



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

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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

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) R.M. Swain I.C. Palmer L. Maloigne D.P. Sowden T. Mottershead E.J. Greenfield D.J. Oliver M.T. Daubney		
Appointment of 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 Trustees 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.		
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	Solicitors:	Bridge McFarland 1 Marina Court Hull HU1 2AZ
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.

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 Activities of HETA from 1st April to 31st March 2021	2021/22 Activities of HETA from 1st April to 31st March 2022
399 (50%) of applicants heard about HETA from their school or College	497 (58%) Applicants heard about HETA from their School or College.
School Visits	School Visits
Overall Planned: 234	Overall Planned: 57
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) Humber Careers - https://humbercareers.co.uk/exhibition/heta/ Venn Group careers fair - https://collegecareersfair.vfairs.com/ Humber Apprenticeship Showcase: https://humber-apprenticeship-showcase.springpod.co.uk/talks/heta/ Careers Hub Showcase – https://humbercareers.co.uk/careers-hub-showcase/
121 Appointments with Career Advisors	121 Appointments with Career Advisors
13 appointments with Career Advisors	43 appointment with Career Advisors
Schools Visiting Centre	Schools Visiting Centre
7 Taster Days	11 Taster Days booked (Cancelled due to COVID – rebooking for 2021/2022)
4 schools attended workshop tours	
Work Experience	
10 schools booked for work experience (Cancelled)	
Competitions	Competitions & School Sponsors
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.

Humberside Engineering Training Association Limited

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. 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 £	2020 £
	Notes		
INCOME AND ENDOWMENTS FROM			
Donations and Legacies			
Government Grants	3	432	12,008
Charitable activities			
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>
		5,043,696	5,144,012
Investment income	5	1,492	3,250
Other income		<u>35,016</u>	<u>8,076</u>
Total		5,080,636	5,167,346
EXPENDITURE ON			
Charitable activities			
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>
Total		4,897,209	5,051,727
NET INCOME		183,427	115,619
RECONCILIATION OF FUNDS			
Total funds brought forward		6,478,782	6,363,163
TOTAL FUNDS CARRIED FORWARD		<u>6,662,209</u>	<u>6,478,782</u>

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 Unrestricted funds £	2020 Unrestricted funds £
FIXED ASSETS			
Tangible assets	12	<u>6,638,462</u>	<u>6,651,373</u>
CURRENT ASSETS			
Debtors	14	850,568	517,954
Cash at bank		<u>1,304,530</u>	<u>1,421,210</u>
		2,155,098	1,939,164
CREDITORS			
Amounts falling due within one year	15	<u>(838,409)</u>	<u>(638,381)</u>
NET CURRENT ASSETS		<u>1,316,689</u>	<u>1,300,783</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,955,151	7,952,156
CREDITORS			
Amounts falling due after more than one year	16	<u>(1,292,942)</u>	<u>(1,473,374)</u>
NET ASSETS		<u><u>6,662,209</u></u>	<u><u>6,478,782</u></u>
FUNDS	20		
Unrestricted funds		<u>6,662,209</u>	<u>6,478,782</u>
TOTAL FUNDS		<u><u>6,662,209</u></u>	<u><u>6,478,782</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 Unrestricted funds £	2020 Unrestricted funds £
FIXED ASSETS			
Tangible assets	12	6,638,462	6,651,373
Investments	13	<u>1</u>	<u>1</u>
		6,638,463	6,651,374
 CURRENT ASSETS			
Debtors	14	1,136,114	859,234
Cash at bank		<u>961,475</u>	<u>1,015,374</u>
		2,097,589	1,874,608
 CREDITORS			
Amounts falling due within one year	15	<u>(833,264)</u>	<u>(635,659)</u>
 NET CURRENT ASSETS		<u>1,264,325</u>	<u>1,238,949</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES		7,902,788	7,890,323
 CREDITORS			
Amounts falling due after more than one year	16	<u>(1,292,942)</u>	<u>(1,473,374)</u>
 NET ASSETS		<u><u>6,609,846</u></u>	<u><u>6,416,949</u></u>
 FUNDS			
Unrestricted funds		<u>6,609,846</u>	<u>6,416,949</u>
 TOTAL FUNDS		<u><u>6,609,846</u></u>	<u><u>6,416,949</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 £	2020 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>375,182</u>	<u>749,805</u>
Net cash provided by operating activities		<u>375,182</u>	<u>749,805</u>
Cash flows from Investing activities:			
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>
Net cash used in investing activities		<u>(313,622)</u>	<u>(319,961)</u>
Cash flows from financing activities:			
Loan repayments in year		<u>(178,241)</u>	<u>(142,080)</u>
Change in cash and cash equivalents in the reporting period		(116,680)	287,764
Cash and cash equivalents at the beginning of the reporting period		<u>1,421,210</u>	<u>1,133,446</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,304,530</u></u>	<u><u>1,421,210</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 £	2020 £
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>
Cash generated from operations	<u>375,182</u>	<u>749,805</u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.20 £	Cash flow £	Other non-cash changes £	At 31.8.21 £
Cash				
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>
Debt				
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>
Net debt	<u>(230,404)</u>	<u>61,560</u>	<u>-</u>	<u>(168,844)</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.

Notes to the Consolidated Financial Statements - continued
for the year ended 31st August 2021

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2021 £	2020 £
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
		<u>5,043,696</u>	<u>5,144,012</u>

5. INVESTMENT INCOME

	2021 £	2020 £
Deposit account interest	<u>1,492</u>	<u>3,250</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Support costs (See note 7) £	2021 Totals £	2020 Totals £
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>	<u>31,737</u>	<u>24,793</u>
	<u>3,441,911</u>	<u>1,455,298</u>	<u>4,897,209</u>	<u>5,051,727</u>

7. SUPPORT COSTS

	Management £	Finance £	Human resources £
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>
	<u>174,671</u>	<u>198,412</u>	<u>700,420</u>

	Other £	Governance costs £	2021 Totals £	2020 Totals £
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>	<u>10,500</u>	<u>8,370</u>
	<u>322,788</u>	<u>59,007</u>	<u>1,455,298</u>	<u>1,510,047</u>

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>3,443,146</u>	<u>3,524,170</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>104</u>	<u>114</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 £	Plant and machinery £	Totals £
COST			
At 1st September 2020	6,859,058	2,010,615	8,869,673
Additions	9,918	263,186	273,104
Disposals	-	(22,711)	(22,711)
At 31st August 2021	<u>6,868,976</u>	<u>2,251,090</u>	<u>9,120,066</u>
DEPRECIATION			
At 1st September 2020	1,089,315	1,128,985	2,218,300
Charge for year	122,500	164,038	286,538
Eliminated on disposal	-	(23,234)	(23,234)
At 31st August 2021	<u>1,211,815</u>	<u>1,269,789</u>	<u>2,481,604</u>
NET BOOK VALUE			
At 31st August 2021	<u>5,657,161</u>	<u>981,301</u>	<u>6,638,462</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 £
COST	
At 1st September 2020 and 31st August 2021	<u>1</u>
NET BOOK VALUE	
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 £	2020 £	2021 £	2020 £
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>850,568</u>	<u>517,954</u>	<u>1,136,114</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 £	2020 £	2021 £	2020 £
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 £	2020 £
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 £	2020 £
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 £	2020 £
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 £	2020 £
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 £	Net movement in funds £	Transfers between funds £	At 31.8.21 £
Unrestricted funds				
General fund	6,478,782	183,427	-	6,662,209
TOTAL FUNDS	<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 resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	<u>5,080,636</u>	<u>4,897,209</u>	<u>183,427</u>
TOTAL FUNDS	<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.