



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**

| | Page |
|--|----------|
| Report of the Trustees | 1 to 8 |
| Report of the Independent Auditors | 9 to 10 |
| Consolidated Statement of Financial Activities | 11 |
| Consolidated Balance Sheet | 12 |
| Charity Balance Sheet | 13 |
| Consolidated Cash Flow Statement | 14 to 15 |
| Notes to the Consolidated Financial Statements | 16 to 23 |

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

| | | | |
|---|--|---|------------------------|
| Name: | Humberside Engineering Training Association Limited | | |
| Charitable Objectives: | To advance the theoretical and practical education and training of persons engaged or intending to be engaged in the engineering industry. | | |
| Company Number: | 01007353 | | |
| Constitution: | The Company is limited by guarantee. It was incorporated on 7 th 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. | | |
| Trustees (who are also directors): | 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 | | |
| Appointment of Trustees: | 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. | | |
| Chief Executive: | I. Elliott | | |
| Registered Office: | 27-31 Dansom Lane Hull HU8 7LA | | |
| Registered Charity Number: | 508775 | | |
| Auditors: | Smailes Goldie Chartered Accountants Statutory Auditor Regent's Court Princess Street Hull East Yorkshire HU2 8BA | | |
| Bankers: | HSBC Merit House Priory Park West Hessle Hull HU13 9PB | Santander 2 Humber Quays Wellington Street Hull HU1 2BN | |
| Solicitors: | Bridge McFarland 1 Marina Court Hull 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.

**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 1st 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 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.

| Schools Activities 2018-2019 | Schools Activities 2019-2020 <i>Activities ended March 2020 due to Covid-19</i> |
|--|---|
| <i>School Visits</i> | <i>School Visits</i> |
| 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 |
| <i>121 Appointments with Career Advisors</i> | <i>121 Appointments with Career Advisors</i> |
| 6 appointments | 13 appointments with Career Advisors |
| <i>Schools Visiting Centre</i> | <i>Schools Visiting Centre</i> |
| 16 Taster Days | 7 Taster Days |
| 6 schools attended workshop tours | 4 schools attended workshop tours |
| <i>Work Experience</i> | <i>Work Experience</i> |
| 7 Schools attended work experience | 10 schools booked for work experience (Cancelled) |
| <i>Competitions</i> | <i>Competitions</i> |
| 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



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 31st 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. 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 £ | 2019 £ |
|------------------------------------|-------|-------------------------|-------------------------|
| INCOME AND ENDOWMENTS FROM | | | |
| Donations and Legacies | | | |
| Government Grants | 3 | 12,008 | - |
| Charitable activities | | | |
| 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> |
| Total | | 5,167,346 | 5,360,689 |
| EXPENDITURE ON | | | |
| Charitable activities | | | |
| 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> |
| Total | | 5,051,727 | 4,987,483 |
| NET INCOME | | 115,619 | 373,206 |
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward | | 6,363,163 | 5,989,957 |
| TOTAL FUNDS CARRIED FORWARD | | <u>6,478,782</u> | <u>6,363,163</u> |

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 Unrestricted funds £ | 2019 Unrestricted funds £ |
|--|-------|--|------------------------------------|------------------------------------|
| | Notes | | | |
| FIXED ASSETS | | | | |
| Tangible assets | 12 | | <u>6,651,373</u> | <u>6,643,149</u> |
| CURRENT ASSETS | | | | |
| Debtors | 14 | | 517,954 | 1,047,751 |
| Cash at bank | | | <u>1,421,210</u> | <u>1,133,446</u> |
| | | | 1,939,164 | 2,181,197 |
| CREDITORS | | | | |
| Amounts falling due within one year | 15 | | <u>(638,381)</u> | <u>(832,112)</u> |
| NET CURRENT ASSETS | | | <u>1,300,783</u> | <u>1,349,085</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 7,952,156 | 7,992,234 |
| CREDITORS | | | | |
| Amounts falling due after more than one year | 16 | | <u>(1,473,374)</u> | <u>(1,629,071)</u> |
| NET ASSETS | | | <u>6,478,782</u> | <u>6,363,163</u> |
| FUNDS | 20 | | | |
| Unrestricted funds | | | <u>6,478,782</u> | <u>6,363,163</u> |
| TOTAL FUNDS | | | <u>6,478,782</u> | <u>6,363,163</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

| | Notes | 2020 Unrestricted funds £ | 2019 Unrestricted funds £ |
|--|-------|------------------------------------|------------------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 12 | 6,651,373 | 6,643,149 |
| Investments | 13 | <u>1</u> | <u>1</u> |
| | | 6,651,374 | 6,643,150 |
| CURRENT ASSETS | | | |
| 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 |
| CREDITORS | | | |
| Amounts falling due within one year | 15 | <u>(635,659)</u> | <u>(828,566)</u> |
| NET CURRENT ASSETS | | <u>1,238,949</u> | <u>1,274,398</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 7,890,323 | 7,917,548 |
| CREDITORS | | | |
| Amounts falling due after more than one year | 16 | <u>(1,473,374)</u> | <u>(1,629,071)</u> |
| NET ASSETS | | <u><u>6,416,949</u></u> | <u><u>6,288,477</u></u> |
| FUNDS | | | |
| Unrestricted funds | | <u>6,416,949</u> | <u>6,288,477</u> |
| TOTAL FUNDS | | <u><u>6,416,949</u></u> | <u><u>6,288,477</u></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 £ | 2019 £ |
|---|-------|--------------------------------|--------------------------------|
| Cash flows from operating activities: | | | |
| Cash generated from operations | 1 | <u>749,805</u> | <u>347,267</u> |
| Net cash provided by (used in) operating activities | | <u>749,805</u> | <u>347,267</u> |
| Cash flows from investing activities: | | | |
| 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> |
| Net cash provided by (used in) investing activities | | <u>(319,961)</u> | <u>(476,519)</u> |
| Cash flows from financing activities: | | | |
| Loan repayments in year | | <u>(142,080)</u> | <u>(150,941)</u> |
| Change in cash and cash equivalents in the reporting period | | 287,764 | (280,193) |
| Cash and cash equivalents at the beginning of the reporting period | | <u>1,133,446</u> | <u>1,413,639</u> |
| Cash and cash equivalents at the end of the reporting period | | <u><u>1,421,210</u></u> | <u><u>1,133,446</u></u> |

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 £ | 2019 £ |
|--|----------------|----------------|
| 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) |
| Cash generated from operations | 749,805 | 347,267 |

2. ANALYSIS OF CHANGES IN NET DEBT

| | At 1.9.19 £ | Cash flow £ | Other non-cash changes £ | At 31.8.20 £ |
|---------------------------------|-------------------------|-----------------------|-----------------------------------|-------------------------|
| Net cash | | | | |
| 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> |
| Debt | | | | |
| 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> |
| Total | <u><u>(660,249)</u></u> | <u><u>429,844</u></u> | <u><u>-</u></u> | <u><u>(230,405)</u></u> |

**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 £ | 2019 £ |
|-----------------|---------------------|------------------|------------------|
| 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 £ | 2019 £ |
|--------------------------|--------------|--------------|
| Deposit account interest | <u>3,250</u> | <u>3,382</u> |

6. CHARITABLE ACTIVITIES COSTS

| | Direct costs £ | Support costs (See note 7) £ | 2020 Totals £ | 2019 Totals £ |
|---------------------|-------------------|------------------------------------|---------------------|---------------------|
| 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 £ | Finance £ | Human resources £ |
|---------------------|-----------------|----------------|----------------------|
| 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 £ | Governance costs £ | 2020 Totals £ | 2019 Totals £ |
|---------------------|----------------|-----------------------|---------------------|---------------------|
| 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> |

Humberside Engineering Training Association Limited

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).

Notes to the Consolidated Financial Statements - continued
for the year ended 31st August 2020

12. TANGIBLE FIXED ASSETS

| Group and Charity | Land and Buildings £ | Plant and machinery £ | Totals £ |
|------------------------|----------------------------|-----------------------------|------------------|
| COST | | | |
| 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> |
| DEPRECIATION | | | |
| 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> |
| NET BOOK VALUE | | | |
| 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 group undertakings £ |
|--|---|
| COST | |
| At 1st September 2019 and 31st August 2020 | <u>1</u> |
| NET BOOK VALUE | |
| 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 £ | 2019 £ | 2020 £ | 2019 £ |
| 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 £ | 2019 £ |
|------------|------------------|------------------|
| 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 £ | Net movement in funds £ | Transfers between funds £ | At 31.8.20 £ |
|---------------------------|------------------|----------------------------------|------------------------------------|------------------|
| Unrestricted funds | | | | |
| General fund | <u>6,363,163</u> | <u>115,619</u> | - | <u>6,478,782</u> |
| TOTAL FUNDS | <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 resources £ | Resources expended £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | <u>5,155,338</u> | <u>5,039,719</u> | <u>115,619</u> |
| TOTAL FUNDS | <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.