable land and to implement a design and build project thus providing a wholly owned site. In real terms this means we will achieve a 25% increase in classroom and workshop space with the capacity to add expansion spaces in future years.





**Report of the Trustees  
for the Year Ended 31st August 2022**

**2 Significant Developments (continued)**

Working with North East Lincs Council, it has been possible to acquire land near the existing training centre. A project design and build programme has been achieved with work starting in October 2022.

This project is a significant investment and will give HETA a training centre that reflects what a modern learning facility should provide for both staff and learners. On completion, it will provide classrooms, workshops, office and social spaces with the increased capacity to expand learner numbers and offer an ever-evolving curriculum and training offer.

Previous annual reports will show that a similar project was undertaken in Hull in 2017-18 and this created an aspiration to achieve a similar if not better training centre that will provide high quality learning and working spaces.

Total cost for the new centre at Grimsby is approx. £5.5m and is being financed via bank funding (loans) and reserves. In 2022, the UK has reached a point where the availability of extra 'project focused' funding has been paused and it has been disappointing that there have been no other additional funding sources to support the build or fit-out of this new facility.

Given this lack of extra funding, the position on reserves has been taken to a low level. The agreed policy has been previously set at between 50%-150% of total salary costs. In financial year 2022-23, cash reserves are forecast to be at 34% but then rising in future years.

**3 Fulfilling our charitable ethos - Getting Young People into Work**

**HETA is a training provider and a Job Broker.**

In 2021-22, HETA continued to secure employment for a significant number of young people acting as a recruiter for employers. This approach essentially has two facets-Traineeships and Sponsored Apprenticeships.

The Traineeship programme is a government initiative. It is designed to act as a pathway into employment, an apprenticeship or further learning. The entry criteria and delivery requirements are flexible.

HETA uses the Government's Traineeship programme to widen participation and to ensure small to medium employers can access suitable Apprenticeship candidates without having to commit to paying a whole year of 'off the job' wages.

HETA is now into the 9th year of delivering on this programme and has adopted a model that is regarded as being exemplary practice which sees young people being exposed to both trade and employability skills with progression into a job (please see section above re: job placement).

**\*The company receives a funding amount that is now one fifth (previously one third) of the core funding for an Advanced Apprenticeship.** We purposely deliver a ***much-enhanced*** learning experience that is not covered by the funding allocation.

In short, HETA over delivers in order to maximise employment opportunities for young people and to ensure that employers have access to a talent pipeline.

Data shows the following: HETA staff were able to place 47 Traineeships (from 55 starts) into employment in 2021-22.

**Report of the Trustees  
for the Year Ended 31st August 2022**

**Welfare for Learners**

HETA seeks to deliver the best possible learning experience for young people however our aim is to support our learners in a more holistic manner. This includes support and education around physical and mental health. In some cases, we provide financial support to buy uniform, IT kit and we manage the travel allowances for Traineeships.

In 2022, we secured some extra funding for two years from another local charity to provide a small group of Traineeships with a Training Allowance-to all intents and purposes, this was a substitute wage that in some cases provided valuable financial support to the household income.

Looking forward, HETA has 'ring-fenced' a sum of money to extend this scheme across to our South Bank learners in Scunthorpe and Grimsby and so the aim is to secure further grant funding in the future in order to be able to continue with this.

**Safeguarding Arrangements at HETA**

HETA is committed to Safeguarding and ensuring our learners are safe from all forms of physical and online abuse including the risks of radicalisation and extremism.

Safeguarding is promoted from the Board of trustees down through the whole organisation. There is a named Board member with a responsibility for Safeguarding and Prevent within HETA and Safeguarding and Prevent is a standard agenda item at all Board meetings.

The CEO is the Safeguarding Lead and the HR Manager at HETA is the designated Safeguarding Officer for the organisation and has received appropriate training for the role and also training on safe staff recruitment practice. HETA has clear written policies and procedures relating to both Safeguarding and the Prevent Duty. The HETA Code of Personal and Professional Conduct for Staff forms part of the Employee Handbook.

Staff are vigilant and aware of the risks to apprentices and lesson observations monitor how staff challenge behaviours, promote the welfare of our learners and take opportunities to promote fundamental British Values.

**Schools engagement**

HETA continues to provide a range of unfunded activities to schools.

Information, Advice and Guidance (IAG) to young people; the pandemic had a significant impact on schools engagement.

The overall aim is to engage with schools across the region and beyond going out to South Yorkshire and Greater Lincolnshire. In real terms this means a raft of different activities but the response to the pandemic curtailed a lot of the planned work normally carried out.

In 2021-22 HETA carried out 89 separate activities versus 32 for the previous year. It is clear that post-pandemic, there has been a huge uplift in schools activities. To mitigate this, more Information, Advice and Guidance (IAG) content and resources were put online and this will continue into 2023.

## Humberside Engineering Training Association Limited

### Report of the Trustees for the Year Ended 31st August 2022

| Schools Activities 2021 - 2022                                                                                         |
|------------------------------------------------------------------------------------------------------------------------|
| 36% of applicants heard about HETA from their school or college.                                                       |
| School Visits/Activity                                                                                                 |
| <b>Overall Planned: 179</b>                                                                                            |
| 70 School Visits (6 virtual)                                                                                           |
| 7 College Visits                                                                                                       |
| 6 Combined School and College events                                                                                   |
| 6 Large Events                                                                                                         |
| Leeds City Council Apprenticeship Recruitment Fair.                                                                    |
| Calderdale College (Careers fair with representatives and schools/colleges from York, North Yorkshire and East Riding. |
| Franklin College Careers Fair (Over 70 providers and universities present, 700+ attendees)                             |
| Doncaster Chamber Careers Fair                                                                                         |
| York High School Careers Fair (Hosted all schools and colleges in York                                                 |
| Offshore Wind Conference - Bridlington Spa                                                                             |

#### **Health, Well Being and Personal Development for staff and learners**

As part of a more rounded approach to the future wellbeing of the younger learners, HETA self-funds and provides a programme of information, training and counselling around the issues of;

- **Diet**
- **Alcohol**
- **Drugs**
- **Mental health issues-** we now have mental health 'First Aiders' embedded on each site
- **Fitness**
- **Team Working**
- **Communication Skills**
- **Safeguarding and the "Prevent" (from radicalisation) strategy**

Our staff are HETA-they are our greatest asset and the investment in finding, recruiting, training and retaining the best people remains a cornerstone of the business.

The recruitment market remains a challenge across most business sectors and HETA is no exception. The company is mindful of normal 'churn' via retirements and resignations and as such adopted a more proactive approach to recruitment in 2021 that has now become the norm into 2022 and beyond.

By utilising a range of tactics to recruit and to try and succession plan (for retirees) it has been possible to recruit some excellent replacement staff.

HETA continues to invest in staff development via structured Continuous Development Days, online training, teacher training from Levels 3 to 5, external events, webinars etc.

#### **4 Volunteers/Volunteering**

HETA does not recruit volunteers as part of our core activities preferring to use establishment staff however the Board of Trustees are all volunteers.

We do encourage staff to carry out a range of unfunded 'pro bono' activities. Some staff are Governors at schools across the region and also work with other charities.

## **Humberside Engineering Training Association Limited**

### **Report of the Trustees for the Year Ended 31st August 2022**

#### **4 Volunteers/Volunteering (continued)**

The CEO is a member of the Hull and East Yorkshire (HEY) Local Enterprise Partnership Skills and Employment Board and Vice Chair of the HEY LEP Apprenticeship Group and is a member of the Local Skills Improvement Plan (LSIP) Board.

#### **5 Fundraising**

##### **Broader fundraising strategy**

As a charity, our primary source of funding comes from the UK Government and we generate some revenue from commercial training operations. This has become more important to our trading operations and 2021-22 saw an uplift of 29% year on year.

HETA has generated some additional funding in 2021-22.

£39k from another charity that supports some of our learners with a training grant.

£25k from North East Lincs Council to support the acquisition of new equipment

£20k from University of Derby to support the acquisition of new equipment and job creation.

Project funding for both revenue and capital items via the Department of Education's Strategic Development Fund 2.

This has generated an additional £402k of funding in 2023 to support development of new curriculum with particular focus on Low Carbon/Net Zero technologies and the acquisition of new equipment.

HETA will continue to be active in seeking out more additional funding streams to support the growth of the business; staff development, curriculum improvements, the physical premises and the improvement of the learning environment.

At the time of writing, the latest capital build project is under way but lacks any additional funding beyond bank borrowings and reserves.

#### **6 Recruitment, Training and Induction of Trustees**

HETA appointed one new Trustee in 2021-22. It was fortunate that we were able to recruit from the same company (from where the departing Trustee worked) and with the same skills set. There is still one vacancy for a suitably qualified and experienced individual from an accountancy/finance background who can support the Trustees and the Deputy CEO around the area of financial performance.

Current Trustee/Directors are primarily recruited from HETA 'employers' i.e. the current client base however the previous drive to increase the range of skills and experience has been maintained however it remains a challenge to recruit new candidates.

The current board has been increased and enhanced by recruiting new members from both client companies and other types of employers.

When new board members are recruited, they will be invited to participate in company induction and familiarisation. In addition, they will be informed about the Charity Commissions' Code of Conduct for Trustees.

The Chair and the two senior post holders (CEO & Deputy CEO) attend regular updates on policy changes that relate to the management of charities.

The appointed auditors and accountants will provide further information with regard to financial regulations surrounding charities.

**Report of the Trustees  
for the Year Ended 31st August 2022**

**7 Key Performance Indicators**

HETA utilises a range of Key Performance Indicators (KPIs) including;

- Student Recruitment
- Retention
- Timely and Overall Success Rates
- Income Generation
- Expenditure

Targets apply to each KPI and these are set each year in conjunction with the Leadership team. Performance on these KPIs are reported periodically and monitored throughout the year. The KPI's are continually reviewed as a result we have adopted some new measures and deleted/revised some others.

**8 The Management of Risk**

HETA has adopted a Business Risk Register (BRR) and the Board will receive updates on each area of risk to assess the appropriateness and robustness of the controls being deployed to mitigate risk. The BRR is reviewed periodically by the management team and at board meetings by the Trustees.

**9 Policy on Reserves**

Please see the note above regarding the new training centre at Grimsby. The charity, Humberside Engineering Training Association Ltd. (HETA) Policy on Reserves is:

The charity will aim to hold, non-committed, end of year cash reserves of not less than 50% and not more than 150% of the total annual staff and contractor employment costs. The reserves policy remains a key aspect of financial health but the Trustees continue to review this annually.

This formula will enable the directors and management of HETA adequate contingency funds to deal with significant variations of year to year business activity.

At the Balance Sheet date the unrestricted cash reserves represented 65% (2021: 44%) of the year's employment costs (including subcontract instructors and excluding HATA apprentices). The board approved the reserves dropping below the target whilst the charity sold the Copenhagen Road property.

The need to vacate our current rented premises at Stallingborough (Grimsby) and the strong desire to create a higher quality, 21<sup>st</sup> century learning and working environment was and is a big driving force behind the new build project mentioned above. It is unfortunate that current market conditions have conspired against the build process in that materials costs are increasing in an inflationary market.

Combined with the fact that the UK seems to be in a funding hiatus and that no additional capital grants are available, means that the build project is being financed from both bank borrowings and reserves.

Whilst the reserves policy exists, the board of Trustees have approved that this can be flexible in order to achieve the project completion.

With the knowledge and approval of the board, unrestricted cash reserves for 2022-23 are forecast to reduce to 34% as a result of the investment in the new training facility at Stallingborough, but are forecast to rise in subsequent years taking HETA back within the tolerances allowed in the reserves policy.

**10 Going Concern**

As mentioned in section 2, above, the trustees have considered the operational and financial implications following the lifting of restrictions imposed and the reduction in support surrounding the CV19 outbreak and the subsequent economic uncertainty leading to inflationary pressures. Having prepared financial forecasts covering a range of scenarios, the trustees conclude that it remains appropriate to continue to prepare accounts on a going concern basis.



**Report of the Trustees  
for the year ended 31st August 2022**

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also the directors of Humberside Engineering Training Association Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

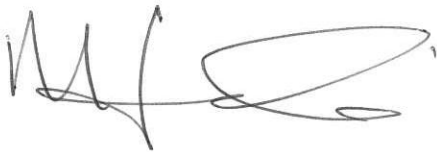
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**AUDITORS**

The auditors, Smailes Goldie, will be deemed to be re-appointed under s487 of the Companies Act 2006.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 21st March 2023 and signed on the board's behalf by:

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to be 'M.T. Joslin', written over a horizontal line.

M.T.JOSLIN - TRUSTEE & CHAIR

# **Report of the Independent Auditors to the Members of Humberside Engineering Training Association Limited**

## **Opinion**

We have audited the financial statements of Humberside Engineering Training Association Limited (the 'parent charity') and its subsidiaries (together comprising the 'charitable group') for the year ended 31st August 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheet, the Consolidated 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 group's and parent charity's affairs as at 31st August 2022, and of the group's incoming resources and application of resources, including its result, 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 group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charity'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.

# **Report of the Independent Auditors to the Members of Humberside Engineering Training Association Limited**

## **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 group and parent charity 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.

## **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities as set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charity'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 the parent charity 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable group, including the Companies Act 2006, Charities Act 2011, ESFA rules, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation. An understanding of these laws and regulations and the extent of compliance was obtained through discussion with management and inspecting legal and regulatory correspondence.

We assessed the susceptibility of the charitable group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.



## **Report of the Independent Auditors to the Members of Humberside Engineering Training Association Limited**

### **Opinions on other matters prescribed by the Companies Act 2006**

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
  - reading the minutes of meetings of those charged with governance;
  - enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, ESFA and other relevant regulators.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

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](http://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.



Stephen Bramall BSc FCA (Senior Statutory Auditor)  
for and on behalf of Smailes Goldie  
Chartered Accountants  
Statutory Auditor  
Regent's Court  
Princess Street  
Hull  
East Yorkshire  
HU2 8BA

21 March 2023

# Humberside Engineering Training Association Limited

## **Consolidated Statement of Financial Activities** **(Incorporating an Income and Expenditure Account)** **for the year ended 31st August 2022**

|                                    | Notes | 2022<br>£               | 2021<br>£               |
|------------------------------------|-------|-------------------------|-------------------------|
| <b>INCOME AND ENDOWMENTS FROM</b>  |       |                         |                         |
| <b>Donations and Legacies</b>      |       |                         |                         |
| Government Grants                  | 3     | -                       | 432                     |
| <b>Charitable activities</b>       |       |                         |                         |
| Apprentice Training                | 4     | 4,397,513               | 3,972,830               |
| HNC & HND                          |       | 352,647                 | 421,664                 |
| Adult Training                     |       | 820,580                 | 641,642                 |
| Work with Schools                  |       | -                       | 7,560                   |
|                                    |       | <b>5,570,740</b>        | <b>5,043,696</b>        |
| Investment income                  | 5     | 3,767                   | 1,492                   |
| Other income                       |       | <b>66,910</b>           | <b>35,016</b>           |
| <b>Total</b>                       |       | <b>5,641,417</b>        | <b>5,080,636</b>        |
| <b>EXPENDITURE ON</b>              |       |                         |                         |
| <b>Charitable activities</b>       |       |                         |                         |
| Apprentice Training                | 6     | 3,936,250               | 3,644,200               |
| HNC & HND                          |       | 447,226                 | 452,481                 |
| Adult Training                     |       | 916,373                 | 768,791                 |
| Work with Schools                  |       | 16,833                  | 31,737                  |
| <b>Total</b>                       |       | <b>5,316,682</b>        | <b>4,897,209</b>        |
| <b>NET INCOME</b>                  |       | <b>324,735</b>          | <b>183,427</b>          |
| <b>RECONCILIATION OF FUNDS</b>     |       |                         |                         |
| <b>Total funds brought forward</b> |       | <b>6,662,209</b>        | <b>6,478,782</b>        |
| <b>TOTAL FUNDS CARRIED FORWARD</b> |       | <b><u>6,986,944</u></b> | <b><u>6,662,209</u></b> |

### **CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

### **FUND ACCOUNTING**

All income and expenditure relates to unrestricted funds.

# Humberside Engineering Training Association Limited

## Consolidated Balance Sheet At 31st August 2022

|                                              |       | 2022                    | 2021                    |
|----------------------------------------------|-------|-------------------------|-------------------------|
|                                              |       | Unrestricted funds<br>£ | Unrestricted funds<br>£ |
| <b>FIXED ASSETS</b>                          | Notes |                         |                         |
| Tangible assets                              | 12    | <u>5,839,521</u>        | <u>6,638,462</u>        |
| <b>CURRENT ASSETS</b>                        |       |                         |                         |
| Debtors                                      | 14    | <u>960,303</u>          | 850,568                 |
| Cash at bank                                 |       | <u>2,165,546</u>        | <u>1,304,530</u>        |
|                                              |       | <b>3,125,849</b>        | 2,155,098               |
| <b>CREDITORS</b>                             |       |                         |                         |
| Amounts falling due within one year          | 15    | <u>(827,365)</u>        | <u>(838,409)</u>        |
| <b>NET CURRENT ASSETS</b>                    |       | <u><b>2,298,484</b></u> | <u>1,316,689</u>        |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | <b>8,138,005</b>        | 7,955,151               |
| <b>CREDITORS</b>                             |       |                         |                         |
| Amounts falling due after more than one year | 16    | <u>(1,151,061)</u>      | <u>(1,292,942)</u>      |
| <b>NET ASSETS</b>                            |       | <u><b>6,986,944</b></u> | <u>6,662,209</u>        |
| <b>FUNDS</b>                                 | 20    |                         |                         |
| Unrestricted funds                           |       | <u>6,986,944</u>        | <u>6,662,209</u>        |
| <b>TOTAL FUNDS</b>                           |       | <u><b>6,986,944</b></u> | <u>6,662,209</u>        |

The financial statements were approved by the Board of Trustees on 21 March 2023 and were signed on its behalf by:



M.T. Joslin - Trustee/Director

# Humberside Engineering Training Association Limited

## Company Balance Sheet At 31st August 2022

|                                              |       |  | 2022<br>Unrestricted<br>funds<br>£ | 2021<br>Unrestricted<br>funds<br>£ |
|----------------------------------------------|-------|--|------------------------------------|------------------------------------|
| <b>FIXED ASSETS</b>                          | Notes |  |                                    |                                    |
| Tangible assets                              | 12    |  | 5,839,521                          | 6,638,462                          |
| Investments                                  | 13    |  | <u>1</u>                           | <u>1</u>                           |
|                                              |       |  | 5,839,522                          | 6,638,463                          |
| <b>CURRENT ASSETS</b>                        |       |  |                                    |                                    |
| Debtors                                      | 14    |  | 1,027,966                          | 1,136,114                          |
| Cash at bank                                 |       |  | <u>2,043,039</u>                   | <u>961,475</u>                     |
|                                              |       |  | 3,071,005                          | 2,097,589                          |
| <b>CREDITORS</b>                             |       |  |                                    |                                    |
| Amounts falling due within one year          | 15    |  | <u>(812,434)</u>                   | <u>(833,264)</u>                   |
| <b>NET CURRENT ASSETS</b>                    |       |  | <u>2,258,571</u>                   | <u>1,264,325</u>                   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |  | 8,098,092                          | 7,902,788                          |
| <b>CREDITORS</b>                             |       |  |                                    |                                    |
| Amounts falling due after more than one year | 16    |  | <u>(1,151,061)</u>                 | <u>(1,292,942)</u>                 |
| <b>NET ASSETS</b>                            |       |  | <u>6,947,031</u>                   | <u>6,609,846</u>                   |
| <b>FUNDS</b>                                 |       |  |                                    |                                    |
| Unrestricted funds                           | 20    |  | <u>6,947,031</u>                   | <u>6,609,846</u>                   |
| <b>TOTAL FUNDS</b>                           |       |  | <u>6,947,031</u>                   | <u>6,609,846</u>                   |

The financial statements were approved by the Board of Trustees on 21 March 2023 and were signed on its behalf by:



M.T. Joslin - Trustee/Director

# **Humberside Engineering Training Association Limited**

## **Consolidated Cash Flow Statement for the year ended 31st August 2022**

|                                                                           | Notes | 2022<br>£                      | 2021<br>£                      |
|---------------------------------------------------------------------------|-------|--------------------------------|--------------------------------|
| <b>Cash flows from operating activities:</b>                              |       |                                |                                |
| Cash generated from operations                                            | 1     | <u>564,744</u>                 | <u>375,182</u>                 |
| <b>Net cash provided by operating activities</b>                          |       | <u>564,744</u>                 | <u>375,182</u>                 |
| <br><b>Cash flows from investing activities:</b>                          |       |                                |                                |
| Purchase of tangible fixed assets                                         |       | (461,017)                      | (273,104)                      |
| Sale of tangible fixed assets                                             |       | 950,092                        | -                              |
| Interest received                                                         |       | 3,767                          | 1,492                          |
| Interest paid                                                             |       | <u>(40,045)</u>                | <u>(42,009)</u>                |
| <b>Net cash used in investing activities</b>                              |       | <u>452,797</u>                 | <u>(313,622)</u>               |
| <br><b>Cash flows from financing activities:</b>                          |       |                                |                                |
| Loan repayments in year                                                   |       | <u>(156,525)</u>               | <u>(178,241)</u>               |
| <br><b>Change in cash and cash equivalents in the reporting period</b>    |       | <b>861,016</b>                 | <b>(116,680)</b>               |
| <b>Cash and cash equivalents at the beginning of the reporting period</b> |       | <u><b>1,304,530</b></u>        | <u><b>1,421,210</b></u>        |
| <br><b>Cash and cash equivalents at the end of the reporting period</b>   |       | <u><u><b>2,165,546</b></u></u> | <u><u><b>1,304,530</b></u></u> |

**Notes to the Consolidated Cash Flow Statement  
for the year ended 31st August 2022**

**1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

|                                                                                    | 2022<br>£             | 2021<br>£             |
|------------------------------------------------------------------------------------|-----------------------|-----------------------|
| Net income for the reporting period (as per the statement of financial activities) | 324,735               | 183,427               |
| <b>Adjustments for:</b>                                                            |                       |                       |
| Depreciation charges                                                               | 309,958               | 286,538               |
| (Profit)/Loss on disposal of fixed assets                                          | (92)                  | (524)                 |
| Interest received                                                                  | (3,767)               | (1,492)               |
| Interest paid                                                                      | 40,045                | 42,009                |
| (Increase)/decrease in debtors                                                     | (109,735)             | (332,614)             |
| Increase/(decrease) in creditors                                                   | <u>3,600</u>          | <u>197,836</u>        |
| <b>Cash generated from operations</b>                                              | <u><u>564,744</u></u> | <u><u>375,182</u></u> |

**2. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)**

|                                 | At 1.9.21<br>£          | Cash flow<br>£          | Other<br>non-cash<br>changes<br>£ | At 31.8.22<br>£       |
|---------------------------------|-------------------------|-------------------------|-----------------------------------|-----------------------|
| <b>Cash</b>                     |                         |                         |                                   |                       |
| Cash at bank                    | <u>1,304,530</u>        | <u>861,016</u>          |                                   | <u>2,165,546</u>      |
|                                 | <u>1,304,530</u>        | <u>861,016</u>          |                                   | <u>2,165,546</u>      |
| <b>Debt</b>                     |                         |                         |                                   |                       |
| Debts falling due within 1 year | (180,432)               |                         | 14,644                            | (165,788)             |
| Debts falling due after 1 year  | <u>(1,292,942)</u>      | <u>156,525</u>          | <u>(14,644)</u>                   | <u>(1,151,061)</u>    |
|                                 | <u>(1,473,374)</u>      | <u>156,525</u>          | <u>-</u>                          | <u>(1,316,849)</u>    |
| <b>Net debt</b>                 | <u><u>(168,844)</u></u> | <u><u>1,017,541</u></u> | <u><u>-</u></u>                   | <u><u>848,697</u></u> |

## **Humberside Engineering Training Association Limited**

### **Notes to the Consolidated Financial Statements for the year ended 31st August 2022**

#### **1. COMPANY INFORMATION**

Humberside Engineering Training Association Limited is a private company limited by guarantee incorporated in the United Kingdom (England & Wales). In the event of the charity being wound up, the liability in respect of the guarantee is limited to £20 per member of the charity. There are currently 9 members on the membership roll (2021: 9). The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are fully detailed in the Report of the Trustees.

#### **2. GROUP AND CHARITY ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

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

##### **Basis of consolidation**

The group financial statements consolidate the financial statements of the charity and its subsidiary undertaking, Humber Apprentice Training Agency Limited, at 31st August 2022 using acquisition accounting.

##### **Going Concern**

The trustees have considered the operational and financial implications following the lifting of restrictions imposed and the reduction in support surrounding the CV19 outbreak and the subsequent economic uncertainty leading to inflationary pressures. Having prepared financial forecasts covering a range of scenarios, the trustees conclude that it remains appropriate to continue to prepare accounts on a going concern basis.

##### **Income**

##### **Incoming resources from charitable activities**

Incoming resources from charitable activities excludes value added tax. Where incoming resources are dependent upon the Charity delivering a service, the income is not recognised until the service is delivered.

##### **Donations**

Donations and gifts are included in full in the Statement of Financial Activities when receivable.

##### **Grants**

Grants and allowances receivable are accounted for as income in the year in which entitlement arises.

##### **Gifts**

Gifts in kind are valued by reference to the equivalent commercial cost of acquiring such assets or services.

##### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under 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 resources.

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31st August 2022**

**2. ACCOUNTING POLICIES - continued**

**Allocation and apportionment of costs**

Expenses directly associated with the delivery of training are charged as direct charitable expenses and split between those relating to unrestricted and those relating to restricted funds.

Depreciation is split between restricted and unrestricted funds by reference to the charge arising on each specific asset.

Employees are categorised as either directly involved in training or administration and related costs apportioned accordingly.

Staff time spent delivering projects which are subject to restricted funding is recharged from unrestricted funds at agreed hourly rates.

Direct costs not capable of being attributed to any individual class of activity are apportioned according to the relative income of each activity.

Support costs are apportioned according to the amount of direct cost associated with each class of activity.

Governance costs reflect the strategic and compliance costs of the charity including an allowance for the Chief Executive's time spent on such matters.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

|                     |                          |
|---------------------|--------------------------|
| Land                | - not depreciated        |
| Buildings           | - 2% on cost             |
| Building services   | - between 5 and 10 years |
| Plant and machinery | - between 5 and 10 years |

**Taxation**

As a registered charity, the company is generally exempt from Corporation Tax, but not from VAT. The company accounts for VAT in accordance with the regulations relevant to the nature of the supplies which it makes. Any irrecoverable VAT is shown separately as an expense.

**Fund accounting**

Incoming resources for services where, upon full performance of the service, any surplus can be retained and used for general purposes are classified as unrestricted, whereas if any surplus is retrievable by the donor then the resources are classified as restricted.

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

**Investments**

Investments in subsidiaries are measured at cost less impairment.

**Leases**

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.



## Humberside Engineering Training Association Limited

### Notes to the Consolidated Financial Statements - continued for the year ended 31st August 2022

#### 3. GOVERNMENT GRANTS

In the current year the group received £0 (2021: £432) from the Government in respect of job retention scheme grants. The grants related to apprentices employed by Humber Apprentice Training Agency Limited, where the sponsoring employer had placed the apprentice on furlough.

#### 4. INCOME FROM CHARITABLE ACTIVITIES

|                 | Activity            | 2022<br>£        | 2021<br>£        |
|-----------------|---------------------|------------------|------------------|
| Apprentice fees | Apprentice Training | 472,249          | 663,175          |
| ESFA funding    | Apprentice Training | 3,925,264        | 3,309,655        |
| ESFA funding    | HNC & HND           | 29,500           | 59,000           |
| HNC income      | HNC & HND           | 323,147          | 362,664          |
| Adult training  | Adult Training      | 785,112          | 597,577          |
| Passport        | Adult Training      | 35,468           | 44,065           |
| Get set project | Work with Schools   | -                | 7,560            |
|                 |                     | <u>5,570,740</u> | <u>5,043,696</u> |

#### 5. INVESTMENT INCOME

|                          | 2022<br>£    | 2021<br>£    |
|--------------------------|--------------|--------------|
| Deposit account interest | <u>3,767</u> | <u>1,492</u> |

#### 6. CHARITABLE ACTIVITIES COSTS

|                     | Direct costs<br>£ | Support costs<br>(See note 7)<br>£ | 2022<br>Totals<br>£ | 2021<br>Totals<br>£ |
|---------------------|-------------------|------------------------------------|---------------------|---------------------|
| Apprentice Training | 2,799,488         | 1,136,762                          | 3,936,250           | 3,644,200           |
| HNC & HND           | 305,326           | 141,900                            | 447,226             | 452,481             |
| Adult Training      | 625,618           | 290,755                            | 916,373             | 768,791             |
| Work with Schools   | <u>11,492</u>     | <u>5,341</u>                       | <u>16,833</u>       | <u>31,737</u>       |
|                     | <u>3,741,924</u>  | <u>1,574,758</u>                   | <u>5,316,682</u>    | <u>4,897,209</u>    |

# Humberside Engineering Training Association Limited

## Notes to the Consolidated Financial Statements - continued for the year ended 31st August 2022

### 7. SUPPORT COSTS

|                     | Managemen<br>t | Finance        | Human<br>resources |
|---------------------|----------------|----------------|--------------------|
|                     | £              | £              | £                  |
| Apprentice Training | 148,879        | 136,269        | 583,282            |
| HNC & HND           | 18,584         | 17,010         | 72,810             |
| Adult Training      | 38,080         | 34,854         | 149,188            |
| Work with Schools   | 699            | 640            | 2,742              |
|                     | <u>206,242</u> | <u>188,773</u> | <u>808,022</u>     |

|                     | Other          | Governance<br>costs | 2022<br>Totals   | 2021<br>Totals   |
|---------------------|----------------|---------------------|------------------|------------------|
|                     | £              | £                   | £                | £                |
| Apprentice Training | 222,686        | 45,646              | 1,136,762        | 1,040,742        |
| HNC & HND           | 27,798         | 5,698               | 141,900          | 149,703          |
| Adult Training      | 56,958         | 11,675              | 290,755          | 254,353          |
| Work with Schools   | 1,046          | 214                 | 5,341            | 10,500           |
|                     | <u>308,488</u> | <u>63,233</u>       | <u>1,574,758</u> | <u>1,455,298</u> |

### 8. NET INCOME

Net income is stated after charging:

|                             | 2022<br>£      | 2021<br>£      |
|-----------------------------|----------------|----------------|
| Auditors' remuneration      | 9,490          | 9,490          |
| Depreciation - owned assets | 309,958        | 286,538        |
| Operating lease rentals     | <u>130,000</u> | <u>130,000</u> |

### 9. TRUSTEES' REMUNERATION AND BENEFITS

No trustee received any remuneration during the year (2021: £Nil).

#### Trustees' expenses

Travel and subsistence expenses totalling £97 were paid to one trustee during the year (2021: £112).

# **Humberside Engineering Training Association Limited**

## **Notes to the Consolidated Financial Statements - continued for the year ended 31st August 2022**

### **10. STAFF COSTS**

|                       | <b>2022</b>             | <b>2021</b>             |
|-----------------------|-------------------------|-------------------------|
|                       | <b>£</b>                | <b>£</b>                |
| Wages and salaries    | <b>3,083,703</b>        | 2,881,489               |
| Social security costs | <b>257,326</b>          | 210,788                 |
| Other pension costs   | <b>363,664</b>          | 350,869                 |
|                       | <b><u>3,704,693</u></b> | <b><u>3,443,146</u></b> |

The average monthly number of FTE employees during the year was as follows:

|                      | <b>2022</b>      | <b>2021</b>       |
|----------------------|------------------|-------------------|
| Management           | <b>5</b>         | 5                 |
| Administration       | <b>14</b>        | 15                |
| Training and support | <b>55</b>        | 52                |
| Apprentices-HATA     | <b>21</b>        | 32                |
|                      | <b><u>95</u></b> | <b><u>104</u></b> |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

|                    | <b>2022</b>     | <b>2021</b>     |
|--------------------|-----------------|-----------------|
| £60,001 - £70,000  | -               | -               |
| £70,001 - £80,000  | <b>1</b>        | 1               |
| £80,001 - £90,000  | -               | 1               |
| £90,001 - £100,000 | <b>1</b>        | -               |
|                    | <b><u>1</u></b> | <b><u>-</u></b> |

### **11. NET INCOMING RESOURCES OF PARENT COMPANY**

As permitted by paragraph 397 of the SORP, the Statement of Financial Activities of the parent charity is not presented in these financial statements. The parent's net incoming resources for the year ended 31st August 2022 totalled £337,185 (2021: £192,897).

### **12. TANGIBLE FIXED ASSETS**

| <b>Group and Charity</b> | <b>Land and Buildings<br/>£</b> | <b>Plant and machinery<br/>£</b> | <b>Totals<br/>£</b>       |
|--------------------------|---------------------------------|----------------------------------|---------------------------|
| <b>COST</b>              |                                 |                                  |                           |
| At 1st September 2021    | 6,868,976                       | 2,251,090                        | <b>9,120,066</b>          |
| Additions                | 242,722                         | 218,295                          | <b>461,017</b>            |
| Disposals                | <u>(1,724,762)</u>              | <u>(10,032)</u>                  | <b><u>(1,734,794)</u></b> |
| At 31st August 2022      | <u>5,386,936</u>                | <u>2,459,353</u>                 | <b><u>7,846,289</u></b>   |
| <b>DEPRECIATION</b>      |                                 |                                  |                           |
| At 1st September 2021    | 1,211,815                       | 1,269,789                        | <b>2,481,604</b>          |
| Charge for year          | 122,537                         | 187,421                          | <b>309,958</b>            |
| Eliminated on disposal   | <u>(774,762)</u>                | <u>(10,032)</u>                  | <b><u>(784,794)</u></b>   |
| At 31st August 2022      | <u>559,590</u>                  | <u>1,447,178</u>                 | <b><u>2,006,768</u></b>   |
| <b>NET BOOK VALUE</b>    |                                 |                                  |                           |
| At 31st August 2022      | <u><b>4,827,346</b></u>         | <u><b>1,012,175</b></u>          | <b><u>5,839,521</u></b>   |
| At 31st August 2021      | <u><b>5,657,161</b></u>         | <u><b>981,301</b></u>            | <b><u>6,638,462</u></b>   |

# Humberside Engineering Training Association Limited

## Notes to the Consolidated Financial Statements - continued for the year ended 31st August 2022

### 13. FIXED ASSET INVESTMENTS

| Charity                                    | Shares in<br>group<br>undertaking<br>s<br>£ |
|--------------------------------------------|---------------------------------------------|
| <b>COST</b>                                |                                             |
| At 1st September 2021 and 31st August 2022 | <u>1</u>                                    |
| <b>NET BOOK VALUE</b>                      |                                             |
| At 31st August 2022                        | <u>1</u>                                    |
| At 31st August 2021                        | <u>1</u>                                    |

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

#### **Humber Apprentice Training Agency Limited (10234302)**

Registered office: United Kingdom

Nature of business: Training

This investment represents 100% of the voting equity instruments of the subsidiary.

### 14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                                    | Group                 |                | Charity                 |                  |
|------------------------------------|-----------------------|----------------|-------------------------|------------------|
|                                    | 2022                  | 2021           | 2022                    | 2021             |
|                                    | £                     | £              | £                       | £                |
| Trade debtors                      | <b>819,031</b>        | 615,173        | <b>817,505</b>          | 597,334          |
| Amounts owed by group undertakings | -                     | -              | <b>69,189</b>           | 303,385          |
| Prepayments                        | <u><b>141,272</b></u> | <u>235,395</u> | <u><b>141,272</b></u>   | <u>235,395</u>   |
|                                    | <u><b>960,303</b></u> | <u>850,568</u> | <u><b>1,027,966</b></u> | <u>1,136,114</u> |

### 15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                                         | Group                 |                | Charity               |                |
|-----------------------------------------|-----------------------|----------------|-----------------------|----------------|
|                                         | 2022                  | 2021           | 2022                  | 2021           |
|                                         | £                     | £              | £                     | £              |
| Bank loans and overdrafts (see note 17) | <b>165,788</b>        | 180,432        | <b>165,788</b>        | 180,432        |
| Trade creditors                         | <b>270,314</b>        | 372,000        | <b>270,255</b>        | 371,940        |
| Amounts owed to group undertakings      | -                     | -              | <b>1</b>              | 1              |
| Social security and other taxes         | <b>105,780</b>        | 113,350        | <b>104,200</b>        | 108,264        |
| Accrued expenses                        | <u><b>285,483</b></u> | <u>172,627</u> | <u><b>272,191</b></u> | <u>172,627</u> |
|                                         | <u><b>827,365</b></u> | <u>838,409</u> | <u><b>812,434</b></u> | <u>833,264</u> |

# **Humberside Engineering Training Association --Limited**

## **Notes to the Consolidated Financial Statements - continued for the year ended 31st August 2022**

### **16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

#### **Group and Charity**

|                          | 2022<br>£        | 2021<br>£        |
|--------------------------|------------------|------------------|
| Bank loans (see note 17) | <u>1,151,061</u> | <u>1,292,942</u> |

### **17. BANK LOANS**

An analysis of the maturity of loans is given below:

#### **Group and Charity**

|                                                | 2022<br>£        | 2021<br>£        |
|------------------------------------------------|------------------|------------------|
| Amounts falling due within one year on demand  | 165,788          | 180,432          |
| Amounts falling due between two and five years | 500,547          | 623,313          |
| Amounts falling due in more than five years    | <u>650,514</u>   | <u>669,629</u>   |
|                                                | <u>1,316,849</u> | <u>1,473,374</u> |

The loans are repayable by monthly instalments over ten years and fifteen years respectively.

The first loan commenced in August 2014. Interest is charged at 3.00% over bank base rate and charged directly to expenses, as incurred. The capital repayments are fixed at £6,028 per month.

The second loan commenced in June 2017. Interest is charged at 1.95% over bank base rate and charged directly to expenses, as incurred.

### **18. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

#### **Group and Charity**

|                       | 2022<br>£      | 2021<br>£      |
|-----------------------|----------------|----------------|
| Less than one year    | 140,000        | 130,000        |
| Between 2 and 5 years | -              | -              |
|                       | <u>140,000</u> | <u>130,000</u> |

Leases are negotiated over various terms to suit the requirements at that time. Break clauses are included wherever appropriate and the above liability has been calculated from the balance sheet date to either the end of the lease or the first break clause, whichever is the earlier.

### **19. SECURED DEBTS**

The following secured debts are included within creditors:

#### **Group and charity**

|            | 2022             | 2021             |
|------------|------------------|------------------|
|            | £                | £                |
| Bank loans | <u>1,316,849</u> | <u>1,473,374</u> |

The loans are secured by charges over the charity's freehold land and buildings.

## Humberside Engineering Training Association Limited

### Notes to the Consolidated Financial Statements - continued for the year ended 31st August 2022

#### 20. MOVEMENT IN FUNDS

|                           | At 1.9.21<br>£   | Net<br>movement<br>in funds<br>£ | Transfers<br>between<br>funds<br>£ | At 31.8.22<br>£  |
|---------------------------|------------------|----------------------------------|------------------------------------|------------------|
| <b>Unrestricted funds</b> |                  |                                  |                                    |                  |
| General fund              | 6,662,209        | 324,735                          |                                    | 6,986,944        |
| <b>TOTAL FUNDS</b>        | <u>6,662,209</u> | <u>324,735</u>                   |                                    | <u>6,986,944</u> |

Net movement in funds, included in the above are as follows:

|                           | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Movement<br>in funds<br>£ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| <b>Unrestricted funds</b> |                            |                            |                           |
| General fund              | 5,641,417                  | 5,316,681                  | 324,736                   |
| <b>TOTAL FUNDS</b>        | <u>5,641,417</u>           | <u>5,316,681</u>           | <u>324,736</u>            |

The General Fund represents accumulated reserves freely available to support the objects of the charity.

On transition to FRS 102 the company claimed relief to use the previous GAAP revaluation as deemed cost for fixed assets previously revalued. Accordingly, the revaluation reserve has now been amalgamated with general funds.

#### 21. PENSION COMMITMENTS

The company operates a group personal pension scheme. The assets of the scheme are held by independent managers. Contributions into the scheme during the year amounted to £341,847 (2021: £329,166). There were no amounts prepaid at the balance sheet date (2021: £Nil). Contributions outstanding at the balance sheet date totalled £26,898 (2021: £28,273).

#### 22. RELATED PARTY DISCLOSURES

Debtor and creditor balances with the charity's subsidiary company are shown in notes 14 and 15. All balances are interest free and repayable on demand.

During the year key management personnel remuneration of £ 365,299 (2021: £334,568) was paid.

During the year the company obtained legal services from a firm of solicitors in which one of the charity's trustees is a partner. The transaction was conducted on an arm's length basis for a total consideration of £10,565 (2021 £13,266). Due process and declaration of interests was followed.

There are no further related party transactions that require to be disclosed.

#### 23. INDEMNITY INSURANCE

The company's insurance premiums include indemnity insurance to protect both the Charity and the Trustees.



**HUMBERSIDE ENGINEERING TRAINING ASSOCIATION LIMITED**

England & Wales - Charity number 508775

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# Accounts

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**Smailes Goldie Group**  
CREATING ADVANTAGE



REGISTERED CHARITY NUMBER 508775

# **HETA Ltd**

## **Financial Statements**

**31st August 2021  
for  
Humberside Engineering Training  
Association Limited**



SD-0202660-1-6



**Humberside Engineering Training Association Limited**

**Contents of the Consolidated Financial Statements  
for the year ended 31st August 2021**

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## **Humberside Engineering Training Association Limited**

### **Report of the Trustees for the Year Ended 31st August 2021**

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 group for the year ended 31st August 2021, which are also prepared to meet the requirements for a directors' report and financial statements for Companies Act purposes. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published in October 2019.

#### **LEGAL AND ADMINISTRATIVE INFORMATION**

|                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                    |                                                                     |
|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------------------------------------------------------|
| <b>Name:</b>                              | Humberside Engineering Training Association Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                    |                                                                     |
| <b>Charitable Objectives:</b>             | To advance the theoretical and practical education and training of persons engaged or intending to be engaged in the engineering industry.                                                                                                                                                                                                                                                                                                                                                                                                                           |                    |                                                                     |
| <b>Company Number:</b>                    | 01007353                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                    |                                                                     |
| <b>Constitution:</b>                      | The Company is limited by guarantee. It was incorporated on 7 <sup>th</sup> April 1971 under the Companies Acts 1948 to 1967 and is governed by its Memorandum and Articles of Association as amended September 1980 and April, 1995.                                                                                                                                                                                                                                                                                                                                |                    |                                                                     |
| <b>Trustees (who are also directors):</b> | The directors who held office during the year, and up to the date of this report are:-<br><br>M.T. Joslin            (Chair)<br>R.M. Swain<br>I.C. Palmer<br>L. Maloigne<br>D.P. Sowden<br><br>T. Mottershead<br>E.J. Greenfield<br>D.J. Oliver<br>M.T. Daubney                                                                                                                                                                                                                                                                                                      |                    |                                                                     |
| <b>Appointment of Trustees:</b>           | HETA aims to develop and maintain a diverse group of individuals that will support the aim of the company. Trustees are identified and recruited based on skill set and experience.<br><br>No one is entitled to act as a Trustee whether on appointment or on any reappointment until he or she has expressly acknowledged, in whatever way the Trustees decide, his or her acceptance of the office of Trustee and Member.<br><br>The appointment of a Trustee must not cause the number of Trustees to exceed any number fixed as the maximum number of Trustees. |                    |                                                                     |
| <b>Chief Executive:</b>                   | I. Elliott                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                    |                                                                     |
| <b>Registered Office:</b>                 | 27-31 Dansom Lane<br>Hull<br>HU8 7LA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                    |                                                                     |
| <b>Registered Charity Number:</b>         | 508775                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                    |                                                                     |
| <b>Auditors:</b>                          | Smailes Goldie<br>Chartered Accountants<br>Statutory Auditor<br>Regent's Court<br>Princess Street<br>Hull<br>East Yorkshire<br>HU2 8BA                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>Solicitors:</b> | Bridge McFarland<br>1 Marina Court<br>Hull<br>HU1 2AZ               |
| <b>Bankers:</b>                           | HSBC<br>3-4 Jameson Street<br>Hull<br>HU1 3JX                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>Bankers:</b>    | Santander<br>2 Humber Quays<br>Wellington Street<br>Hull<br>HU1 2BN |

Enquiries about the Charity should be addressed to the Chief Executive at the Registered Office.

## **Humberside Engineering Training Association Limited**

### **Report of the Trustees for the Year Ended 31st August 2021**

#### **Investment Powers:**

The income and property of the Association shall be applied solely towards the promotion of the objects of the Association.

#### **Organisational Structure:**

The business of HETA is managed by the Directors (Trustees) with day to day responsibility delegated to the Chief Executive who is appointed by the Board.

The Board met six times during the year. The meetings were conducted over video conferencing so as to comply with social distancing rules.

#### **HETA revised and changed the Articles of Association (AoA) in May 2021.**

The current set of 'AoA' have been in place since 1971 with amendments made in September 1980 and April 1995.

HETA is required to have a robust governance model in place to ensure that the company/charity is appropriately managed and fulfils its various legal and compliance obligations to the different external agencies.

The core purpose of HETA is to train and educate individuals to either enter the labour market or to achieve upskilling/reskilling for those already employed.

HETA was originally set up in 1967 as Group Training Association with local employers as the members and owners of the company. As HETA evolved and some of those member companies have ceased to exist, the previous set of AoA have become less relevant to way in which the company is managed.

Latterly it is the Board of Trustees who form the controlling body and hold the legal responsibility and accountability for how HETA conducts its business and fulfils the range of obligations.

In order to make the relevant changes the following actions were carried out;

- Permission from the Charity Commission to change the AoA- achieved October 2020
- Existing member consultation period to explain the proposed changes and to seek for and against.
- An Annual General Meeting to be called and all existing members to be (and were) invited to participate-please note this was online due to the Covid-19 pandemic and the date was set for 18th May 2021
- A meeting of the Trustees of HETA before the AGM to approve that all the Trustees have become members of the Association from the end of that meeting and that they accept short notice of the AGM in their capacity as Members
- At the AGM, following any discussion or points raised, the aim was to pass the two special resolutions relating to (1) adopting the amended articles and (2) the new membership structure. At the end of the AGM the corporate members would formally retire.
- Following this, there was a requirement for HETA to file notifications with both Companies House and the Charity Commission. Companies House must be notified within 15 days. The Charity Commission website was updated on June 11th 2021 and Companies House was updated on June 7th 2021.

## Humberside Engineering Training Association Limited

### Report of the Trustees for the Year Ended 31st August 2021

#### Confirmations:

The Board confirms that it considers the financial statements compliant with statutory requirements, the Memorandum and Articles of Association and SORP: Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard 102 (effective January 2019).

The Board also confirms that it has complied with the duty in section 17(5) of the Charities Act 2011 with regard to following guidance published by the Charity Commission.

The day to day strategic and operational management of HETA is carried out by the Senior (strategic) Leadership Team consists of;

- **Chief Executive**
- **Deputy Chief Executive**
- **Human Resources Manager**
- **Operations Manager**
- **Head of Sales and Marketing (appointed September 2020)**

In turn they are supported by;

- **Health and Safety Manager**
- **2 x Centre Managers**
- **Field Team Manager**
- **Curriculum Manager Higher Education**
- **IT Support Manager**
- **Management Accountant**
- **Administration Manager**
- **Teaching and Learning Improvement Manager**

#### HETA's key strategic aims are to:

- Maintain and continuously improve the quality of our training programmes so as to **become the training provider of choice** across the region.
- **Reduce the reliance** on public funding by generating additional income through HE programmes, full cost commercial training and by delivering additional training for employers participating in the enhanced advanced apprenticeship programme.
- Maintain and improve employers' understanding of the provision to actively seek ongoing curriculum development that will allow HETA to **expand the portfolio** of training programmes.
- Actively **engage with schools** across the Humber region so as to provide the best IAG to potential apprentices and to support teaching and learning professionals with STEM related curriculum.
- Maintain and continuously develop the quality of the staff at HETA and develop a reputation as being an **Employer of Choice**.
- Ensure equality and promote diversity among staff, learners and employers.

#### Review of Activities at HETA for the year 2020-21

This year's report has been written looking back at a year when the Covid-19 pandemic was still very much present and impacting on HETA, our staff, learners and customers.

#### 1 Summary of Activities

HETA has continued to deliver a significant number of training and education programmes to our different client groups that have generated income to support the continued growth of the charity. These include;

- Advanced Apprenticeships to both 16-18 and 19+ learners - **£3,586K**
- Traineeships for unsponsored learners - **£387K**
- HE programmes - **£422K**
- Adult upskilling courses for those already operating in the labour market - **£642K**
- Other income streams - **£44K**

**Report of the Trustees  
for the Year Ended 31st August 2021**

**1 Summary of Activities (cont.)**

**Overall Income year on year is;**

£5,081K 2020-21 against £5,167K 2019-20

In delivering these various activities, the company has generated an operating surplus of **£183K**. This surplus allows for continued investment in the current and future activities of the Charity; **Investment in new assets for the year was £273K.**

**Key documents to support the business**

**The HETA Business Plan**

This key document is now into the third edition which spans 2020-2023. With input from the wider management team and the Chair, it has been revised and re-written to reflect the next stages of growth and development at HETA for the next three financial years.

This document is a living document and will continue to be revised as market conditions change and opportunities arise.

To support this top-level plan, each department within HETA has written an operational "Implementation Plan"-this focuses on the detail changes and improvements to the business.

Whilst the pandemic has caused significant challenges for the business, it is clear that HETA has managed to navigate these challenges fairly successfully and arguably flourish.

There have been a number of new initiatives and the management team have used the time wisely to plan ahead for the future.

**The Self-Assessment Report (SAR)** is the other key documents that allows external agencies to judge the effectiveness of HETA and this has been published on the Ofsted portal. At the time of writing, HETA is self-grading as a Grade Two (Good) provider. As part of the internal validation/accreditation/quality assurance process, the SAR is scrutinised by external 'readers' including input from the Board of Trustees

**2 Significant Developments**

**The HETA Response to the COVID-19 Situation**

Following a mass re-deployment of all staff and learners from the training centres to home/remote working on March 24th March 2020 returning on June 15th. This continued into 2020-21 with subsequent periods when staff and learners were 'stood down' combined with multiple episodes of learners and staff having to isolate.

The disruption to learning was managed and it was felt that any negative impact on learning was kept to a minimal. The financial outturn shows that HETA was still able to generate a surplus in 2020-21. The management team do track financial performance of other Group Training Associations across the country and it is fair to say that the majority of other providers were less successful in delivering positive outturns.

The operational priorities focused on continuing to ensure staff were able to work safely and that our learner cohorts could continue to engage in learning activities. The overarching desire was to keep all the staff employed and to avoid using the Government's furlough scheme. No HETA staff were furloughed in 2020-21.

Commercial training re-started but end of year performance shows what the residual impact of the disruption was.

Previous investments in the IT infrastructure (with particular emphasis on the roll-out of Microsoft Office 365) continued to provide significant benefits to the business and the focus on blended/online learning continued.

Key members of staff participated in a wider initiative lead by GTA England to develop and produce online material receiving 'seed' funding to cover extra staffing costs.

During 2019-20 the Covid crisis had a massive impact on our client group and whilst most manufacturing continued throughout lockdown, the process for taking on apprentices was much reduced with only 60 sponsored starts enrolling in August 2020 however the data shows a demonstrable 'bounce back' in August 2021 with around 130 sponsored enrolments.

In summary, throughout 2020-21 HETA continued to achieve the core aims and was able to demonstrate innovative ways of working, better internal and external communications and avoided any need for redundancy or the need to furlough staff.

**3 Fulfilling our charitable ethos - Getting Young People into Work**  
**HETA is a training provider and a Job Broker.**

In 2020-21, the company can continue to evidence a significant achievement in the number of young people who were able to secure employment through the 'brokerage' side of the business. This essentially has two facets-Traineeships and Sponsored Apprenticeships.

The Traineeship programme is a government initiative. It is designed to act as a pathway into employment, an apprenticeship or further learning. The entry criteria and delivery requirements are flexible.

HETA uses the Government's Traineeship programme to widen participation and to ensure small to medium employers can access suitable Apprenticeship candidates without having to commit to paying a whole year of 'off the job' wages.

HETA is now into the 8th year of delivering on this programme and has adopted a model that is regarded as being exemplary practice which sees young people being exposed to both trade and employability skills with progression into a job (please see section above re: job placement).

**\*The company receives a funding amount that is now one fifth (previously one third) of the core funding for an Advanced Apprenticeship.** We purposely deliver a ***much-enhanced*** learning experience that is not covered by the funding allocation.

In short, HETA over delivers in order to maximise employment opportunities for young people and to ensure that employers have access to a talent pipeline.

Data shows the following:

HETA staff were able to place 54 Traineeships (from 74 starts) into employment in 2020-21.

By combining the work done to recruit 'sponsored starts' and Traineeships, in monetary terms, this equates to approx. £3.9m in wages for our learners over the period of their apprenticeship and this should be regarded as being a significant achievement.

**Welfare for Learners**

HETA seeks to deliver the best possible learning experience for young people however our aim is to support our learners in a more holistic manner. This includes support and education around physical and mental health. In some cases, we provide financial support to buy uniform, we manage the travel allowances for Traineeships.

In 2021, we secured some extra funding for two years from another local charity to provide a small group of Traineeships with a Training Allowance-to all intents and purposes, this was a substitute wage that in some cases provided valuable financial support to the household income.

**Schools engagement**

HETA continues to provide a range of unfunded activities to schools.

Information, Advice and Guidance (IAG) to young people; the pandemic had a significant impact on schools engagement.

The overall aim is to engage with schools across the region and beyond going out to South Yorkshire and Greater Lincolnshire. In real terms this means a raft of different activities but the response to the pandemic curtailed a lot of the planned work normally have carried out.

In 2020-21 HETA carried out 75 separate activities versus 164 for the previous year. All activities ceased in March 2020 because of Covid-19 lockdown and this trend continued well into 2021 thus reducing the normal levels of engagement activity.

To mitigate this, more Information, Advice and Guidance (IAG) content and resources were put online and this will continue into 2022.



3 Fulfilling our charitable ethos - Getting Young People Into Work (cont.)

| 2020/21                                                                                     | 2021/22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 399 (50%) of applicants heard about HETA from their school or College                       | 497 (58%) Applicants heard about HETA from their School or College.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>School Visits</b>                                                                        | <b>School Visits</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Overall Planned: 234</b>                                                                 | <b>Overall Planned: 57</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 118 School Visits                                                                           | 21 School Visits (17 Virtual)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 9 College Visits                                                                            | 4 College (2 Virtual)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 13 Careers Fair with multiple schools attending                                             | 7 Large Events (Virtual)<br>Humber Careers - <a href="https://humbercareers.co.uk/exhibition/heta/">https://humbercareers.co.uk/exhibition/heta/</a><br>Venn Group careers fair - <a href="https://collegecareersfair.vfairs.com/">https://collegecareersfair.vfairs.com/</a><br>Humber Apprenticeship Showcase: <a href="https://humber-apprenticeship-showcase.springpod.co.uk/talks/heta/">https://humber-apprenticeship-showcase.springpod.co.uk/talks/heta/</a><br>Careers Hub Showcase - <a href="https://humbercareers.co.uk/careers-hub-showcase/">https://humbercareers.co.uk/careers-hub-showcase/</a> |
| <b>121 Appointments with Career Advisors</b>                                                | <b>121 Appointments with Career Advisors</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 13 appointments with Career Advisors                                                        | 43 appointment with Career Advisors                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Schools Visiting Centre</b>                                                              | <b>Schools Visiting Centre</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 7 Taster Days                                                                               | 11 Taster Days booked (Cancelled due to COVID – rebooking for 2021/2022)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 4 schools attended workshop tours                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Work Experience</b>                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 10 schools booked for work experience (Cancelled)                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Competitions</b>                                                                         | <b>Competitions &amp; School Sponsors</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Equality & Diversity Poster Competition                                                     | English Language & Engineering Poster Competition. Two Winners (South Axholme & ENL UTC)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Contributed to multiple schools' careers fair competitions and making HETA merch as prizes. | Sponsorships of Huntcliff Annual Newsletter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

**Health, Well Being and Personal Development for staff and learners**

As part of a more rounded approach to the future wellbeing of the younger learners, HETA self-funds and provides a programme of information, training and counselling around the issues of;

- Diet
- Alcohol
- Drugs
- Mental health Issues- we now have mental health 'First Aiders' embedded on each site
- Fitness
- Team Working
- Communication Skills
- Safeguarding and the "Prevent" (from radicalisation) strategy

Our staff are HETA-they are our greatest asset and the investment in finding, recruiting, training and retaining the best people remains a cornerstone of the business.

A number of individuals have undertaking a programme in Learning and Skills Teacher L5 Apprenticeship.

**Report of the Trustees  
for the Year Ended 31st August 2021**

**4 Volunteers/Volunteering**

HETA does not recruit volunteers as part of our core activities preferring to use establishment staff however the Board of Trustees are all volunteers.

We do encourage staff to carry out a range of unfunded 'pro bono' activities. Some staff are Governors at schools across the region.

The CEO Chairs the 'Team Humber Maritime Skills' group and sits on the main board of Group Training Associations England (GTAE).

**5 Future Developments**

**Property Strategy**

**i. Sale of Copenhagen Road**

HETA previously occupied another wholly owned site in the city. The property has been on the open market for over 2 years but we had not been able to sell the asset. The Covid lockdown did not help the situation with a lot of companies putting any investment decisions on hold. At the time of writing, the sale of this site had completed in September 2021.

**ii. Stallingborough Training Centre**

HETA operates from three sites across the Humber region - Hull, Scunthorpe and Stallingborough and it is this centre that is now the focus of the ongoing property strategy. The current Stallingborough training centre sits within the CATCH complex/campus and as such is leased.

The current lease expires in August 2022 and the decision has been taken to acquire suitable land and to implement a design and build project thus providing a wholly owned site. An extension to the existing lease is currently being finalised.

Previous annual reports will show that a similar project was undertaken in Hull in 2017-18 and this created an aspiration to achieve a similar if not better training centre that will provide high quality learning and working spaces.

**6 Fundraising**

**Broader fundraising strategy**

As a charity, our primary source of funding come from the UK Government we generate some revenue from commercial training operations

HETA has generated some very small amounts of extra funding from another charity that supports some of our learners with a training grant, we have secured funding from open sources usually via the local authority or other grant giving entities.

In 2020-21 the business was successful in securing £46k from a range of different sources to support investment in staff development, learner resources and learner support. Whilst this may not be regarded as being a large amount, these smaller more discrete pots of funding have been proved to have some useful impact on different areas of the business.

HETA will continue to be active in deploying more traditional fundraising techniques to supplement the other revenue streams. This strategy should support the ongoing investment in the business, the physical premises and the improvement of the learning environment.

## **Humberside Engineering Training Association Limited**

### **Report of the Trustees for the Year Ended 31st August 2021**

#### **7 Recruitment, Training and Induction of Trustees**

No new Trustees were recruited in 2020-21 however the company does have one vacancy for a suitably qualified and experienced individual from an accountancy/finance background who can support the Trustees and the Deputy CEO around the area of financial performance.

Current Trustee/Directors are primarily recruited from HETA 'employers' i.e. the current client base however the previous drive to increase the range of skills and experience has been maintained however it remains a challenge to recruit new candidates.

The current board has been increased and enhanced by recruiting new members from both client companies and other types of employers.

When new board members are recruited, they will be invited to participate in company induction and familiarisation. In addition, they will be informed about the Charity Commissions' Code of Conduct for Trustees.

The Chair and the two senior post holders (CEO & Deputy CEO) attend regular updates on policy changes that relate to the management of charities.

The appointed auditors and accountants will provide further information with regard to financial regulations surrounding charities.

#### **8 Key Performance Indicators**

HETA utilises a range of Key Performance Indicators (KPIs) including;

- Student Recruitment
  - Retention
  - Timely and Overall Success Rates
  - Income Generation
  - Expenditure

Targets apply to each KPI and these are set each year in conjunction with the Leadership team. Performance on these KPIs are reported periodically and monitored throughout the year. The KPI's are continually reviewed as a result we have adopted some new measures and deleted/revised some others.

#### **9 The Management of Risk**

HETA has adopted a Risk Register and the Board will receive updates on each area of risk to assess the appropriateness and robustness of the controls being deployed to mitigate risk.

#### **10 Policy on Reserves**

The charity, Humberside Engineering Training Association Ltd. (HETA) Policy on Reserves is:

The charity will aim to hold, non-committed, end of year cash reserves of not less than 50% and not more than 150% of the total annual staff and contractor employment costs. The reserves policy remains a key aspect of financial health but the Trustees continue to review this annually.

This formula will enable the directors and management of HETA adequate contingency funds to deal with significant variations of year to year business activity.

At the Balance Sheet date the unrestricted cash reserves represented 44% (2020: 48%) of the year's employment costs (including subcontract instructors and excluding HATA apprentices). The board approved the reserves dropping below the target whilst the charity sold the Copenhagen Road property.

Cash reserves were tied up in the Copenhagen Road site and had it sold within the year, the cash reserves would have increased from 44% to 77%. The property sold on 8th September 2021.

## **Humberside Engineering Training Association Limited**

### **Report of the Trustees for the year ended 31st August 2021**

#### **11 Going Concern**

As mentioned in section 2, above, the trustees have to-date managed the challenges brought about by the CV19 outbreak and, having considered their ability to cope equally well with the future operational and financial implications the CV19 outbreak could bring, concluded that it remains appropriate to continue to prepare accounts on a going concern basis.

#### **STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also the directors of Humberside Engineering Training Association Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

#### **AUDITORS**

The auditors, Smailes Goldie, will be deemed to be re-appointed under s487 of the Companies Act 2006.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 25th January 2022 and signed on the board's behalf by:

ON BEHALF OF THE BOARD



M.T.JOSLIN - TRUSTEE & CHAIR

# **Report of the Independent Auditors to the Members of Humberside Engineering Training Association Limited**

## **Opinion**

We have audited the financial statements of Humberside Engineering Training Association Limited (the 'parent charity') and its subsidiaries (together comprising the 'group') for the year ended 31st August 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheet, the Consolidated 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 group's and parent charity's affairs as at 31st August 2021, and of the group's incoming resources and application of resources, including its result, 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 group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charity'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.

# **Report of the Independent Auditors to the Members of Humberside Engineering Training Association Limited**

## **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and parent charity 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.

## **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities as set out on page 8, 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 charity'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 the parent charity 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charities Act 2011, ESFA rules, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation. An understanding of these laws and regulations and the extent of compliance was obtained through discussion with management and inspecting legal and regulatory correspondence.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, ESFA and other relevant regulators.

## **Report of the Independent Auditors to the Members of Humberside Engineering Training Association Limited**

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

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](http://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.



Stephen Bramall BSc FCA (Senior Statutory Auditor)  
for and on behalf of Smailes Goldie  
Chartered Accountants  
Statutory Auditor  
Regent's Court  
Princess Street  
Hull  
East Yorkshire  
HU2 8BA

25th January 2022

# **Humberside Engineering Training Association Limited**

## **Consolidated Statement of Financial Activities (Incorporating an Income and Expenditure Account) for the year ended 31st August 2021**

|                                    |       | 2021<br>£               | 2020<br>£               |
|------------------------------------|-------|-------------------------|-------------------------|
|                                    | Notes |                         |                         |
| <b>INCOME AND ENDOWMENTS FROM</b>  |       |                         |                         |
| <b>Donations and Legacies</b>      |       |                         |                         |
| Government Grants                  | 3     | 432                     | 12,008                  |
| <b>Charitable activities</b>       |       |                         |                         |
| Apprentice Training                | 4     | 3,972,830               | 4,011,121               |
| HNC & HND                          |       | 421,664                 | 515,893                 |
| Adult Training                     |       | 641,642                 | 610,998                 |
| Work with Schools                  |       | <u>7,560</u>            | <u>6,000</u>            |
|                                    |       | <b>5,043,696</b>        | <b>5,144,012</b>        |
| Investment income                  | 5     | 1,492                   | 3,250                   |
| Other income                       |       | <u>35,016</u>           | <u>8,076</u>            |
| <b>Total</b>                       |       | <b>5,080,636</b>        | <b>5,167,346</b>        |
| <b>EXPENDITURE ON</b>              |       |                         |                         |
| <b>Charitable activities</b>       |       |                         |                         |
| Apprentice Training                | 6     | 3,644,200               | 3,778,689               |
| HNC & HND                          |       | 452,481                 | 557,480                 |
| Adult Training                     |       | 768,791                 | 690,765                 |
| Work with Schools                  |       | <u>31,737</u>           | <u>24,793</u>           |
| <b>Total</b>                       |       | <b>4,897,209</b>        | <b>5,051,727</b>        |
| <b>NET INCOME</b>                  |       | <b>183,427</b>          | <b>115,619</b>          |
| <b>RECONCILIATION OF FUNDS</b>     |       |                         |                         |
| <b>Total funds brought forward</b> |       | <b>6,478,782</b>        | <b>6,363,163</b>        |
| <b>TOTAL FUNDS CARRIED FORWARD</b> |       | <b><u>6,662,209</u></b> | <b><u>6,478,782</u></b> |

### **CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

### **FUND ACCOUNTING**

All income and expenditure relates to unrestricted funds.

The notes form part of these financial statements



**Humberside Engineering Training Association Limited**

**Consolidated Balance Sheet  
At 31st August 2021**

|                                              | Notes | 2021<br>Unrestricted<br>funds<br>£ | 2020<br>Unrestricted<br>funds<br>£ |
|----------------------------------------------|-------|------------------------------------|------------------------------------|
| <b>FIXED ASSETS</b>                          |       |                                    |                                    |
| Tangible assets                              | 12    | <u>6,638,462</u>                   | <u>6,651,373</u>                   |
| <b>CURRENT ASSETS</b>                        |       |                                    |                                    |
| Debtors                                      | 14    | 850,568                            | 517,954                            |
| Cash at bank                                 |       | <u>1,304,530</u>                   | <u>1,421,210</u>                   |
|                                              |       | <b>2,155,098</b>                   | <b>1,939,164</b>                   |
| <b>CREDITORS</b>                             |       |                                    |                                    |
| Amounts falling due within one year          | 15    | <u>(838,409)</u>                   | <u>(638,381)</u>                   |
| <b>NET CURRENT ASSETS</b>                    |       | <u><b>1,316,689</b></u>            | <u><b>1,300,783</b></u>            |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | <b>7,955,151</b>                   | <b>7,952,156</b>                   |
| <b>CREDITORS</b>                             |       |                                    |                                    |
| Amounts falling due after more than one year | 16    | <u>(1,292,942)</u>                 | <u>(1,473,374)</u>                 |
| <b>NET ASSETS</b>                            |       | <u><u><b>6,662,209</b></u></u>     | <u><u><b>6,478,782</b></u></u>     |
| <b>FUNDS</b>                                 | 20    |                                    |                                    |
| Unrestricted funds                           |       | <u><b>6,662,209</b></u>            | <u><b>6,478,782</b></u>            |
| <b>TOTAL FUNDS</b>                           |       | <u><u><b>6,662,209</b></u></u>     | <u><u><b>6,478,782</b></u></u>     |

The financial statements were approved by the Board of Trustees on 25th January 2022 and were signed on its behalf by:



M.T. Joslin - Trustee/Director

The notes form part of these financial statements

# **Humberside Engineering Training Association Limited**

## **Company Balance Sheet** **At 31st August 2021**

|                                                  | Notes | 2021<br>Unrestricted<br>funds<br>£ | 2020<br>Unrestricted<br>funds<br>£ |
|--------------------------------------------------|-------|------------------------------------|------------------------------------|
| <b>FIXED ASSETS</b>                              |       |                                    |                                    |
| Tangible assets                                  | 12    | 6,638,462                          | 6,651,373                          |
| Investments                                      | 13    | <u>1</u>                           | <u>1</u>                           |
|                                                  |       | <b>6,638,463</b>                   | <b>6,651,374</b>                   |
| <br><b>CURRENT ASSETS</b>                        |       |                                    |                                    |
| Debtors                                          | 14    | 1,136,114                          | 859,234                            |
| Cash at bank                                     |       | <u>961,475</u>                     | <u>1,015,374</u>                   |
|                                                  |       | <b>2,097,589</b>                   | <b>1,874,608</b>                   |
| <br><b>CREDITORS</b>                             |       |                                    |                                    |
| Amounts falling due within one year              | 15    | <u>(833,264)</u>                   | <u>(635,659)</u>                   |
| <br><b>NET CURRENT ASSETS</b>                    |       | <u><b>1,264,325</b></u>            | <u><b>1,238,949</b></u>            |
| <br><b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | <b>7,902,788</b>                   | <b>7,890,323</b>                   |
| <br><b>CREDITORS</b>                             |       |                                    |                                    |
| Amounts falling due after more than one year     | 16    | <u>(1,292,942)</u>                 | <u>(1,473,374)</u>                 |
| <br><b>NET ASSETS</b>                            |       | <u><u><b>6,609,846</b></u></u>     | <u><u><b>6,416,949</b></u></u>     |
| <br><b>FUNDS</b>                                 |       |                                    |                                    |
| Unrestricted funds                               |       | <u><b>6,609,846</b></u>            | <u><b>6,416,949</b></u>            |
| <br><b>TOTAL FUNDS</b>                           |       | <u><u><b>6,609,846</b></u></u>     | <u><u><b>6,416,949</b></u></u>     |

The financial statements were approved by the Board of Trustees on 25th January 2022 and were signed on its behalf by:



M.T. Joslin - Trustee/Director

The notes form part of these financial statements

**Humberside Engineering Training Association Limited**

**Consolidated Cash Flow Statement  
for the year ended 31st August 2021**

|                                                                           | Notes | 2021<br>£                      | 2020<br>£                      |
|---------------------------------------------------------------------------|-------|--------------------------------|--------------------------------|
| <b>Cash flows from operating activities:</b>                              |       |                                |                                |
| Cash generated from operations                                            | 1     | <u>375,182</u>                 | <u>749,805</u>                 |
| <b>Net cash provided by operating activities</b>                          |       | <u>375,182</u>                 | <u>749,805</u>                 |
| <b>Cash flows from Investing activities:</b>                              |       |                                |                                |
| Purchase of tangible fixed assets                                         |       | (273,104)                      | (284,063)                      |
| Interest received                                                         |       | 1,492                          | 3,250                          |
| Interest paid                                                             |       | <u>(42,009)</u>                | <u>(39,148)</u>                |
| <b>Net cash used in investing activities</b>                              |       | <u>(313,622)</u>               | <u>(319,961)</u>               |
| <b>Cash flows from financing activities:</b>                              |       |                                |                                |
| Loan repayments in year                                                   |       | <u>(178,241)</u>               | <u>(142,080)</u>               |
| <b>Change in cash and cash equivalents in the reporting period</b>        |       | <b>(116,680)</b>               | <b>287,764</b>                 |
| <b>Cash and cash equivalents at the beginning of the reporting period</b> |       | <u><b>1,421,210</b></u>        | <u><b>1,133,446</b></u>        |
| <b>Cash and cash equivalents at the end of the reporting period</b>       |       | <u><u><b>1,304,530</b></u></u> | <u><u><b>1,421,210</b></u></u> |

The notes form part of these financial statements

# **Humberside Engineering Training Association Limited**

## **Notes to the Consolidated Cash Flow Statement for the year ended 31st August 2021**

### **1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

|                                                                                    | 2021<br>£             | 2020<br>£             |
|------------------------------------------------------------------------------------|-----------------------|-----------------------|
| Net income for the reporting period (as per the statement of financial activities) | 183,427               | 115,619               |
| Adjustments for:                                                                   |                       |                       |
| Depreciation charges                                                               | 286,538               | 275,266               |
| (Profit)/Loss on disposal of fixed assets                                          | (524)                 | 573                   |
| Interest received                                                                  | (1,492)               | (3,250)               |
| Interest paid                                                                      | 42,009                | 39,148                |
| (Increase)/decrease in debtors                                                     | (332,614)             | 529,797               |
| Increase/(decrease) in creditors                                                   | <u>197,836</u>        | <u>(207,348)</u>      |
| <b>Cash generated from operations</b>                                              | <u><b>375,182</b></u> | <u><b>749,805</b></u> |

### **2. ANALYSIS OF CHANGES IN NET DEBT**

|                                 | At 1.9.20<br>£          | Cash flow<br>£       | Other<br>non-cash<br>changes<br>£ | At 31.8.21<br>£         |
|---------------------------------|-------------------------|----------------------|-----------------------------------|-------------------------|
| <b>Cash</b>                     |                         |                      |                                   |                         |
| Cash at bank                    | <u>1,421,210</u>        | <u>(116,680)</u>     |                                   | <u>1,304,530</u>        |
|                                 | <u>1,421,210</u>        | <u>(116,680)</u>     |                                   | <u>1,304,530</u>        |
| <b>Debt</b>                     |                         |                      |                                   |                         |
| Debts falling due within 1 year | (178,240)               |                      | (2,192)                           | (180,432)               |
| Debts falling due after 1 year  | <u>(1,473,374)</u>      | <u>178,240</u>       | <u>2,192</u>                      | <u>(1,292,942)</u>      |
|                                 | <u>(1,651,614)</u>      | <u>178,240</u>       | <u>-</u>                          | <u>(1,473,374)</u>      |
| <b>Net debt</b>                 | <u><b>(230,404)</b></u> | <u><b>61,560</b></u> | <u><b>-</b></u>                   | <u><b>(168,844)</b></u> |

## **Humberside Engineering Training Association Limited**

### **Notes to the Consolidated Financial Statements for the year ended 31st August 2021**

#### **1. COMPANY INFORMATION**

Humberside Engineering Training Association Limited is a private company limited by guarantee incorporated in the United Kingdom (England & Wales). In the event of the charity being wound up, the liability in respect of the guarantee is limited to £20 per member of the charity. There are currently 9 members on the membership roll (2020: 31). The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are fully detailed in the Report of the Trustees.

#### **2. GROUP AND CHARITY ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

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

##### **Basis of consolidation**

The group financial statements consolidate the financial statements of the charity and its subsidiary undertaking, Humber Apprentice Training Agency Limited, at 31st August 2021 using acquisition accounting.

##### **Going Concern**

The trustees have considered the operational and financial implications of the restrictions imposed to deal with the CV19 outbreak and, having prepared financial forecasts covering a range of scenarios, conclude that it remains appropriate to continue to prepare accounts on a going concern basis.

##### **Income**

###### **Incoming resources from charitable activities**

Incoming resources from charitable activities excludes value added tax. Where incoming resources are dependent upon the Charity delivering a service, the income is not recognised until the service is delivered.

##### **Donations**

Donations and gifts are included in full in the Statement of Financial Activities when receivable.

##### **Grants**

Grants and allowances receivable are accounted for as income in the year in which entitlement arises.

##### **Gifts**

Gifts in kind are valued by reference to the equivalent commercial cost of acquiring such assets or services.

##### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under 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 resources.

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31st August 2021**

**2. ACCOUNTING POLICIES - continued**

**Allocation and apportionment of costs**

Expenses directly associated with the delivery of training are charged as direct charitable expenses and split between those relating to unrestricted and those relating to restricted funds.

Depreciation is split between restricted and unrestricted funds by reference to the charge arising on each specific asset.

Employees are categorised as either directly involved in training or administration and related costs apportioned accordingly.

Staff time spent delivering projects which are subject to restricted funding is recharged from unrestricted funds at agreed hourly rates.

Direct costs not capable of being attributed to any individual class of activity are apportioned according to the relative income of each activity.

Support costs are apportioned according to the amount of direct cost associated with each class of activity.

Governance costs reflect the strategic and compliance costs of the charity including an allowance for the Chief Executive's time spent on such matters.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

|                     |                          |
|---------------------|--------------------------|
| Land                | - not depreciated        |
| Buildings           | - 2% on cost             |
| Building services   | - between 5 and 10 years |
| Plant and machinery | - between 5 and 10 years |

**Taxation**

As a registered charity, the company is generally exempt from Corporation Tax, but not from VAT. The company accounts for VAT in accordance with the regulations relevant to the nature of the supplies which it makes. Any irrecoverable VAT is shown separately as an expense.

**Fund accounting**

Incoming resources for services where, upon full performance of the service, any surplus can be retained and used for general purposes are classified as unrestricted, whereas if any surplus is retrievable by the donor then the resources are classified as restricted.

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

**Investments**

Investments in subsidiaries are measured at cost less impairment.

**Leases**

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

**3. GOVERNMENT GRANTS**

In the current year the group received £432 (2020: £12,008) from the Government in respect of job retention scheme grants. The grants related to apprentices employed by Humber Apprentice Training Agency Limited, where the sponsoring employer had placed the apprentice on furlough.

**Humberside Engineering Training Association Limited**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31st August 2021**

**4. INCOME FROM CHARITABLE ACTIVITIES**

|                 | <b>Activity</b>     | <b>2021<br/>£</b>       | <b>2020<br/>£</b>       |
|-----------------|---------------------|-------------------------|-------------------------|
| Apprentice fees | Apprentice Training | 663,175                 | 776,225                 |
| ESFA funding    | Apprentice Training | 3,309,655               | 3,234,896               |
| ESFA funding    | HNC & HND           | 59,000                  | 102,200                 |
| HNC income      | HNC & HND           | 362,664                 | 413,693                 |
| Adult training  | Adult Training      | 597,577                 | 570,972                 |
| Passport        | Adult Training      | 44,065                  | 40,026                  |
| Get set project | Work with Schools   | 7,560                   | 6,000                   |
|                 |                     | <b><u>5,043,696</u></b> | <b><u>5,144,012</u></b> |

**5. INVESTMENT INCOME**

|                          | <b>2021<br/>£</b>   | <b>2020<br/>£</b>   |
|--------------------------|---------------------|---------------------|
| Deposit account interest | <b><u>1,492</u></b> | <b><u>3,250</u></b> |

**6. CHARITABLE ACTIVITIES COSTS**

|                     | <b>Direct costs</b>     | <b>Support costs<br/>(See note 7)</b> | <b>2021<br/>Totals</b>  | <b>2020<br/>Totals</b>  |
|---------------------|-------------------------|---------------------------------------|-------------------------|-------------------------|
|                     | <b>£</b>                | <b>£</b>                              | <b>£</b>                | <b>£</b>                |
| Apprentice Training | 2,603,458               | 1,040,742                             | 3,644,200               | 3,778,689               |
| HNC & HND           | 302,778                 | 149,703                               | 452,481                 | 557,480                 |
| Adult Training      | 514,438                 | 254,353                               | 768,791                 | 690,765                 |
| Work with Schools   | <u>21,237</u>           | <u>10,500</u>                         | <b><u>31,737</u></b>    | <b><u>24,793</u></b>    |
|                     | <b><u>3,441,911</u></b> | <b><u>1,455,298</u></b>               | <b><u>4,897,209</u></b> | <b><u>5,051,727</u></b> |

**7. SUPPORT COSTS**

|                     | <b>Management</b>     | <b>Finance</b>        | <b>Human resources</b> |
|---------------------|-----------------------|-----------------------|------------------------|
|                     | <b>£</b>              | <b>£</b>              | <b>£</b>               |
| Apprentice Training | 124,914               | 141,893               | 500,898                |
| HNC & HND           | 17,968                | 20,410                | 72,051                 |
| Adult Training      | 30,529                | 34,678                | 122,417                |
| Work with Schools   | <u>1,260</u>          | <u>1,431</u>          | <u>5,054</u>           |
|                     | <b><u>174,671</u></b> | <b><u>198,412</u></b> | <b><u>700,420</u></b>  |

|                     | <b>Other</b>          | <b>Governance costs</b> | <b>2021<br/>Totals</b>  | <b>2020<br/>Totals</b>  |
|---------------------|-----------------------|-------------------------|-------------------------|-------------------------|
|                     | <b>£</b>              | <b>£</b>                | <b>£</b>                | <b>£</b>                |
| Apprentice Training | 230,839               | 42,198                  | 1,040,742               | 1,080,280               |
| HNC & HND           | 33,204                | 6,070                   | 149,703                 | 188,201                 |
| Adult Training      | 56,416                | 10,313                  | 254,353                 | 233,196                 |
| Work with Schools   | <u>2,329</u>          | <u>426</u>              | <b><u>10,500</u></b>    | <b><u>8,370</u></b>     |
|                     | <b><u>322,788</u></b> | <b><u>59,007</u></b>    | <b><u>1,455,298</u></b> | <b><u>1,510,047</u></b> |

# **Humberside Engineering Training Association Limited**

## **Notes to the Consolidated Financial Statements - continued for the year ended 31st August 2021**

### **8. NET INCOME**

Net income is stated after charging:

|                             | 2021           | 2020           |
|-----------------------------|----------------|----------------|
|                             | £              | £              |
| Auditors' remuneration      | 9,490          | 9,488          |
| Depreciation - owned assets | 286,538        | 275,266        |
| Operating lease rentals     | <u>130,000</u> | <u>130,000</u> |

### **9. TRUSTEES' REMUNERATION AND BENEFITS**

No trustee received any remuneration during the year (2020: £Nil).

#### **Trustees' expenses**

Travel and subsistence expenses totalling £112 were paid to one trustee during the year (2020: Nil).

### **10. STAFF COSTS**

|                       | 2021                    | 2020                    |
|-----------------------|-------------------------|-------------------------|
|                       | £                       | £                       |
| Wages and salaries    | 2,881,489               | 2,965,519               |
| Social security costs | 210,788                 | 234,506                 |
| Other pension costs   | <u>350,869</u>          | <u>324,145</u>          |
|                       | <u><b>3,443,146</b></u> | <u><b>3,524,170</b></u> |

The average monthly number of FTE employees during the year was as follows:

|                      | 2021              | 2020              |
|----------------------|-------------------|-------------------|
| Management           | 5                 | 4                 |
| Administration       | 15                | 16                |
| Training and support | 52                | 54                |
| Apprentices-HATA     | <u>32</u>         | <u>40</u>         |
|                      | <u><b>104</b></u> | <u><b>114</b></u> |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

|                   | 2021     | 2020     |
|-------------------|----------|----------|
| £60,001 - £70,000 | -        | 2        |
| £70,001 - £80,000 | 1        | -        |
| £80,001 - £90,000 | <u>1</u> | <u>-</u> |

### **11. NET INCOMING RESOURCES OF PARENT COMPANY**

As permitted by paragraph 397 of the SORP, the Statement of Financial Activities of the parent charity is not presented in these financial statements. The parent's net incoming resources for the year ended 31st August 2021 totalled £192,897 (2020: £128,472).



# **Humberside Engineering Training Association Limited**

**Notes to the Consolidated Financial Statements - continued**  
for the year ended 31st August 2021

## **12. TANGIBLE FIXED ASSETS**

| Group and Charity      | Land and Buildings<br>£ | Plant and machinery<br>£ | Totals<br>£             |
|------------------------|-------------------------|--------------------------|-------------------------|
| <b>COST</b>            |                         |                          |                         |
| At 1st September 2020  | 6,859,058               | 2,010,615                | <b>8,869,673</b>        |
| Additions              | 9,918                   | 263,186                  | <b>273,104</b>          |
| Disposals              | -                       | (22,711)                 | <b>(22,711)</b>         |
| At 31st August 2021    | <u>6,868,976</u>        | <u>2,251,090</u>         | <u><b>9,120,066</b></u> |
| <b>DEPRECIATION</b>    |                         |                          |                         |
| At 1st September 2020  | 1,089,315               | 1,128,985                | <b>2,218,300</b>        |
| Charge for year        | 122,500                 | 164,038                  | <b>286,538</b>          |
| Eliminated on disposal | -                       | (23,234)                 | <b>(23,234)</b>         |
| At 31st August 2021    | <u>1,211,815</u>        | <u>1,269,789</u>         | <u><b>2,481,604</b></u> |
| <b>NET BOOK VALUE</b>  |                         |                          |                         |
| At 31st August 2021    | <u><b>5,657,161</b></u> | <u><b>981,301</b></u>    | <u><b>6,638,462</b></u> |
| At 31st August 2020    | <u>5,769,743</u>        | <u>881,630</u>           | <u>6,651,373</u>        |

Shortly after the year end the charity sold a property that was surplus to requirements for its book value of £950,000.

## **13. FIXED ASSET INVESTMENTS**

| Charity                                    | Shares in group undertakings<br>£ |
|--------------------------------------------|-----------------------------------|
| <b>COST</b>                                |                                   |
| At 1st September 2020 and 31st August 2021 | <u>1</u>                          |
| <b>NET BOOK VALUE</b>                      |                                   |
| At 31st August 2021                        | <u><u>1</u></u>                   |
| At 31st August 2020                        | <u><u>1</u></u>                   |

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

### **Humber Apprentice Training Agency Limited (10234302)**

Registered office: United Kingdom

Nature of business: Training

This investment represents 100% of the voting equity instruments of the subsidiary.

## **14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                    | Group                 |                | Charity                 |                |
|------------------------------------|-----------------------|----------------|-------------------------|----------------|
|                                    | 2021<br>£             | 2020<br>£      | 2021<br>£               | 2020<br>£      |
| Trade debtors                      | 615,173               | 418,295        | 597,334                 | 412,970        |
| Amounts owed by group undertakings | -                     | -              | 303,385                 | 346,605        |
| Prepayments                        | <u>235,395</u>        | <u>99,659</u>  | <u>235,395</u>          | <u>99,659</u>  |
|                                    | <u><b>850,568</b></u> | <u>517,954</u> | <u><b>1,136,114</b></u> | <u>859,234</u> |

Notes to the Consolidated Financial Statements - continued  
for the year ended 31st August 2021

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                                         | Group          |                | Charity        |                |
|-----------------------------------------|----------------|----------------|----------------|----------------|
|                                         | 2021<br>£      | 2020<br>£      | 2021<br>£      | 2020<br>£      |
| Bank loans and overdrafts (see note 17) | 180,432        | 178,240        | 180,432        | 178,240        |
| Trade creditors                         | 372,000        | 177,689        | 371,940        | 177,689        |
| Amounts owed to group undertakings      | -              | -              | 1              | 1              |
| Social security and other taxes         | 113,350        | 114,856        | 108,264        | 112,133        |
| Accrued expenses                        | 172,627        | 167,596        | 172,627        | 167,596        |
|                                         | <u>838,409</u> | <u>638,381</u> | <u>833,264</u> | <u>635,659</u> |

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Group and Charity

|                          | 2021<br>£        | 2020<br>£        |
|--------------------------|------------------|------------------|
| Bank loans (see note 17) | <u>1,292,942</u> | <u>1,473,374</u> |

17. BANK LOANS

An analysis of the maturity of loans is given below:

Group and Charity

|                                                | 2021<br>£        | 2020<br>£        |
|------------------------------------------------|------------------|------------------|
| Amounts falling due within one year on demand  | 180,432          | 178,240          |
| Amounts falling due between two and five years | 623,313          | 692,446          |
| Amounts falling due in more than five years    | 669,629          | 780,928          |
|                                                | <u>1,473,374</u> | <u>1,651,614</u> |

The loans are repayable by monthly instalments over ten years and fifteen years respectively.

The first loan commenced in August 2014. Interest is charged at 3.00% over bank base rate and charged directly to expenses, as incurred. The capital repayments are fixed at £6,028 per month.

The second loan commenced in June 2017. Interest is charged at 1.95% over bank base rate and charged directly to expenses, as incurred.

18. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

Group and Charity

|                       | 2021<br>£      | 2020<br>£      |
|-----------------------|----------------|----------------|
| Less than one year    | 130,000        | 130,000        |
| Between 2 and 5 years | -              | 130,000        |
|                       | <u>130,000</u> | <u>260,000</u> |

Leases are negotiated over various terms to suit the requirements at that time. Break clauses are included wherever appropriate and the above liability has been calculated from the balance sheet date to either the end of the lease or the first break clause, whichever is the earlier.

# **Humberside Engineering Training Association Limited**

## **Notes to the Consolidated Financial Statements - continued for the year ended 31st August 2021**

### **19. SECURED DEBTS**

The following secured debts are included within creditors:

#### **Group and charity**

|            | 2021<br>£        | 2020<br>£        |
|------------|------------------|------------------|
| Bank loans | <u>1,473,374</u> | <u>1,651,614</u> |

The loans are secured by charges over the charity's freehold land and buildings.

### **20. MOVEMENT IN FUNDS**

|                           | At 1.9.20<br>£   | Net<br>movement in<br>funds<br>£ | Transfers<br>between<br>funds<br>£ | At 31.8.21<br>£  |
|---------------------------|------------------|----------------------------------|------------------------------------|------------------|
| <b>Unrestricted funds</b> |                  |                                  |                                    |                  |
| General fund              | 6,478,782        | 183,427                          | -                                  | 6,662,209        |
| <b>TOTAL FUNDS</b>        | <u>6,478,782</u> | <u>183,427</u>                   | <u>-</u>                           | <u>6,662,209</u> |

Net movement in funds, included in the above are as follows:

|                           | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Movement<br>in funds<br>£ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| <b>Unrestricted funds</b> |                            |                            |                           |
| General fund              | <u>5,080,636</u>           | <u>4,897,209</u>           | <u>183,427</u>            |
| <b>TOTAL FUNDS</b>        | <u>5,080,636</u>           | <u>4,897,209</u>           | <u>183,427</u>            |

The General Fund represents accumulated reserves freely available to support the objects of the charity.

On transition to FRS 102 the company claimed relief to use the previous GAAP revaluation as deemed cost for fixed assets previously revalued. Accordingly, the revaluation reserve has now been amalgamated with general funds.

### **21. PENSION COMMITMENTS**

The company operates a group personal pension scheme. The assets of the scheme are held by independent managers. Contributions into the scheme during the year amounted to £329,166 (2020: £300,803). There were no amounts prepaid at the balance sheet date (2020: £Nil). Contributions outstanding at the balance sheet date totalled £28,273 (2020: £26,769).

### **22. CONTINGENT LIABILITIES**

During the 2017/18 year the charity received £1,300,000 from the Humber Local Enterprise Partnership in respect of the investment in the new training centre in Hull. Under the terms of the grant a proportion of the grant is repayable in the event of a disposal or a change of use of the premises. The proportion reduces each year until it ceases on 1st January 2023.

## **Humberside Engineering Training Association Limited**

### **Notes to the Consolidated Financial Statements - continued for the year ended 31st August 2021**

#### **23. RELATED PARTY DISCLOSURES**

Debtor and creditor balances with the charity's subsidiary company are shown in notes 14 and 15. All balances are interest free and repayable on demand.

During the year key management personnel compensation of £334,568 (2020: £286,598) was paid.

There are no further related party transactions that require to be disclosed.

#### **24. INDEMNITY INSURANCE**

The company's insurance premiums include indemnity insurance to protect both the Charity and the Trustees.

**HUMBERSIDE ENGINEERING TRAINING ASSOCIATION LIMITED**

England & Wales - Charity number 508775

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# Accounts

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**Smailes Goldie Group**  
CREATING ADVANTAGE

**REGISTERED COMPANY NUMBER: 01007353 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 508775**

# **Humberside Engineering Training Association Limited**

## **Consolidated Financial Statements**

**31st August 2020**



**Humberside Engineering Training Association Limited**

**Contents of the Consolidated Financial Statements  
for the year ended 31st August 2020**

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## Humberside Engineering Training Association Limited

### Report of the Trustees for the Year Ended 31st August 2020

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 group for the year ended 31st August 2020, which are also prepared to meet the requirements for a directors' report and financial statements for Companies Act purposes. 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 2019).

#### LEGAL AND ADMINISTRATIVE INFORMATION

|                                           |                                                                                                                                                                                                                                                                    |                                                                     |                        |
|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|------------------------|
| <b>Name:</b>                              | Humberside Engineering Training Association Limited                                                                                                                                                                                                                |                                                                     |                        |
| <b>Charitable Objectives:</b>             | To advance the theoretical and practical education and training of persons engaged or intending to be engaged in the engineering industry.                                                                                                                         |                                                                     |                        |
| <b>Company Number:</b>                    | 01007353                                                                                                                                                                                                                                                           |                                                                     |                        |
| <b>Constitution:</b>                      | The Company is limited by guarantee. It was incorporated on 7 <sup>th</sup> April 1971 under the Companies Acts 1948 to 1967 and is governed by its Memorandum and Articles of Association as amended September 1980 and April, 1995.                              |                                                                     |                        |
| <b>Trustees (who are also directors):</b> | The directors who held office during the year, and up to the date of this report are:-                                                                                                                                                                             |                                                                     |                        |
|                                           | M.T. Joslin (Chair)                                                                                                                                                                                                                                                | A.J. Hepton                                                         | – Resigned 13/11/2020  |
|                                           | R.M. Swain                                                                                                                                                                                                                                                         | L. Maloigne                                                         |                        |
|                                           | I.C. Palmer                                                                                                                                                                                                                                                        | E.J. Greenfield                                                     | – Appointed 13/07/2020 |
|                                           | R.B.C. Ripley – Resigned 28/08/2020                                                                                                                                                                                                                                | D.J. Oliver                                                         | – Appointed 13/07/2020 |
|                                           | D.P. Sowden                                                                                                                                                                                                                                                        | M.T. Daubney                                                        | – Appointed 28/08/2020 |
|                                           | T. Mottershead                                                                                                                                                                                                                                                     |                                                                     |                        |
| <b>Appointment of Trustees:</b>           | A person who is not a member or the duly appointed representative of a member of the Association shall not be eligible to hold office as a member of the Board. Persons meeting the criteria above are nominated by the directors and appointed at board meetings. |                                                                     |                        |
| <b>Chief Executive:</b>                   | I. Elliott                                                                                                                                                                                                                                                         |                                                                     |                        |
| <b>Registered Office:</b>                 | 27-31 Dansom Lane<br>Hull<br>HU8 7LA                                                                                                                                                                                                                               |                                                                     |                        |
| <b>Registered Charity Number:</b>         | 508775                                                                                                                                                                                                                                                             |                                                                     |                        |
| <b>Auditors:</b>                          | Smailes Goldie<br>Chartered Accountants<br>Statutory Auditor<br>Regent's Court<br>Princess Street<br>Hull<br>East Yorkshire<br>HU2 8BA                                                                                                                             |                                                                     |                        |
| <b>Bankers:</b>                           | HSBC<br>Merit House<br>Priory Park West<br>Hessle<br>Hull<br>HU13 9PB                                                                                                                                                                                              | Santander<br>2 Humber Quays<br>Wellington Street<br>Hull<br>HU1 2BN |                        |
| <b>Solicitors:</b>                        | Bridge McFarland<br>1 Marina Court<br>Hull<br>HU1 2AZ                                                                                                                                                                                                              |                                                                     |                        |

Enquiries about the Charity should be addressed to the Chief Executive at the Registered Office.

## Humberside Engineering Training Association Limited

### Report of the Trustees for the Year Ended 31st August 2020

#### Investment Powers:

The income and property of the Association shall be applied solely towards the promotion of the objects of the Association.

#### Organisational Structure:

The business of HETA is managed by the Directors (Trustees) with day to day responsibility delegated to the Chief Executive who is appointed by the Board.

The Board met five times during the year with one meeting date cancelled due to the COVID-19 situation. The three meetings that were held prior to the first national lockdown took place at our Dansom Lane site. The two meetings subsequent to the cancelled meeting were conducted over video conferencing so as to comply with social distancing rules.

#### Confirmations:

The Board confirms that it considers the financial statements compliant with statutory requirements, the Memorandum and Articles of Association and SORP: Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard 102 (effective January 2019).

The Board also confirms that it has complied with the duty in section 17(5) of the Charities Act 2011 with regard to following guidance published by the Charity Commission.

#### HETA will be guided and follow the following 5 strategic aims:

- To maintain the work required to be an Ofsted graded provider rated Good or Good with Outstanding features.
- To be the engineering training “*Provider of Choice*” across the Humber region and establish and develop HETA locations in the Humber that give access to employers and learners thus delivering the best training and educational experience possible
- To reduce our reliance of public funding in the pursuit of commercial income whilst maximising existing ESFA contract values
- To be an “*Employer of Choice*” and to create a positive working environment that generates, encourages and promotes equality of opportunity for all staff and that is creative and entrepreneurial that will enable the business to grow.
- To monitor expansion opportunities beyond the Humber region to establish new training facilities and deliver training to employers

#### Review of Activities at HETA for the year 2019-20

##### 1 Summary of Activities

HETA has continued to deliver a significant number of training and education programmes to our different client groups that have generated income to support the continued growth of the charity. These include;

- Advanced Apprenticeships to both 16-18 and 19+ learners - **£3,529K**
- Traineeships for unsponsored learners - **£482K**
- HE programmes - **£516K**
- Adult upskilling courses for those already operating in the labour market - **£611K**
- Other income streams - **£29K**

#### Overall income year on year is;

£5,167K 2019-20 against £5,361K 2018-19

In delivering these various activities, the company has generated an operating surplus of **£116K**. This surplus allows for continued investment in the current and future activities of the Charity; **Investment in new assets for the year was £284K.**

#### The HETA Business Plan

This key document is now into the third edition which spans 2020-2023. With input from the wider management team and the Chair, it has been revised and re-written to reflect the next stages of growth and development at HETA for the next three financial years. This document is a living document and will continue to be revised as market conditions change and opportunities arise. To support this top-level plan, each department within HETA has written an operational “Implementation Plan”-this focuses on the detail changes and improvements to the business.



## **Humberside Engineering Training Association Limited**

### **Report of the Trustees for the Year Ended 31st August 2020**

#### **1 Summary of Activities (continued)**

The **Self-Assessment Report (SAR)** is the other key documents that allows external agencies to judge the effectiveness of HETA and this has been published on the Ofsted portal. At the time of writing, HETA is self-grading as a Grade Two (Good) provider.

The senior (strategic) leadership team consists of;

- **Chief Executive**
- **Deputy Chief Executive**
- **Human Resources Manager**
- **Operations Manager**
- **Head of Sales and Marketing**

In turn they are supported by;

- **Health and Safety Manager**
- **2 x Centre Managers**
- **Curriculum Manager Higher Education**
- **IT Support Manager**
- **Administration Manager**
- **Teaching and Learning Improvement Manager**

#### **2 Significant Developments**

##### **The HETA Response to the COVID-19 Situation**

Undoubtedly one of the greatest challenges for HETA during the last 53 years of trading. In line with the directives issued by the UK Government, all staff and learners were deployed out from the training centres to home/remote working on March 24th March returning on June 15th 2020.

The immediate priorities were to ensure staff were able to work safely and that our learner cohorts could continue to engage in learning activities. The overarching desire was to keep all the staff employed and to avoid using the Government's furlough scheme.

Commercial training ceased and the impact of this has been calculated as a reduction of income in the region of £300k. Prior to lockdown, our forward visibility for commercial income was very positive.

Leading up to 2020, the company had made significant investments in the IT infrastructure with particular emphasis on the roll-out of Microsoft Office 365.

This forward investment proved to be invaluable and provided staff with a range of applications to improve communications, connectivity and functionality.

Online learning became the 'new norm' with a requirement to deliver the best learning experience possible, to keep learners engaged and to ensure that the company met the funding compliance obligations laid down by the Education and Skills Funding Agency.

The wider instructor team responded well to the new delivery model utilising existing digital resources and creating new digital learning materials.

Whilst no employer would have welcomed the challenges presented by the COVID-19 situation, looking back, HETA achieved the core aims and was able to demonstrate innovative ways of working, better internal and external communications and avoided any need for redundancy or the need to furlough staff.

The COVID-19 crisis has clearly impacted on our client group and whilst most manufacturing continued throughout lockdown, the process for taking on apprentices has been much slower with employers deferring their recruitment decisions.

Report of the Trustees  
for the Year Ended 31st August 2020

3 Achievements during the Year

Young People into Work

HETA is a training provider and a Job Broker. In 2019-20, the company can evidence a significant achievement in the number of young people who were able to secure employment through the brokerage side of the business.

Data shows the following:

78 Employed Starts-these are young people who were in paid employment from September 2019 onwards and using a basic methodology\* based on an average salary (Year 1-3) per learner of £29,952, it has been estimated that this was worth approx. £2.3M

HETA uses the Government's Traineeship programme to widen participation and to ensure small to medium employers can access suitable Apprenticeship candidates without having to commit to paying a whole year of off the job wages.

HETA staff were able to place 53 Traineeships into employment and with an average salary (Year 2&3) per learner of £21,380 it is estimated that this was worth approx £1.5M

In total we secured 131 jobs last year with an expected wage bill of £3.45M. This is a conservative estimate as some Traineeships secured employment in their 1<sup>st</sup> year however this has not been taken into account.

\*All wages are based on the "National Minimum Wage" as published on the [www.gov.uk](http://www.gov.uk) website.

4 Fulfilling our Charitable Ethos

Traineeships

The Traineeship programme is a government initiative. It is designed to act as a pathway into employment, an apprenticeship or further learning. The entry criteria and delivery requirements are flexible.

HETA is now into the seventh year of delivering on this programme and has adopted a model that is regarded as being exemplary practice which sees young people being exposed to both trade and employability skills with progression into a job (please see section above re: job placement).

**\*The company receives a funding amount that is now one fifth (previously one third) of the core funding for an Advanced Apprenticeship.** We purposely deliver a ***much-enhanced*** learning experience that is not covered by the funding allocation.

In short, HETA over delivers in order to maximise employment opportunities for young people and to ensure that employers have access to a talent pipeline.

Outward Bound

Once again, we have continued to invest in a programme that focuses on the behavioural aspects of the apprentice programme.

The majority of learners at HETA benefit from attending a residential outward-bound programme in North Yorkshire.

This programme is very much unique to HETA and arguably there are few providers across the UK that offer such an enhancement to the core learning experience.

By its very nature it is expensive to run and is partially funded within the ESFA allocation (behaviours) but requires additional investment in cash and time from HETA staff however the benefits outweigh the costs.

This consists of a range of activities and is the first opportunity for learners to come together and start to form the principles of team working and communication skills- in some cases this may be the first time some learners have been away from home.

Originally the programme was only open to those fully sponsored apprentices and was paid for by their host employer-now HETA covers the cost of this for the non-sponsored learners to ensure that we achieve some real **equality of opportunity**.



Report of the Trustees  
for the Year Ended 31st August 2020

4 Fulfilling our Charitable Ethos (continued)

**Welfare for Learners**

HETA seeks to deliver the best possible learning experience for young people however our aim is to support our learners in a more holistic manner. This includes support and education around physical and mental health. In some cases, we provide financial support to buy uniform, we manage the travel allowances for Traineeships.

In 2019, we secured an amount of extra funding from another local charity to provide a small group of Traineeships with a Training Allowance-to intents and purposes, this was a substitute wage that in some cases provided valuable financial support to the household income.

**Schools Engagement**

**HETA continues to provide a range of unfunded activities to schools.**

Information, Advice and Guidance (IAG) to young people; we attend school events across the region and beyond going out to South Yorkshire and Greater Lincolnshire. We provide Taster Days where school children can come into the workshops to gain experience of what engineering can offer them as career.

In 2019-20 we carried out 180 separate activities versus 221 for the previous year. All activities ceased in March because of Covid-19 lockdown and at the time of writing we are not seeing the levels of engagement that would be normally expected.

To mitigate this, more Information, Advice and Guidance (IAG) content and resources are being put online.

| <b>Schools Activities 2018-2019</b>                                                                                                                          | <b>Schools Activities 2019-2020</b><br><i>Activities ended March 2020 due to Covid-19</i>   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| <b><i>School Visits</i></b>                                                                                                                                  | <b><i>School Visits</i></b>                                                                 |
| 140 School Visits                                                                                                                                            | 124 School Visits                                                                           |
| 8 College Visits                                                                                                                                             | 9 College Visits                                                                            |
| 16 Careers Fair with multiple schools attending                                                                                                              | 13 Careers Fair with multiple schools attending                                             |
| <b><i>121 Appointments with Career Advisors</i></b>                                                                                                          | <b><i>121 Appointments with Career Advisors</i></b>                                         |
| 6 appointments                                                                                                                                               | 13 appointments with Career Advisors                                                        |
| <b><i>Schools Visiting Centre</i></b>                                                                                                                        | <b><i>Schools Visiting Centre</i></b>                                                       |
| 16 Taster Days                                                                                                                                               | 7 Taster Days                                                                               |
| 6 schools attended workshop tours                                                                                                                            | 4 schools attended workshop tours                                                           |
| <b><i>Work Experience</i></b>                                                                                                                                | <b><i>Work Experience</i></b>                                                               |
| 7 Schools attended work experience                                                                                                                           | 10 schools booked for work experience (Cancelled)                                           |
| <b><i>Competitions</i></b>                                                                                                                                   | <b><i>Competitions</i></b>                                                                  |
| Marine Apprenticeship essay competition, open for all schools. In partnership with Delta Academies and North Atlantic. Prize A 5-day trip on board Tall Ship | Equality & Diversity Poster Competition                                                     |
| FIE engineering competition open for all schools to enter.                                                                                                   | Contributed to multiple schools' careers fair competitions and making HETA merch as prizes. |

**Health, Well Being and Personal Development for staff and learners**

As part of a more rounded approach to the future wellbeing of the younger learners, HETA self-funds and provides a programme of information, training and counselling around the issues of;

- Diet
- Alcohol
- Drugs
- Mental health issues- we now have mental health 'First Aiders' embedded on each site
- Fitness
- Team Working
- Communication Skills
- Safeguarding and the "Prevent" (from radicalisation) strategy

**Report of the Trustees  
for the Year Ended 31st August 2020**

**4 Fulfilling our Charitable Ethos (continued)**

Our staff are HETA-they are our greatest asset and the investment in finding, recruiting, training and retaining the best people remains a cornerstone of the business.

A number of individuals have undertaken a programme in Learning and Skills Teacher L5 Apprenticeship.

**5 Volunteers/Volunteering**

HETA does not recruit volunteers as part of our core activities preferring to use establishment staff however the Board of Trustees are all volunteers.

We do encourage staff to carry out a range of unfunded 'pro bono' activities. Some staff are Governors at schools across the region.

The CEO Chairs the 'Team Humber Maritime Skills' group and sits on the main board of Group Training Associations England (GTAE).

**6 Future Developments**

**Sale of Copenhagen Road**

HETA previously occupied another wholly owned site in the city. The property has been on the open market for over 2 years, however a confirmed sale has been delayed. This can be attributed to the previous and ongoing uncertainty in the market amongst companies who have the resources to make capital investments but may be holding off until we have moved beyond both Brexit and the Covid-19 situation. At the time of writing, with two interested parties, we are more hopeful of a positive outcome in 2021.

**Our response to the control measures introduced as a result of the COVID-19 outbreak**

HETA entered the first lockdown in March 2020 operating under national restrictions. All staff were deployed to remote/home working and delivery to our learners became exclusively online. Subsequent lockdown periods have utilised an online/blended learning approach which means that throughout the entire Covid situation, HETA has been able to continue to deliver learning in line with our contractual obligations and as such has maintained the funding income streams and remains a going concern.

Given that HETA is still receiving government funding from the ESFA, it would have been inappropriate to utilise other job retention schemes/funding that were available for our own staff. Claims have been made in respect of certain apprentices which are employed by our subsidiary company, Humber Apprentice Training Agency Limited, on the request of their sponsoring employer.

Commercial training was suspended, and this has resulted in a reduction in income for the financial year 2019-20.

Future projections for 2020-21 are significantly improved with the company forecasting a surplus position.

**7 Fundraising**

**Broader fundraising strategy**

As a charity, our primary source of funding come from the UK Government we generate some revenue from commercial training operations

HETA has generated some very small amounts of extra funding from another charity that supports some of our learners with a training grant, we have secured funding from open sources usually via the local authority.

HETA will continue to be active in deploying more traditional fundraising techniques to supplement the other revenue streams. This strategy should support the ongoing investment in the business, the physical premises and the improvement of the learning environment.

In 2019-20, the business was successful in securing £23k from a range of different sources to support investment in staff development, IT resources and learner training allowances. Whilst this may not be regarded as being a large amount, these smaller more discrete pots of funding have been proved to have some useful impact on different areas of the business.



**Report of the Trustees  
for the Year Ended 31st August 2020**

**8 Recruitment, Training and Induction of Trustees**

Three new Trustees were recruited in 2019-20

Current Trustee/Directors are primarily recruited from HETA 'employers' i.e. the current client base however the previous drive to increase the range of skills and experience has been maintained however it remains a challenge to recruit new candidates.

The current board has been increased and enhanced by recruiting new members from both client companies and other types of employers.

When new members are recruited, they will be invited to participate in company induction and familiarisation. In addition, they will be informed about the Charity Commissions' Code of Conduct for Trustees.

The Chair and the two senior post holders attend regular updates on policy changes that relate to the management of charities.

The appointed auditors and accountants will provide further information with regard to financial regulations surrounding charities.

**9 Key Performance Indicators**

HETA utilises a range of Key Performance Indicators including;

- Student Recruitment
- Retention
- Timely and Overall Success Rates
- Income Generation
- Expenditure

Targets apply to each KPI and these are set each year in conjunction with the Leadership team. Performance on these KPI's are reported periodically and monitored throughout the year.

The KPI's were reviewed in 2019-20 and as a result we have adopted some new measures and deleted/revised some others.

**10 The Management of Risk**

HETA has adopted a Risk Register and the Board will receive updates on each area of risk to assess the appropriateness and robustness of the controls being deployed to mitigate risk.

**11 Policy on Reserves**

The charity, Humberside Engineering Training Association Ltd. (HETA) Policy on Reserves is:

The charity will aim to hold, non-committed, end of year cash reserves of not less than 50% and not more than 150% of the total annual staff and contractor employment costs.

This formula will enable the directors and management of HETA adequate contingency funds to deal with significant variations of year to year business activity.

At the Balance Sheet date the unrestricted cash reserves represented 48% (2019: 39%) of the year's employment costs (including subcontract instructors and excluding HATA apprentices).

Cash reserves are currently tied up in the Copenhagen Road site and had it sold within the year, the cash reserves would have increased from 48% to 80%.

**Report of the Trustees  
for the year ended 31st August 2020**

**12 Going Concern**

As mentioned in section 6, above, the trustees have considered the operational and financial implications of the restrictions imposed to deal with the CV19 outbreak and concluded that it remains appropriate to continue to prepare accounts on a going concern basis.

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also the directors of Humberside Engineering Training Association Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

**AUDITORS**

The auditors, Smailes Goldie, will be deemed to be re-appointed under s487 of the Companies Act 2006.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 23 March 2021 and signed on the board's behalf by:

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to be 'M.T. Joslin', written over a horizontal line.

M.T.JOSLIN - TRUSTEE & CHAIR



# **Report of the Independent Auditors to the Trustees of Humberside Engineering Training Association Limited**

## **Opinion**

We have audited the financial statements of Humberside Engineering Training Association Limited (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31st August 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31<sup>st</sup> August 2020, and of the group's incoming resources and application of resources 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 Charities Act 2011.

## **Basis for opinion**

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

## **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

# **Report of the Independent Auditors to the Trustees of Humberside Engineering Training Association Limited**

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees are responsible for the preparation of financial statements which 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 charity'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 the parent charity or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Stephen Bramall BSc FCA (Senior Statutory Auditor)  
for and on behalf of Smailes Goldie  
Chartered Accountants  
Statutory Auditor  
Regent's Court  
Princess Street  
Hull  
East Yorkshire  
HU2 8BA

23 March 2021

# Humberside Engineering Training Association Limited

## Consolidated Statement of Financial Activities (Incorporating an Income and Expenditure Account) for the year ended 31st August 2020

|                                    | Notes | 2020<br>£               | 2019<br>£               |
|------------------------------------|-------|-------------------------|-------------------------|
| <b>INCOME AND ENDOWMENTS FROM</b>  |       |                         |                         |
| <b>Donations and Legacies</b>      |       |                         |                         |
| Government Grants                  | 3     | 12,008                  | -                       |
| <b>Charitable activities</b>       |       |                         |                         |
| Apprentice Training                | 4     | 4,011,121               | 4,071,866               |
| HNC & HND                          |       | 515,893                 | 518,266                 |
| Adult Training                     |       | 610,998                 | 712,910                 |
| Work with Schools                  |       | <u>6,000</u>            | <u>5,850</u>            |
|                                    |       | 5,144,012               | 5,308,892               |
| Investment income                  | 5     | 3,250                   | 3,382                   |
| Other income                       |       | <u>8,076</u>            | <u>48,415</u>           |
| <b>Total</b>                       |       | <b>5,167,346</b>        | <b>5,360,689</b>        |
| <b>EXPENDITURE ON</b>              |       |                         |                         |
| <b>Charitable activities</b>       |       |                         |                         |
| Apprentice Training                | 6     | 3,778,689               | 3,661,231               |
| HNC & HND                          |       | 557,480                 | 614,561                 |
| Adult Training                     |       | 690,765                 | 704,255                 |
| Work with Schools                  |       | <u>24,793</u>           | <u>7,436</u>            |
| <b>Total</b>                       |       | <b>5,051,727</b>        | <b>4,987,483</b>        |
| <b>NET INCOME</b>                  |       | <b>115,619</b>          | <b>373,206</b>          |
| <b>RECONCILIATION OF FUNDS</b>     |       |                         |                         |
| <b>Total funds brought forward</b> |       | <b>6,363,163</b>        | <b>5,989,957</b>        |
| <b>TOTAL FUNDS CARRIED FORWARD</b> |       | <b><u>6,478,782</u></b> | <b><u>6,363,163</u></b> |

### CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

### FUND ACCOUNTING

All income and expenditure relates to unrestricted funds.



# **Humberside Engineering Training Association Limited**

## **Consolidated Balance Sheet** **At 31st August 2020**

|                                              |       |  | 2020<br>Unrestricted<br>funds<br>£ | 2019<br>Unrestricted<br>funds<br>£ |
|----------------------------------------------|-------|--|------------------------------------|------------------------------------|
|                                              | Notes |  |                                    |                                    |
| <b>FIXED ASSETS</b>                          |       |  |                                    |                                    |
| Tangible assets                              | 12    |  | <u>6,651,373</u>                   | <u>6,643,149</u>                   |
| <b>CURRENT ASSETS</b>                        |       |  |                                    |                                    |
| Debtors                                      | 14    |  | 517,954                            | 1,047,751                          |
| Cash at bank                                 |       |  | <u>1,421,210</u>                   | <u>1,133,446</u>                   |
|                                              |       |  | <b>1,939,164</b>                   | <b>2,181,197</b>                   |
| <b>CREDITORS</b>                             |       |  |                                    |                                    |
| Amounts falling due within one year          | 15    |  | <u>(638,381)</u>                   | <u>(832,112)</u>                   |
| <b>NET CURRENT ASSETS</b>                    |       |  | <u><b>1,300,783</b></u>            | <u><b>1,349,085</b></u>            |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |  | <b>7,952,156</b>                   | <b>7,992,234</b>                   |
| <b>CREDITORS</b>                             |       |  |                                    |                                    |
| Amounts falling due after more than one year | 16    |  | <u>(1,473,374)</u>                 | <u>(1,629,071)</u>                 |
| <b>NET ASSETS</b>                            |       |  | <u><b>6,478,782</b></u>            | <u><b>6,363,163</b></u>            |
| <b>FUNDS</b>                                 | 20    |  |                                    |                                    |
| Unrestricted funds                           |       |  | <u><b>6,478,782</b></u>            | <u><b>6,363,163</b></u>            |
| <b>TOTAL FUNDS</b>                           |       |  | <u><b>6,478,782</b></u>            | <u><b>6,363,163</b></u>            |

The financial statements were approved by the Board of Trustees on 23 March 2021 and were signed on its behalf by:



M.T. Joslin- Trustee/Director

Humberside Engineering Training Association Limited

Company Balance Sheet  
At 31st August 2020

|                                              |       |  | 2020<br>Unrestricted<br>funds<br>£ | 2019<br>Unrestricted<br>funds<br>£ |
|----------------------------------------------|-------|--|------------------------------------|------------------------------------|
| <b>FIXED ASSETS</b>                          | Notes |  |                                    |                                    |
| Tangible assets                              | 12    |  | 6,651,373                          | 6,643,149                          |
| Investments                                  | 13    |  | <u>1</u>                           | <u>1</u>                           |
|                                              |       |  | 6,651,374                          | 6,643,150                          |
| <b>CURRENT ASSETS</b>                        |       |  |                                    |                                    |
| Debtors                                      | 14    |  | 859,234                            | 1,297,884                          |
| Cash at bank                                 |       |  | <u>1,015,374</u>                   | <u>805,080</u>                     |
|                                              |       |  | 1,874,608                          | 2,102,964                          |
| <b>CREDITORS</b>                             |       |  |                                    |                                    |
| Amounts falling due within one year          | 15    |  | <u>(635,659)</u>                   | <u>(828,566)</u>                   |
| <b>NET CURRENT ASSETS</b>                    |       |  | <u>1,238,949</u>                   | <u>1,274,398</u>                   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |  | 7,890,323                          | 7,917,548                          |
| <b>CREDITORS</b>                             |       |  |                                    |                                    |
| Amounts falling due after more than one year | 16    |  | <u>(1,473,374)</u>                 | <u>(1,629,071)</u>                 |
| <b>NET ASSETS</b>                            |       |  | <u>6,416,949</u>                   | <u>6,288,477</u>                   |
| <b>FUNDS</b>                                 |       |  |                                    |                                    |
| Unrestricted funds                           |       |  | <u>6,416,949</u>                   | <u>6,288,477</u>                   |
| <b>TOTAL FUNDS</b>                           |       |  | <u>6,416,949</u>                   | <u>6,288,477</u>                   |

The financial statements were approved by the Board of Trustees on 23 March 2021 and were signed on its behalf by:



M.T. Joslin- Trustee/Director

**Humberside Engineering Training Association Limited**

**Consolidated Cash Flow Statement  
for the year ended 31st August 2020**

|                                                                           | Notes | 2020<br>£               | 2019<br>£               |
|---------------------------------------------------------------------------|-------|-------------------------|-------------------------|
| <b>Cash flows from operating activities:</b>                              |       |                         |                         |
| Cash generated from operations                                            | 1     | <u>749,805</u>          | <u>347,267</u>          |
| <b>Net cash provided by (used in) operating activities</b>                |       | <u>749,805</u>          | <u>347,267</u>          |
| <b>Cash flows from investing activities:</b>                              |       |                         |                         |
| Purchase of tangible fixed assets                                         |       | (284,063)               | (421,137)               |
| Receipts from sales of tangible fixed assets                              |       | -                       | -                       |
| Interest received                                                         |       | 3,250                   | 3,382                   |
| Interest paid                                                             |       | <u>(39,148)</u>         | <u>(58,764)</u>         |
| <b>Net cash provided by (used in) investing activities</b>                |       | <u>(319,961)</u>        | <u>(476,519)</u>        |
| <b>Cash flows from financing activities:</b>                              |       |                         |                         |
| Loan repayments in year                                                   |       | <u>(142,080)</u>        | <u>(150,941)</u>        |
| <b>Change in cash and cash equivalents in the reporting period</b>        |       | <b>287,764</b>          | <b>(280,193)</b>        |
| <b>Cash and cash equivalents at the beginning of the reporting period</b> |       | <u>1,133,446</u>        | <u>1,413,639</u>        |
| <b>Cash and cash equivalents at the end of the reporting period</b>       |       | <u><u>1,421,210</u></u> | <u><u>1,133,446</u></u> |

Humberside Engineering Training Association Limited

Notes to the Consolidated Cash Flow Statement  
for the year ended 31st August 2020

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

|                                                                                    | 2020<br>£             | 2019<br>£             |
|------------------------------------------------------------------------------------|-----------------------|-----------------------|
| Net income for the reporting period (as per the statement of financial activities) | 115,619               | 373,206               |
| Adjustments for:                                                                   |                       |                       |
| Depreciation charges                                                               | 275,266               | 256,559               |
| (Profit)/Loss on disposal of fixed assets                                          | 573                   | -                     |
| Interest received                                                                  | (3,250)               | (3,382)               |
| Interest paid                                                                      | 39,148                | 58,764                |
| (Increase)/decrease in debtors                                                     | 529,797               | (18,952)              |
| Increase/(decrease) in creditors                                                   | (207,348)             | (318,928)             |
| <b>Cash generated from operations</b>                                              | <b><u>749,805</u></b> | <b><u>347,267</u></b> |

2. ANALYSIS OF CHANGES IN NET DEBT

|                                 | At 1.9.19<br>£          | Cash flow<br>£        | Other<br>non-cash<br>changes<br>£ | At 31.8.20<br>£         |
|---------------------------------|-------------------------|-----------------------|-----------------------------------|-------------------------|
| <b>Net cash</b>                 |                         |                       |                                   |                         |
| Cash at bank                    | <u>1,133,446</u>        | <u>287,764</u>        |                                   | <u>1,421,210</u>        |
|                                 | <u>1,133,446</u>        | <u>287,764</u>        |                                   | <u>1,421,210</u>        |
| <b>Debt</b>                     |                         |                       |                                   |                         |
| Debts falling due within 1 year | (164,624)               | -                     | (13,616)                          | (178,240)               |
| Debts falling due after 1 year  | <u>(1,629,071)</u>      | <u>142,080</u>        | <u>13,616</u>                     | <u>(1,473,375)</u>      |
|                                 | <u>(1,793,695)</u>      | <u>142,080</u>        | -                                 | <u>(1,651,615)</u>      |
| <b>Total</b>                    | <b><u>(660,249)</u></b> | <b><u>429,844</u></b> | <b><u>-</u></b>                   | <b><u>(230,405)</u></b> |

## **Humberside Engineering Training Association Limited**

### **Notes to the Consolidated Financial Statements for the year ended 31st August 2020**

#### **1. COMPANY INFORMATION**

Humberside Engineering Training Association Limited is a private company limited by guarantee incorporated in the United Kingdom (England & Wales). In the event of the charity being wound up, the liability in respect of the guarantee is limited to £20 per member of the charity. There are currently 31 members on the membership roll (2019: 31). The address of the registered office is given in the charity information on page 1 of these financial statements.

#### **2. GROUP AND CHARITY ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

##### **Basis of consolidation**

The group financial statements consolidate the financial statements of the charity and its subsidiary undertaking, Humber Apprentice Training Agency Limited, at 31 August 2020 using acquisition accounting.

##### **Going Concern**

The trustees have considered the operational and financial implications of the restrictions imposed to deal with the CV19 outbreak and, having prepared financial forecasts covering a range of scenarios, conclude that it remains appropriate to continue to prepare accounts on a going concern basis.

##### **Income**

##### **Incoming resources from charitable activities**

Incoming resources from charitable activities excludes value added tax. Where incoming resources are dependent upon the Charity delivering a service, the income is not recognised until the service is delivered.

##### **Donations**

Donations and gifts are included in full in the Statement of Financial Activities when receivable.

##### **Grants**

Grants and allowances receivable are accounted for as income in the year in which entitlement arises.

##### **Gifts**

Gifts in kind are valued by reference to the equivalent commercial cost of acquiring such assets or services.

##### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under 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 resources.



**Notes to the Consolidated Financial Statements - continued  
for the year ended 31st August 2020**

**2. ACCOUNTING POLICIES - continued**

**Allocation and apportionment of costs**

Expenses directly associated with the delivery of training are charged as direct charitable expenses and split between those relating to unrestricted and those relating to restricted funds.

Depreciation is split between restricted and unrestricted funds by reference to the charge arising on each specific asset.

Employees are categorised as either directly involved in training or administration and related costs apportioned accordingly.

Staff time spent delivering projects which are subject to restricted funding is recharged from unrestricted funds at agreed hourly rates.

Direct costs not capable of being attributed to any individual class of activity are apportioned according to the relative income of each activity.

Support costs are apportioned according to the amount of direct cost associated with each class of activity.

Governance costs reflect the strategic and compliance costs of the charity including an allowance for the Chief Executive's time spent on such matters.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

|                     |                          |
|---------------------|--------------------------|
| Land                | - not depreciated        |
| Buildings           | - 2% on cost             |
| Building services   | - between 5 and 10 years |
| Plant and machinery | - between 5 and 10 years |

**Taxation**

As a registered charity, the company is generally exempt from Corporation Tax, but not from VAT. The company accounts for VAT in accordance with the regulations relevant to the nature of the supplies which it makes. Any irrecoverable VAT is shown separately as an expense.

**Fund accounting**

Incoming resources for services where, upon full performance of the service, any surplus can be retained and used for general purposes are classified as unrestricted, whereas if any surplus is retrievable by the donor then the resources are classified as restricted.

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

**Investments**

Investments in subsidiaries are measured at cost less impairment.

**Leases**

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

**3. GOVERNMENT GRANTS**

In the current year the group received £12,008 from the Government in respect of job retention scheme grants. The grants related to apprentices employed by Humber Apprentice Training Agency Limited, where the sponsoring employer had placed the apprentice on furlough.

# Humberside Engineering Training Association Limited

Notes to the Consolidated Financial Statements - continued  
for the year ended 31st August 2020

## 4. INCOME FROM CHARITABLE ACTIVITIES

|                 | Activity            | 2020<br>£        | 2019<br>£        |
|-----------------|---------------------|------------------|------------------|
| Apprentice fees | Apprentice Training | 776,225          | 820,622          |
| ESFA funding    | Apprentice Training | 3,234,896        | 3,251,244        |
| ESFA funding    | HNC & HND           | 102,200          | 55,350           |
| HNC income      | HNC & HND           | 413,693          | 462,916          |
| Adult training  | Adult Training      | 570,972          | 655,725          |
| Passport        | Adult Training      | 40,026           | 57,185           |
| Get set project | Work with Schools   | 6,000            | 5,850            |
|                 |                     | <u>5,144,012</u> | <u>5,308,892</u> |

## 5. INVESTMENT INCOME

|                          | 2020<br>£    | 2019<br>£    |
|--------------------------|--------------|--------------|
| Deposit account interest | <u>3,250</u> | <u>3,382</u> |

## 6. CHARITABLE ACTIVITIES COSTS

|                     | Direct costs<br>£ | Support costs<br>(See note 7)<br>£ | 2020<br>Totals<br>£ | 2019<br>Totals<br>£ |
|---------------------|-------------------|------------------------------------|---------------------|---------------------|
| Apprentice Training | 2,698,409         | 1,080,280                          | 3,778,689           | 3,661,231           |
| HNC & HND           | 369,279           | 188,201                            | 557,480             | 614,561             |
| Adult Training      | 457,569           | 233,196                            | 690,765             | 704,255             |
| Work with Schools   | <u>16,423</u>     | <u>8,370</u>                       | <u>24,793</u>       | <u>7,436</u>        |
|                     | <u>3,541,680</u>  | <u>1,510,047</u>                   | <u>5,051,727</u>    | <u>4,987,483</u>    |

## 7. SUPPORT COSTS

|                     | Management<br>£ | Finance<br>£   | Human resources<br>£ |
|---------------------|-----------------|----------------|----------------------|
| Apprentice Training | 155,933         | 152,069        | 485,288              |
| HNC & HND           | 27,166          | 26,492         | 84,544               |
| Adult Training      | 33,661          | 32,826         | 104,758              |
| Work with Schools   | <u>1,208</u>    | <u>1,178</u>   | <u>3,760</u>         |
|                     | <u>217,968</u>  | <u>212,565</u> | <u>678,350</u>       |

|                     | Other<br>£     | Governance costs<br>£ | 2020<br>Totals<br>£ | 2019<br>Totals<br>£ |
|---------------------|----------------|-----------------------|---------------------|---------------------|
| Apprentice Training | 242,451        | 44,539                | 1,080,280           | 1,074,179           |
| HNC & HND           | 42,239         | 7,760                 | 188,201             | 216,981             |
| Adult Training      | 52,337         | 9,614                 | 233,196             | 248,650             |
| Work with Schools   | <u>1,878</u>   | <u>346</u>            | <u>8,370</u>        | <u>2,625</u>        |
|                     | <u>338,905</u> | <u>62,259</u>         | <u>1,510,047</u>    | <u>1,542,435</u>    |

Notes to the Consolidated Financial Statements - continued  
for the year ended 31st August 2020

8. NET INCOME

Net income is stated after charging:

|                             | 2020           | 2019           |
|-----------------------------|----------------|----------------|
|                             | £              | £              |
| Auditors' remuneration      | 9,488          | 9,321          |
| Depreciation - owned assets | 275,266        | 256,559        |
| Operating lease rentals     | <u>130,000</u> | <u>207,917</u> |

9. TRUSTEES' REMUNERATION AND BENEFITS

No trustee received any remuneration during the year (2019: £Nil).

Trustees' expenses

Travel and subsistence expenses totalling £Nil were paid to one trustee during the year (2019: £170).

10. STAFF COSTS

|                       | 2020             | 2019             |
|-----------------------|------------------|------------------|
|                       | £                | £                |
| Wages and salaries    | 2,965,519        | 2,974,630        |
| Social security costs | 234,506          | 202,212          |
| Other pension costs   | <u>324,145</u>   | <u>309,226</u>   |
|                       | <u>3,524,170</u> | <u>3,486,068</u> |

The average monthly number of FTE employees during the year was as follows:

|                      | 2020       | 2019       |
|----------------------|------------|------------|
| Management           | 4          | 4          |
| Administration       | 16         | 16         |
| Training and support | 54         | 51         |
| Apprentices-HATA     | <u>40</u>  | <u>47</u>  |
|                      | <u>114</u> | <u>118</u> |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

|                   | 2020     | 2019     |
|-------------------|----------|----------|
| £60,001 - £70,000 | <u>2</u> | <u>2</u> |

11. NET INCOMING RESOURCES OF PARENT COMPANY

As permitted by paragraph 397 of the SORP, the Statement of Financial Activities of the parent charity is not presented in these financial statements. The parent's net incoming resources for the year ended 31 August 2020 totalled £128,472 (2019: £357,179).

**Humberside Engineering Training Association Limited**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31st August 2020**

**12. TANGIBLE FIXED ASSETS**

| Group and Charity      | Land and<br>Buildings<br>£ | Plant and<br>machinery<br>£ | Totals<br>£      |
|------------------------|----------------------------|-----------------------------|------------------|
| <b>COST</b>            |                            |                             |                  |
| At 1st September 2019  | 6,827,998                  | 1,867,717                   | 8,695,715        |
| Additions              | 31,280                     | 252,783                     | 284,063          |
| Disposals              | (220)                      | (109,885)                   | (110,105)        |
| At 31st August 2020    | <u>6,859,058</u>           | <u>2,010,615</u>            | <u>8,869,673</u> |
| <b>DEPRECIATION</b>    |                            |                             |                  |
| At 1st September 2019  | 973,089                    | 1,079,477                   | 2,052,566        |
| Charge for year        | 116,230                    | 159,036                     | 275,266          |
| Eliminated on disposal | (4)                        | (109,528)                   | (109,532)        |
| At 31st August 2020    | <u>1,089,315</u>           | <u>1,128,985</u>            | <u>2,218,300</u> |
| <b>NET BOOK VALUE</b>  |                            |                             |                  |
| At 31st August 2020    | <u>5,769,743</u>           | <u>881,630</u>              | <u>6,651,373</u> |
| At 31st August 2019    | <u>5,854,909</u>           | <u>788,240</u>              | <u>6,643,149</u> |

**13. FIXED ASSET INVESTMENTS**

| Charity                                    | Shares in<br>group<br>undertakings<br>£ |
|--------------------------------------------|-----------------------------------------|
| <b>COST</b>                                |                                         |
| At 1st September 2019 and 31st August 2020 | <u>1</u>                                |
| <b>NET BOOK VALUE</b>                      |                                         |
| At 31st August 2020                        | <u>1</u>                                |
| At 31st August 2019                        | <u>1</u>                                |

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

**Humber Apprentice Training Agency Limited (10234302)**

Registered office: United Kingdom

Nature of business: Training

This investment represents 100% of the voting equity instruments of the subsidiary.

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                    | Group          |                  | Charity        |                  |
|------------------------------------|----------------|------------------|----------------|------------------|
|                                    | 2020<br>£      | 2019<br>£        | 2020<br>£      | 2019<br>£        |
| Trade debtors                      | 418,295        | 932,731          | 412,970        | 852,629          |
| Amounts owed by group undertakings | -              | -                | 346,605        | 330,235          |
| Prepayments                        | <u>99,659</u>  | <u>115,020</u>   | <u>99,659</u>  | <u>115,020</u>   |
|                                    | <u>517,954</u> | <u>1,047,751</u> | <u>859,234</u> | <u>1,297,884</u> |



Notes to the Consolidated Financial Statements - continued  
for the year ended 31st August 2020

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                                         | Group          |                | Charity        |                |
|-----------------------------------------|----------------|----------------|----------------|----------------|
|                                         | 2020           | 2019           | 2020           | 2019           |
|                                         | £              | £              | £              | £              |
| Bank loans and overdrafts (see note 17) | 178,240        | 164,624        | 178,240        | 164,624        |
| Trade creditors                         | 177,689        | 234,658        | 177,689        | 234,657        |
| Amounts owed to group undertakings      | -              | -              | 1              | 1              |
| Social security and other taxes         | 114,856        | 117,794        | 112,133        | 114,248        |
| Accrued expenses                        | 167,596        | 315,036        | 167,596        | 315,036        |
|                                         | <u>638,381</u> | <u>832,112</u> | <u>635,659</u> | <u>828,566</u> |

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Group and Charity

|                          | 2020             | 2019             |
|--------------------------|------------------|------------------|
|                          | £                | £                |
| Bank loans (see note 17) | <u>1,473,374</u> | <u>1,629,071</u> |

17. BANK LOANS

An analysis of the maturity of loans is given below:

Group and Charity

|                                                | 2020             | 2019             |
|------------------------------------------------|------------------|------------------|
|                                                | £                | £                |
| Amounts falling due within one year on demand  | 178,240          | 164,624          |
| Amounts falling due between two and five years | 692,446          | 692,109          |
| Amounts falling due in more than five years    | 780,928          | 936,962          |
|                                                | <u>1,651,614</u> | <u>1,793,695</u> |

The loans are repayable by monthly instalments over ten years and fifteen years respectively.

The first loan commenced in August 2014. Interest is charged at 3.00% over bank base rate and charged directly to expenses, as incurred. The capital repayments are fixed at £6,028 per month.

The second loan commenced in June 2017. Interest is charged at 1.95% over bank base rate and charged directly to expenses, as incurred.

18. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

Group and Charity

|                       | 2020           | 2019           |
|-----------------------|----------------|----------------|
|                       | £              | £              |
| Less than one year    | 130,000        | 130,000        |
| Between 2 and 5 years | 130,000        | -              |
|                       | <u>260,000</u> | <u>130,000</u> |

Leases are negotiated over various terms to suit the requirements at that time. Break clauses are included wherever appropriate and the above liability has been calculated from the balance sheet date to either the end of the lease or the first break clause, whichever is the earlier.

Notes to the Consolidated Financial Statements - continued  
for the year ended 31st August 2020

19. SECURED DEBTS

The following secured debts are included within creditors:

Group and charity

|            | 2020<br>£        | 2019<br>£        |
|------------|------------------|------------------|
| Bank loans | <u>1,651,614</u> | <u>1,793,695</u> |

The loans are secured by charges over the charity's freehold land and buildings.

20. MOVEMENT IN FUNDS

|                           | At 1.9.19<br>£   | Net<br>movement in<br>funds<br>£ | Transfers<br>between<br>funds<br>£ | At 31.8.20<br>£  |
|---------------------------|------------------|----------------------------------|------------------------------------|------------------|
| <b>Unrestricted funds</b> |                  |                                  |                                    |                  |
| General fund              | <u>6,363,163</u> | <u>115,619</u>                   | -                                  | <u>6,478,782</u> |
| <b>TOTAL FUNDS</b>        | <u>6,363,163</u> | <u>115,619</u>                   | -                                  | <u>6,478,782</u> |

Net movement in funds, included in the above are as follows:

|                           | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Movement<br>in funds<br>£ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| <b>Unrestricted funds</b> |                            |                            |                           |
| General fund              | <u>5,155,338</u>           | <u>5,039,719</u>           | <u>115,619</u>            |
| <b>TOTAL FUNDS</b>        | <u>5,155,338</u>           | <u>5,039,719</u>           | <u>115,619</u>            |

The General Fund represents accumulated monies freely available to support the objects of the charity.

On transition to FRS 102 the company claimed relief to use the previous GAAP revaluation as deemed cost for fixed assets previously revalued. Accordingly, the revaluation reserve has now been amalgamated with general funds.

21. PENSION COMMITMENTS

The company operates a group personal pension scheme. The assets of the scheme are held by independent managers. Contributions into the scheme during the year amounted to £300,803 (2019: £293,554). There were no amounts prepaid at the balance sheet date (2019: £Nil). Contributions outstanding at the balance sheet date totalled £26,769 (2019: £23,767).

22. CONTINGENT LIABILITIES

During the 2017/18 year the charity received £1,300,000 from the Humber Local Enterprise Partnership in respect of the investment in the new training centre in Hull. Under the terms of the grant a proportion of the grant is repayable in the event of a disposal or a change of use of the premises. The proportion reduces each year until it ceases on 1st January 2023.

**Notes to the Consolidated Financial Statements - continued**  
**for the year ended 31st August 2020**

**23. RELATED PARTY DISCLOSURES**

Debtor and creditor balances with the charity's subsidiary company are shown in notes 14 and 15. All balances are interest free and repayable on demand.

During the year key management personnel compensation of £ 286,598 (2019: £259,491) was paid.

There are no further related party transactions that require to be disclosed.

**24. INDEMNITY INSURANCE**

The company's insurance premiums include indemnity insurance to protect both the Charity and the Trustees.