

Charity Registration No. 528635

Company Registration No. 00926888 (England and Wales)

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	E Sims P Smith I Raeside A Sims
Secretary	P Smith
Charity number	528635
Company number	00926888
Registered office	Hanley Technical Institute 151-153 Marsh Street North Hanley Stoke-on-Trent Staffordshire ST1 5HR
Auditor	Geens Limited 68 Liverpool Road Stoke on Trent Staffordshire ST4 1BG
Bankers	National Westminster Bank plc 1 Upper Market Square Hanley Stoke-on-Trent ST1 1NS
Solicitors	Freeth Cartwright LLP Federation House Station Road Stoke on Trent ST4 2SA

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

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NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT)

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees present their report and the financial statements and business plan for the year ended 31 August 2022. The trustees, who are also directors for the purposes of company law and who served during the year and up to the date of this report are set out in the Reference and Administrative Information.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)."

Objectives and activities

- To promote, organize and arrange the provision of training for persons employed or looking for employment in the engineering industry.
- To provide support to employers through apprenticeship programs.
- To offer advice and guidance to schools / young persons on engineering careers.
- To offer local employers a range of engineering focused based training support services.
- To upskill and link unemployed people with local engineering employment opportunities.
- Offer health and safety support advice and guidance to local engineering companies.

This has been achieved from the following activities

Apprenticeship programs. The group has facilitated and delivered apprenticeship programs in all types of engineering activities. These delivered from its base in Hanley and also within the work place of members and clients. The group has over one hundred apprentices on program at any one time. Over the pandemic, the group invested in its delivery options and now has two studios developed to offer continual training on line and access the recorded training programs offered freely 24/7 and 365 days a year to both the student and employer.

The group carry out regular skill gap analysis for the group's members and clients these have taken place and training arranged. The group offers an advisory service to discuss training and training programs free to engineering sector companies. It offers a free recruitment and testing service to enable smaller companies to receive direct support. It has applied on behalf of the members and has given advice enabling them to receive assisted financial support.

The group has continued to work closely with the local job centre plus centres situated around the city visiting regularly one or two times a week to promote and educate those looking for employment discussing those opportunities available to them from the local engineering sector following upskilling training. Our upskilling training is developed and completed in areas requested through consultation where there has been an identified need with those same local employers. This upskilling of the unemployed means the demographic for the group continues to be very diverse supporting both older and the younger people in the area. We are also supportive to those with learning disabilities, low educational level attainment and registered disabled, all who benefit from the groups academy and its hands on approach.

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) ***FOR THE YEAR ENDED 31 AUGUST 2022***

The group attends and supports local career events and Job shops. The group participate in school career activities to offer advice on career paths and apprenticeships at all levels. We give taster sessions to school pupils on engineering activities using special equipment purchased to help them understand engineering and the different roles better, this has gained special recognition from the Matrix standard for advice and guidance, with the group represented on their website as examples of good practice. Our continued investments, in the services and support we offer to the local community gives the group the ability to give free advice and guidance to all sectors as we bring in industry and employment expertise to assist if required.

Our Education and Skills Funding expertise continues to ensure that there is fair and equal access to funding for training employees to the group's members and associates. Government incentive information sent out via e-mails telephone calls and our newsletter, our team of training officers briefed regularly on incentive payments and then pass on relevant information to employers.

We continue to offer education, apprenticeship and training information in all forms to ensure we reach all areas of our demographic in the form of media releases information given with leaflets, e-mail bulletins and special arranged zoom meetings, giving group presentations and face to face support via our new studio's.

The group links with the local LEP, University, local colleges, SPES (Staffordshire education providers) the prince's trust and the local MP who has visited on a few occasions.

Our past and future investments have been, and will continue to be so that the group can offer training, upskilling, and support to enhance, develop and reach out to increasing numbers of people.

The equipment purchased chosen to ensure that any training taking place is carried out on industrial standard equipment used by employers results in work ready skills and smooth transition into employment by NSEGTA learners.

Health and safety support to members and other companies to meet obligations in legislative requirements in health and safety continues. Subsidized by surplus the group make, this service continues to improve, with equipment purchased to support local companies in testing coolant and assessing atmospheric pollutants. During the pandemic over the last few years the group launched its support pack for coronavirus to all its members from the outset and this continued throughout those months.

Membership costs have remained static again but we have offered even more levels of support, and our membership numbers stay consistent.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our investments, which influence future activities and believe we have accomplished this. We have made surplus monies over a number of years, which have supported our continual investments designed to improve the chances for local people and support the needs of local engineering companies in line with our public benefit objectives.

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2022**

Achievements and performance

This year has again seen the group making significant differences in the engineering sector, from up skilling employees to arranging and overseeing apprenticeship programmes and our training to the unemployed.

This year 60 apprentices completed successfully their training programs and the group's performance figures were again well above the national average of 52% with an achievement of 82% successful and timely completions. All our completed apprentices went on to get full time employment, with local engineering companies.

The group remain the leading provider for over 100 local engineering companies for their apprenticeships. In February 2021, the group became a prime training provider. It received its first independent ofsted monitoring visit inspection this year successfully completed in July 22. In August 2022 it successfully met the audit requirements of the matrix standard for advice and guidance. It applied for and successfully met the education skills and funding agency standards to be entered on the register of UK training providers submitted at the beginning of the year.

Adult education delivery (for those over the age of 19) at NSEGTA completed with excellent results in both attainment of qualifications with a 100% success rate, and from these 82% went into full time employment or further education. The numbers passing through the training academy program topped over 150 locally unemployed people; these were made of men, women, low academic achievement and special needs, including previous offenders. The group offer a no barriers approach to those we support.

20 work experience programs and support have been accomplished with a special program offering companies the opportunity to give taster sessions in partnership with the local colleges; these have resulted into those on the program gaining an apprenticeship with those companies involved.

Accreditation with the Institute of Mechanical Engineers, the British Safety Council, the Institute of Occupational Safety and Health, the Matrix standard for advice and guidance, the awarding bodies for EAL, and the AoFA regulated health and safety national standard, cyber secure, the information commissioner's office and Direct claims status with EAL awarding body all maintained.

The health and safety service continues to improve. The group now recognised as a leading health and safety consultant for local engineering companies by the health and safety executive and following a number of inspections. They have approached us to support and offer advice on dwell times for machining following our inspection of local engineering equipment and atomised coolant problems. We continue to invest in this area to meet the demands of the industry and offer support.

Financial review

To ensure that monies surplus are channelled to enhance the groups not for profit services NSEGTA has decided to have 3 areas which are now designated from surplus and its current assets.,

- £618,281 Fixed Assets (capital investment building and equipment)
- £131,000 Staff Contingencies (redundancy payments etc.)
- £500,000 Strategic Development Fund

These areas will be shown on the balance sheet and constitute a commitment to develop its charitable activities.

The trustees have reviewed the reserves of the charity. Cash reserves are required to fund new service opportunities for members and cover the cost of potential repairs on the group's capital investment. The cash reserves of approximately £400,000 (after deducting certain fund designations) meet these requirements.

Investment powers, policy and performance

The trustees have considered the most appropriate policy for investing funds surplus to immediate needs. They have decided that this should be to maximize the return whilst minimizing the risk of loss of funds. Accordingly, funds invested in bank deposit accounts and building society accounts. Higher risk investments not permitted.

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2022**

Financial performance

A surplus made this year, some invested in non-risk bonds and some reinvested in the group's assets throughout the year. The designation has been tailored in-line with any surplus made, to ensure maximum investment goes back into the group to help it meet and improve its services and charitable objectives.

The trustees have assessed the major risks to which the charitable company is exposed and are satisfied that systems are in place to mitigate exposure to those major risks.

Plans for future periods

The group needs to be able to respond to a changing landscape, many of the established training providers locally have gone into liquidation with large sums of money clawed back by the education and skills funding agency as the requirements for both apprenticeship delivery and adult education become increasing difficult to deliver. Reserves for possible audit penalties, a serious consideration, which would only be removed or mitigated by stringent quality procedures and increasing internal audit checks, costing time and money, the group is taking these things into consideration with staffing numbers and expertise. The group will need to ensure that it concentrates on the things it does well and not over stretch into areas that may make it vulnerable. However locally now there will be a gap in the market and we must ensure that we try to bridge that gap so that the local area does not suffer too much, carefully considering which areas to target as priority and within our capability and sector objectives.

We will continue to offer low cost training for both on and off the job; training in sector skill requirement via NVQ's and our short courses in our traditional areas. The health and safety services will continue to offer local companies subsidized support in that crucial area.

Our online training will be beneficial to anyone looking to get cost effective training and be available to all, we will expand those courses over the next year, these will be offered 24/7.

The group has seen great success with its approach to upskilling the unemployed and we believe this will be an increasing need as skill shortages in the engineering sector become increasingly apparent. We are looking to invest in this area and to expand technical skills, further consultation will be required but with the groups reserves it is in a good position to react in a positive way. We will be looking to invest into more equipment, larger equipment, and technologically up to date equipment so that we can support and give greater understanding of engineering in today's manufacturing arena, linking with industrial experts within the members companies and engineering product suppliers.

Therefore, the trustees continue to believe that it would be prudent that money for a possible relocation allocated and continue to form part of the group's future strategy.

Structure, governance and management **Governing document**

North Staffordshire Engineering Group Training Association Limited (NSEGTA) is a company limited by guarantee, and is a registered charity governed by its Memorandum and Articles of Association which were last amended in November 2001.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

E Sims

P Smith

I Raeside

A Sims

L Stephenson

(Resigned 27 October 2021)

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

Organisational structure

A board of trustees administers the charity. It endeavours to meet bi-monthly and at other times when required. It has power to appoint sub-committees consisting of not less than two trustees for the purposes of making inquiry into or supervising or performing any function or duty which in the opinion of the trustees would be more conveniently undertaken or carried out by a sub-committee provided that all acts and proceedings of any such sub-committees shall be fully and promptly reported to the trustees. A chief executive is appointed by the trustees to manage the day to day operations of the charity. The pay scales of senior staff are set by the trustees and are benchmarked against similar sized organisations operating in the area. Pay of individual members are reviewed annually and this review takes into account performance and any other additional responsibilities undertaken.

Auditor

In accordance with the company's articles, a resolution proposing that Geens Limited be reappointed as auditor of the company will be put at a General Meeting.

The trustees' report was approved by the Board of Trustees.



I Raeside
Trustee

28 November 2022

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees, who are also the directors of North Staffordshire Engineering Group Training Association Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

Opinion

We have audited the financial statements of North Staffordshire Engineering Group Training Association Limited (the 'charitable company') for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 August 2022 and of its 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 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

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 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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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

As part of our planning process:

- we enquired of management the systems and controls the charity has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, whether there was any known, suspected or alleged fraud. the charity did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following were most relevant: the Charity SORP. FRS 102, Charities Act 2011. Companies Act 2006.
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates.
- Assessing the extent of compliance, or lack of, with relevant laws and regulations.
- Assessing the validity of the classification of income, expenditure, assets and liabilities between unrestricted and restricted funds.
- Obtaining third party confirmation of material bank balances.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation such as charity board minutes for discussions of irregularities including fraud.

Because of 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. The 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. 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

An audit of the financial statements was performed for the year ended 31 August 2022. The comparative figures are unaudited.

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Geens Limited

28 November 2022

**Chartered Accountants
Statutory Auditor**

68 Liverpool Road
Stoke on Trent
Staffordshire
ST4 1BG

Geens Limited is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Total 2022 £	Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Total 2021 £
Income from:							
Charitable activities	3	1,134,594	-	1,134,594	827,571	-	827,571
Investments	4	4,449	-	4,449	1,518	-	1,518
Total income		1,139,043	-	1,139,043	829,089	-	829,089
Expenditure on:							
Charitable activities	5	666,474	44,575	711,049	536,040	48,116	584,156
Net incoming resources before transfers		472,569	(44,575)	427,994	293,049	(48,116)	244,933
Gross transfers between funds		(218,944)	218,944	-	(220,750)	220,750	-
Net income for the year/ Net movement in funds		253,625	174,369	427,994	72,299	172,634	244,933
Fund balances at 1 September 2021		217,884	1,074,912	1,292,796	145,585	902,278	1,047,863
Fund balances at 31 August 2022		471,509	1,249,281	1,720,790	217,884	1,074,912	1,292,796

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	8		618,281		628,912
Current assets					
Debtors	9	73,209		41,701	
Cash at bank and in hand		1,039,095		655,725	
		<u>1,112,304</u>		<u>697,426</u>	
Creditors: amounts falling due within one year	10	<u>(9,795)</u>		<u>(14,753)</u>	
Net current assets			1,102,509		682,673
Total assets less current liabilities			1,720,790		1,311,585
Creditors: amounts falling due after more than one year	11		-		(18,789)
Net assets			<u>1,720,790</u>		<u>1,292,796</u>
Income funds					
<u>Unrestricted funds</u>					
Designated funds	12	1,249,281		1,074,912	
General unrestricted funds		<u>471,509</u>		<u>217,884</u>	
			1,720,790		1,292,796
			<u>1,720,790</u>		<u>1,292,796</u>

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2022

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 28 November 2022



I Raeside
Trustee

Company registration number 00926888

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	15		438,103		295,100
Investing activities					
Purchase of tangible fixed assets		(33,943)		(57,751)	
Repayment of investment loans and receivables		600		1,200	
Investment income received		4,449		1,518	
Net cash used in investing activities			(28,894)		(55,033)
Financing activities					
Payment of obligations under finance leases		(25,839)		(7,051)	
Net cash used in financing activities			(25,839)		(7,051)
Net increase in cash and cash equivalents			383,370		233,016
Cash and cash equivalents at beginning of year			655,725		422,709
Cash and cash equivalents at end of year			1,039,095		655,725

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 AUGUST 2022**

1 Accounting policies

Charity information

North Staffordshire Engineering Group Training Association Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Hanley Technical Institute, 151-153 Marsh Street North, Hanley, Stoke-on-Trent, Staffordshire, ST1 5HR.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

1.4 Income

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy.

1.5 Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	2% p.a.
Fixtures, fittings & equipment	10% p.a. to 25% p.a. straight line
Motor vehicles	25% reducing balance

1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2022**

1 Accounting policies

(Continued)

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.13 Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 8 for the carrying amount of fixed assets, and note 1.6 for the useful economic lives for each class of assets.

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

3 Charitable activities

	Training and education 2022 £	Training and education 2021 £
Membership fees	31,609	30,703
Services to managing agents	164,363	358,383
Courses	94,090	56,220
Safety services	9,237	7,762
ESFA Funding	695,802	50,049
Enhanced apprenticeships	7,616	3,320
Ace Academy	131,877	321,134
	<u>1,134,594</u>	<u>827,571</u>

4 Investments

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Interest receivable	<u>4,449</u>	<u>1,518</u>

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

5 Charitable activities

	Training and education 2022 £	Training and education 2021 £
Staff costs	484,343	421,031
Depreciation and impairment	44,575	48,116
Course expenses (inc NSEG costs)	27,578	21,480
Rent, rates and insurance	10,093	11,090
Heat, light and water	5,935	5,202
Minor equipment, maintenance and premises expenses	16,141	14,227
Printing, stationery and telephone	10,890	8,530
Publicity (including website)	3,607	1,188
Motor and travelling expenses	9,964	4,710
Auditors' remuneration/ Independent examiner's fees	3,950	1,835
Sundry expenses	13,261	11,019
EAL charges	30,433	11,844
Subscriptions and donations	4,190	5,954
Irrecoverable VAT	8,012	6,984
Other charitable expenditure	38,077	10,946
	<u>711,049</u>	<u>584,156</u>
	<u>711,049</u>	<u>584,156</u>
Analysis by fund		
Unrestricted funds - general	666,474	536,040
Unrestricted funds - designated	44,575	48,116
	<u>711,049</u>	<u>584,156</u>

6 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, and none of them were reimbursed any expenses (2021- none).

7 Employees

The average monthly number of employees during the year was:

2022 Number	2021 Number
<u>15</u>	<u>14</u>

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

7 Employees (Continued)

Employment costs	2022 £	2021 £
Wages and salaries	415,186	374,749
Social security costs	37,343	32,945
Other pension costs	31,814	13,337
	<u>484,343</u>	<u>421,031</u>

The total amount of employee benefits paid to its key management personnel, including the trustees, amounted to £74,624 (2021: £58,570).

There were no employees whose annual remuneration was more than £60,000.

8 Tangible fixed assets

	Land and buildings £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 September 2021	513,784	184,587	55,511	753,882
Additions	9,610	24,333	-	33,943
At 31 August 2022	<u>523,394</u>	<u>208,920</u>	<u>55,511</u>	<u>787,825</u>
Depreciation and impairment				
At 1 September 2021	39,664	62,298	23,007	124,969
Depreciation charged in the year	7,412	29,037	8,126	44,575
At 31 August 2022	<u>47,076</u>	<u>91,335</u>	<u>31,133</u>	<u>169,544</u>
Carrying amount				
At 31 August 2022	<u>476,318</u>	<u>117,585</u>	<u>24,378</u>	<u>618,281</u>
At 31 August 2021	<u>474,120</u>	<u>122,288</u>	<u>32,504</u>	<u>628,912</u>

9 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	6,455	30,885
Other debtors	570	448
Prepayments and accrued income	66,184	10,368
	<u>73,209</u>	<u>41,701</u>

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

10 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Obligations under finance leases		-	7,050
Trade creditors		5,845	5,773
Accruals and deferred income		3,950	1,930
		<u>9,795</u>	<u>14,753</u>

The obligation under finance lease is secured over the relevant asset included within motor vehicles.

11 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Obligations under finance leases		-	18,789
		<u>-</u>	<u>18,789</u>

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

12 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 September 2020 £	Resources expended £	Transfers £	Balance at 1 September 2021 £	Resources expended £	Transfers £	Balance at 31 August 2022 £
Fixed Assets	619,278	(48,116)	57,750	628,912	(44,575)	33,944	618,281
Staff Contingencie s	103,000	-	13,000	116,000	-	15,000	131,000
Strategic Development Fund	180,000	-	150,000	330,000	-	170,000	500,000
	<u>902,278</u>	<u>(48,116)</u>	<u>220,750</u>	<u>1,074,912</u>	<u>(44,575)</u>	<u>218,944</u>	<u>1,249,281</u>

Fixed Assets. This fund represents the net book value of the fixed assets held by the charity.

Staff Contingencies. This fund is to provide resources should the services of the charity be affected by sickness or other absence of staff or should the charity have to make staff redundant.

Strategic Development Fund. This is a fund set aside to ensure the charities sustainability giving it the ability to implement any possible rapid capital investment due to any proposed changes in delivery or apprenticeship developments / requirements, or loss of ESFA short term contract. This would have significant impact on the charity. The charity will rely on its ability to react quickly to those changes required to deliver training, fund new equipment and any other resources required. This will be a significant cost to the charity and must be accounted for and designated as required and reviewed yearly.

13 Analysis of net assets between funds

	Unrestricted funds 2022 £	Designated funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Designated funds 2021 £	Total 2021 £
Fund balances at 31 August 2022 are represented by:						
Tangible assets	-	618,281	618,281	-	628,912	628,912
Current assets/ (liabilities)	471,509	631,000	1,102,509	236,673	446,000	682,673
Long term liabilities	-	-	-	(18,789)	-	(18,789)
	<u>471,509</u>	<u>1,249,281</u>	<u>1,720,790</u>	<u>217,884</u>	<u>1,074,912</u>	<u>1,292,796</u>

NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

14 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

15 Cash generated from operations	2022 £	2021 £
Surplus for the year	427,994	244,934
Adjustments for:		
Investment income recognised in statement of financial activities	(4,449)	(1,518)
Depreciation and impairment of tangible fixed assets	44,575	48,116
Movements in working capital:		
(Increase)/decrease in debtors	(32,108)	4,558
Increase/(decrease) in creditors	2,091	(990)
Cash generated from operations	438,103	295,100

16 Analysis of changes in net funds

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	655,725	383,370	1,039,095
Obligations under finance leases	(25,839)	25,839	-
	<u>629,886</u>	<u>409,209</u>	<u>1,039,095</u>