

REGISTERED CHARITY NUMBER: 702894

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021
FOR
NORTH HUMBERSIDE MOTOR TRADES GROUP
TRAINING ASSOCIATION**

Sowerby
Chartered Accountants
Beckside Court
Annie Reed Road
Beverley
East Yorkshire
HU17 0LF

**NORTH HUMBERSIDE MOTOR TRADES GROUP
TRAINING ASSOCIATION**

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for the Year Ended 31 July 2021**

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**NORTH HUMBERSIDE MOTOR TRADES GROUP
TRAINING ASSOCIATION**

**REPORT OF THE TRUSTEES
for the Year Ended 31 July 2021**

The trustees present their report with the financial statements of the charity for the year ended 31 July 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objectives, for which the Association is formed, are to provide, further and assist in the provision of training and education for persons employed or intending to be employed in road transport related employment or such other activities as may benefit from the training services provided by the Association, and generally to supervise and further the industrial training of such persons.

Significant activities

The major part of the GTA's activities is the recruitment, selection and training of young people wishing to enter the motor industry as a career.

The management committee are mindful of the 'public benefit' guidance issued by the Charity Commission. They consider that there is significant public benefit in the activities of the Association, for instance in:

- Taking young people off the NEET (Not In Education, Employment and Training) register;
- Giving them economically beneficial skills;
- Training young people throughout an apprenticeship and on to a career;
- Supporting and developing local business with recruitment, training and health & safety guidance;
- Working with local schools, broadening their curriculum offer with vocational qualifications;
- Linking school pupils with local employers for work experience; and
- Working with Special Education Needs Schools to broaden the curriculum, give the students life skills and experience of the working environment.

From 1st August 2018, following a rigorous due diligence process, the GTA delivered apprenticeships on a subcontracted basis with Hull Training (Part of Hull City Council). From 2020 apprenticeship for all Employers via a direct contract with the ESFA and a Study Programme via a subcontract with Hull Training (Part of Hull City Council). With sub contract delivery the NHMTGTA receives a maximum 90% of the funding and pays at least 10% management fee to the Prime Provider.

All apprentices are employed by member and associate companies, and assessment and monitoring of their progress is carried out by GTA staff.

The GTA is a Training Centre Regulated by OFSTED and listed on the ESFA Register of Approved Apprenticeship Providers.

We are an assessment and training centre approved by the Institute of the Motor Industry Awards Limited (IMI Awards Ltd). Off the job training for standards is now delivered by the GTA. Apprentices are trained as technicians for light and heavy vehicles. In 2021 we plan to deliver the level 2 Auto-care technician standard.

The GTA continues to expand its training offer including lower level training at Level 1 for the industry along with progression to employment training, step up, key skills and functional skills. This is delivered entirely by the GTA with elements of work experience, hopefully leading to a full apprenticeship on successful completion. Although the majority of delivery is completed with the Institute of the Motor Industry Awarding Body, the progression to employment is delivered with the NOCN Awarding Body and we now offer qualifications through the Skills & Education Group Awards and standards via Autoexcel.

The expansion of motor vehicle vocational education within local schools and employers continues to be the main focus of business expansion for the GTA over the year. We successfully moved the operation back to our Priory Park premises with a new workshop facility and new classrooms in December 2015.

**NORTH HUMBERSIDE MOTOR TRADES GROUP
TRAINING ASSOCIATION**

**REPORT OF THE TRUSTEES
for the Year Ended 31 July 2021**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

We have seen an overall decrease in the number of Apprentices on the books and currently stands at 65. This coincides with the impact the COVID 19 pandemic on local employers, whom not only have had to furlough current staff but make redundancies and reduce recruitment.

Throughout the Pandemic the GTA continued to deliver remote education for the knowledge aspects of Apprenticeships, but the skills aspects were delayed until we could access the workshops safely following DFE guidance.

This year, overall achievement is in line with the National average of 75%. We continue to develop and improve our delivery and service, in order to successfully deliver our mission statement. Our Study Programme achievement was good achievement again this year with 87% of learner's achieving, higher than the National Average. It is envisaged that 90% of these learners will progress to other forms of education with the GTA in 2021/2022.

Invitations to attend careers events at schools has sadly stopped due to the social distancing measures each educational Institution has had to make. The GTA website continues to be a valuable source of information to career advisors and schools and is currently being updated and given a complete overhaul. In association with Hull Training, Connexions and the Consortium for Learning, the GTA actively operates the online application process.

We have been inspected by all 3 Awarding Bodies, and we have no actions from 2 and a grade 1 from NOCN, the highest possible quality award. The apprenticeship provision was part of the Hull Training provision graded as Good by OFSTED in September 2018.

We were subject to an intensive OFSTED Monitoring visit in May 2019. Over 2 days, 4 OFSTED Inspectors deemed the GTA Levy provision had made reasonable progress in the Themes of:

- How much progress have leaders and managers made in ensuring that the provider is meeting all requirements of success apprenticeship provision?
- What progress have leaders and managers made in ensuring that apprentices benefit from high quality training that leads to positive outcomes for apprentices?
- What progress have leaders and managers made in ensuring that effective safeguarding arrangements are in place?

Internal and external factors

Savings continue to be made by finding alternative contract work and diversifying delivery. In addition, significant staff changes have been made. Staffing levels are now at a minimum to cope with current work levels.

FINANCIAL REVIEW

Financial position

The results for the year ended 31st July 2021 show a net surplus of £36,599 (2020: net deficit £59,415).

The total funds at the balance sheet date, all of which are unrestricted, are £860,765 (2020: £824,166).

Factors that could affect the financial performance and position going forward

- Loss of sub contract due to poor performance or poor delivery
- Loss of direct contract due to poor performance or poor delivery
- Poor OFSTED Inspection resulting in an inadequate grade
- Poor reports from Awarding Body EQAs, due to poor practice resulting in serious sanctions
- Inability to recruit appropriate students
- Lack of employment opportunities for future Apprentices

No such occurrences have happened in 2020/2021 or expected in 2021/2022.

Principal funding sources

As noted under 'significant activities', the main source of funding continues to be from the Skills Funding Agency via Hull Training, Schools Contracts and directly from the ESFA for Levy Employers. Other sources of funding are through private contracts, investment income and a small level of subscriptions.

Investment policy and objectives

The trustees' investment powers are governed by the Constitution, which permits the Charity's funds to be invested. The Charity's investments have continued to be managed in conformity with our policy and the Constitution.

**NORTH HUMBERSIDE MOTOR TRADES GROUP
TRAINING ASSOCIATION**

**REPORT OF THE TRUSTEES
for the Year Ended 31 July 2021**

FINANCIAL REVIEW

Reserves policy

The committee believes that the appropriate level of free reserves which are not invested in tangible fixed assets should be an amount representing approximately 12 weeks' expenditure.

At the balance sheet date, this would equate to around £96,000 (2020: £116,000)

Using the strict interpretation of 'free reserves', the charity's level of free reserves is not meeting this target at the balance sheet date, standing at negative £157,827 (2020: negative £202,614).

However, adjusting the 'free reserves' by the mortgage that is secured against the property, the level of free reserves at the balance sheet date is £52,732 (2020: £20,733).

Following a plan to invest in new equipment and facilities to increase business and the professional image of the Association, our focus in the medium term is to bring the reserves of the charity back to the appropriate level by means of annual operating surpluses, judicious management of investment assets, and by investigating alternative organisational arrangements, which would have a beneficial effect on the generation of funds.

The accounting policy in respect of fund accounting is given in Note 1 to the financial statements.

Note 21 to the financial statements shows the net movements for the year on the general fund. No other funds existed during the year.

FUTURE DEVELOPMENTS

In line with the government's new funding arrangements, the GTA plans to deliver a greater number of apprenticeships directly to employers and to become an assessment centre for the delivery of the synoptic end point assessments required for the new Apprenticeship Standards, which should improve our income immediately by a minimum 10%. We plan to deliver more privately funded programmes alongside our traditional apprenticeship and advanced apprenticeship offer including the new foundation learning tier programmes.

We continue to focus on developing direct delivery relationships with local schools, delivering our wide range of vocational qualifications as part of their curriculum offers.

We had intended to continue with our policy to reduce borrowing. This reduced significantly from £360,000 in 2009 to £193,123 in July 2021, however we needed to borrow a further £60,000 from Nat West Bank via the CIBLS scheme in 2020 to secure the Association due to the impact of the COVID Pandemic. This year we paid £10,000 off the CIBLS loan and converted this to a Bounce Back loan (BBL), with lower interest charges. Total borrowing is now down to £243,123 from £281,500.

Although still working under tremendous external pressures, the GTA has made significant improvements to its operating structure and assets over the past year.

COVID-19

Having regard to liquidity risk, current market conditions and other factors affecting the charity including the impact of Covid-19, the use of the going concern basis of accounting is appropriate as, in the opinion of the trustees, there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the charity to continue as a going concern. The charity has suffered a period of difficult trade due to Covid-19 but has utilised the government support available and the trustees are confident that the position of the charity going forward will be positive.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Association is an unincorporated charity, registered in England, governed by a constitution adopted on 1st May 1972 (as amended on 26th April 1990, 3rd December 2008, 11th September 2013 and 14th October 2015 and 28th November 2019).

As an incorporated charity, contracts are delivered on behalf of the Trustees by the GTA and similarly staff are employed by the Trustees on behalf of the GTA.

Recruitment and appointment of new trustees

New trustees of the Association are appointed by the management committee and duly inducted into the roles and responsibilities of a trustee.

**NORTH HUMBERSIDE MOTOR TRADES GROUP
TRAINING ASSOCIATION**

**REPORT OF THE TRUSTEES
for the Year Ended 31 July 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The management committee is the governing body of the Association, and consists of one representative appointed annually by each member.

Members of the Association are local organisations who provide apprenticeships to trainees.

Trustees delegate day to day management to the Director of Training and in his absence, the Training Manager.

Risk management

The trustees regularly review risks to which the charity is exposed to and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Current risks:

- Loss of sub contract due to poor performance or poor delivery
- Loss of direct contract due to poor performance or poor delivery
- Poor OFSTED Inspection resulting in an inadequate grade
- Poor reports from Awarding Body EQAs, due to poor practice resulting in serious sanctions
- Inability to recruit appropriate students
- Lack of employment opportunities for future Apprentices
- Change in government policy
- Inability to replace current staff
- Inability to replace trustees
- Inability to register on the DFE RoATP

Part of the strategy to reduce risk is to increase the range and volume of the delivery of full cost Adult Education courses. A full time Marketing and Business Development Officer role is being advertised to start in September 2019 to facilitate this.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

702894

Principal address

12 Henry Boot Way
Priory Park East
Hull
HU4 7DY

**NORTH HUMBERSIDE MOTOR TRADES GROUP
TRAINING ASSOCIATION**

**REPORT OF THE TRUSTEES
for the Year Ended 31 July 2021**

Trustees

G E Clark
Mrs P Stockill
G Jefferson
B M Ewbank

A maximum of four Trustees of the Association is permitted by the Constitution. Title to the charity's freehold, leasehold and other property is vested in the Trustees of the Association, who have no voting rights.

Members of the management committee (Charity Trustees)

Members of the management committee at the balance sheet date, all of whom have served as trustees throughout the year, are as follows:

| | |
|-------------|----------------|
| G Tyler | Chairman |
| C Stancer | |
| I Campion | |
| A Kirk | |
| E Wells | Vice Chair AGM |
| R Wells | |
| S Mell | |
| S Butterley | |

Officers

| | |
|--------------|----------------------|
| D Willoughby | Director of Training |
| M Crawford | Training Manager |

Independent Examiner

Adrian Allen FCA
ICAEW
Sowerby
Chartered Accountants
Beckside Court
Annie Reed Road
Beverley
East Yorkshire
HU17 0LF

Solicitors

Burstalls Solicitors
PO Box 31
Ocean Chambers
54 Lowgate
Hull
HU1 1JF

**NORTH HUMBERSIDE MOTOR TRADES GROUP
TRAINING ASSOCIATION**

**REPORT OF THE TRUSTEES
for the Year Ended 31 July 2021**

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds TSB
Silver Street
Hull
PO Box 1000
BX1 1LT

NatWest
Hull City Centre Branch
34 King Edward Street
Hull
HU1 3SS

Approved by order of the board of trustees on 15/12/21 and signed on its behalf by:


.....
G E Clark - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
NORTH HUMBERSIDE MOTOR TRADES GROUP
TRAINING ASSOCIATION**

Independent examiner's report to the trustees of North Humberside Motor Trades Group Training Association

I report to the charity trustees on my examination of the accounts of North Humberside Motor Trades Group Training Association (the Trust) for the year ended 31 July 2021.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of ICAEW which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Adrian Allen FCA
ICAEW
Sowerby
Chartered Accountants
Beckside Court
Annie Reed Road
Beverley
East Yorkshire
HU17 0LF

Date: 15.12.21

**NORTH HUMBERSIDE MOTOR TRADES GROUP
TRAINING ASSOCIATION**

**STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 July 2021**

| | Notes | Unrestricted funds £ | Restricted fund £ | 2021 Total funds £ | 2020 Total funds £ |
|--|-------|----------------------------|-------------------------|-----------------------------|-----------------------------|
| INCOME AND ENDOWMENTS FROM | | | | | |
| Donations and legacies | 2 | - | - | - | (600) |
| Charitable activities | 4 | | | | |
| Provision of industrial motor training | | 409,118 | - | 409,118 | 377,533 |
| Investment income | 3 | 24,998 | - | 24,998 | 31,250 |
| Other income | 5 | 17,622 | - | 17,622 | 33,547 |
| Total | | 451,738 | - | 451,738 | 441,730 |
| EXPENDITURE ON | | | | | |
| Charitable activities | 6 | | | | |
| Provision of industrial motor training | | 415,139 | - | 415,139 | 501,145 |
| NET INCOME/(EXPENDITURE) | | 36,599 | - | 36,599 | (59,415) |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | 824,166 | - | 824,166 | 883,581 |
| TOTAL FUNDS CARRIED FORWARD | | 860,765 | - | 860,765 | 824,166 |

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

Income and Expenditure Account

The Statement of Financial Activities represents the Statement of Comprehensive Income, and incorporates the Income and Expenditure Account.

The notes form part of these financial statements

**NORTH HUMBERSIDE MOTOR TRADES GROUP
TRAINING ASSOCIATION**

**BALANCE SHEET
31 July 2021**

| | Notes | Unrestricted funds £ | Restricted fund £ | 2021 Total funds £ | 2020 Total funds £ |
|--|-------|----------------------------|-------------------------|-----------------------------|-----------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 13 | 1,018,592 | - | 1,018,592 | 1,026,780 |
| CURRENT ASSETS | | | | | |
| Debtors | 14 | 47,637 | - | 47,637 | 45,643 |
| Cash at bank and in hand | | 71,063 | - | 71,063 | 70,457 |
| | | <u>118,700</u> | <u>-</u> | <u>118,700</u> | <u>116,100</u> |
| CREDITORS | | | | | |
| Amounts falling due within one year | 15 | (83,404) | - | (83,404) | (107,282) |
| | | <u>35,296</u> | <u>-</u> | <u>35,296</u> | <u>8,818</u> |
| NET CURRENT ASSETS | | | | | |
| | | <u>1,053,888</u> | <u>-</u> | <u>1,053,888</u> | <u>1,035,598</u> |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 16 | (193,123) | - | (193,123) | (211,432) |
| | | <u>860,765</u> | <u>-</u> | <u>860,765</u> | <u>824,166</u> |
| NET ASSETS | | | | | |
| | | <u>860,765</u> | <u>-</u> | <u>860,765</u> | <u>824,166</u> |
| FUNDS | 20 | | | | |
| Unrestricted funds: | | | | | |
| General fund | | | | 860,765 | 824,166 |
| TOTAL FUNDS | | | | <u>860,765</u> | <u>824,166</u> |

The financial statements were approved by the Board of Trustees and authorised for issue on 28/02/21 and were signed on its behalf by:

Trustee

The notes form part of these financial statements

**NORTH HUMBERSIDE MOTOR TRADES GROUP
TRAINING ASSOCIATION**

**CASH FLOW STATEMENT
for the Year Ended 31 July 2021**

| | Notes | 2021 £ | 2020 £ |
|---|-------|----------------------|----------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | 35,718 | (9,360) |
| Interest paid | | (9,540) | (9,016) |
| Interest element of finance lease payments paid | | (374) | (374) |
| Net cash provided by/(used in) operating activities | | <u>25,804</u> | <u>(18,750)</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (342) | (300) |
| Net cash used in investing activities | | <u>(342)</u> | <u>(300)</u> |
| Cash flows from financing activities | | | |
| New loans in year | | - | 60,000 |
| Loan repayments in year | | (22,808) | (8,773) |
| Capital repayments in year | | (2,048) | (2,048) |
| Net cash (used in)/provided by financing activities | | <u>(24,856)</u> | <u>49,179</u> |
| Change in cash and cash equivalents in the reporting period | | <u>606</u> | <u>30,129</u> |
| Cash and cash equivalents at the beginning of the reporting period | | <u>70,457</u> | <u>40,328</u> |
| Cash and cash equivalents at the end of the reporting period | | <u><u>71,063</u></u> | <u><u>70,457</u></u> |

The notes form part of these financial statements

**NORTH HUMBERSIDE MOTOR TRADES GROUP
TRAINING ASSOCIATION**

**NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 July 2021**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2021 £ | 2020 £ |
|---|---------------|-----------------|
| Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities) | 36,599 | (59,415) |
| Adjustments for: | | |
| Depreciation charges | 8,530 | 9,445 |
| Interest paid | 9,540 | 9,016 |
| Interest element of hire purchase and finance lease rental payments | 374 | 374 |
| (Increase)/decrease in debtors | (1,994) | 20,557 |
| (Decrease)/increase in creditors | (17,331) | 10,663 |
| Net cash provided by/(used in) operations | 35,718 | (9,360) |

2. ANALYSIS OF CHANGES IN NET DEBT

| | At 1/8/20 £ | Cash flow £ | At 31/7/21 £ |
|---------------------------------|------------------|----------------|------------------|
| Net cash | | | |
| Cash at bank and in hand | 70,457 | 606 | 71,063 |
| | <u>70,457</u> | <u>606</u> | <u>71,063</u> |
| Debt | | | |
| Finance leases | (2,901) | 2,048 | (853) |
| Debts falling due within 1 year | (72,788) | 5,352 | (67,436) |
| Debts falling due after 1 year | (210,579) | 17,456 | (193,123) |
| | <u>(286,268)</u> | <u>24,856</u> | <u>(261,412)</u> |
| Total | (215,811) | 25,462 | (190,349) |

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 July 2021**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investment properties as explained below.

The presentation currency of the financial statements is the Pound Sterling (£).

Having regard to liquidity risk, current market conditions and other factors affecting the charity, the use of the going concern basis of accounting is appropriate as, in the opinion of the trustees, there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the charity to continue as a going concern.

Legal Form

The charity is an unincorporated entity, registered with the Charity Commission.

COVID-19

Having regard to liquidity risk, current market conditions and other factors affecting the charity including the impact of Covid-19, the use of the going concern basis of accounting is appropriate as, in the opinion of the trustees, there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the charity to continue as a going concern. The charity has suffered a period of difficult trade due to Covid-19 but has utilised the government support available and the trustees are confident that the position of the charity going forward will be positive.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

Governance staff costs are apportioned at 5% of support staff costs.

Tangible fixed assets

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

| | |
|-----------------------|-----------------------------|
| Freehold property | - 2% on cost excluding land |
| Fixtures and fittings | - 10% on cost |
| Motor vehicles | - 25% on cost |
| Computer equipment | - 25% on cost |

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Restricted funds are those funds whose use is subject to terms specified by the donor.

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are unrestricted funds earmarked by the trustees to be used for a specific purpose.

Throughout the year to 31st July 2021, and the previous year, there were no restricted or designated funds.

**NORTH HUMBERSIDE MOTOR TRADES GROUP
TRAINING ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 July 2021**

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

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

2. DONATIONS AND LEGACIES

| | 2021 | 2020 |
|---------------|------|-------|
| | £ | £ |
| Subscriptions | - | (600) |

3. INVESTMENT INCOME

| | 2021 | 2020 |
|----------------|--------|--------|
| | £ | £ |
| Rents received | 24,998 | 31,250 |

Rent received is in respect of property rented to GTA Education Limited.

4. INCOME FROM CHARITABLE ACTIVITIES

| | Activity | 2021 | 2020 |
|--------------------|--|---------|---------|
| | | £ | £ |
| Government funding | Provision of industrial motor training | 283,173 | 271,872 |
| Private contracts | Provision of industrial motor training | 125,945 | 105,661 |
| | | 409,118 | 377,533 |

5. OTHER INCOME

| | 2021 | 2020 |
|--------------|--------|--------|
| | £ | £ |
| Other Income | 17,622 | 33,547 |

6. CHARITABLE ACTIVITIES COSTS

| | Direct Costs (see note 7) | Support costs (see note 8) | Totals |
|--|---------------------------------|----------------------------------|---------|
| | £ | £ | £ |
| Provision of industrial motor training | 251,611 | 163,528 | 415,139 |

**NORTH HUMBERSIDE MOTOR TRADES GROUP
TRAINING ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 July 2021**

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

| | 2021 | 2020 |
|---|----------------|----------------|
| | £ | £ |
| Staff costs | 214,441 | 272,920 |
| Course, examination and registration fees | 16,661 | 37,341 |
| Trainee incentives and awards | 845 | 304 |
| Management charge | 19,664 | 18,940 |
| | <u>251,611</u> | <u>329,505</u> |

8. SUPPORT COSTS

| | Management £ | Finance £ | Other £ | Governance costs £ | Totals £ |
|--|-----------------|---------------|---------------|--------------------------|----------------|
| Provision of industrial motor training | <u>86,683</u> | <u>10,395</u> | <u>54,128</u> | <u>12,322</u> | <u>163,528</u> |

9. TRUSTEES' REMUNERATION AND BENEFITS

During the year ended 31st July 2021 and the year ended 31st July 2020, no charges were made by any members of the management committee.
There were no other remuneration or benefits paid to members of the management committee, or trustees, during the year to 31 July 2021, nor for the year ended 31 July 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 July 2021 nor for the year ended 31 July 2020.

10. STAFF COSTS

| | 2021 | 2020 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Wages and salaries | 277,684 | 326,983 |
| Social security costs | 22,077 | 28,769 |
| Other pension costs | 5,925 | 7,313 |
| | <u>305,686</u> | <u>363,065</u> |

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

| | 2021 | 2020 |
|-------------------------------|-----------|-----------|
| Training and assessment | 10 | 11 |
| Management and administration | 2 | 2 |
| | <u>12</u> | <u>13</u> |

No employees received emoluments in excess of £60,000.

**NORTH HUMBERSIDE MOTOR TRADES GROUP
TRAINING ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 July 2021**

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted funds £ | Restricted fund £ | Total funds £ |
|--|----------------------------|-------------------------|---------------------|
| INCOME AND ENDOWMENTS FROM | | | |
| Donations and legacies | (600) | - | (600) |
| Charitable activities | | | |
| Provision of industrial motor training | 377,533 | - | 377,533 |
| Investment income | 31,250 | - | 31,250 |
| Other income | 33,547 | - | 33,547 |
| Total | 441,730 | - | 441,730 |
| EXPENDITURE ON | | | |
| Charitable activities | | | |
| Provision of industrial motor training | 501,145 | - | 501,145 |
| NET INCOME/(EXPENDITURE) | (59,415) | - | (59,415) |
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward | 883,581 | - | 883,581 |
| TOTAL FUNDS CARRIED FORWARD | 824,166 | - | 824,166 |

12. INDEPENDENT EXAMINATION FEES

Fees paid to the Independent examiner are as follows:

| Fees charged in respect of: | 2021 | 2020 |
|---|--------------|--------------|
| Independent examination of the financial statements | 1,800 | 1,600 |
| Preparation of the financial statements | 3,500 | 2,870 |
| Other accountancy services | 0 | 0 |
| Payroll services | 1,553 | 1,020 |
| | 6,853 | 5,490 |

**NORTH HUMBERSIDE MOTOR TRADES GROUP
TRAINING ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 July 2021**

13. TANGIBLE FIXED ASSETS

| | Freehold property £ | Fixtures and fittings £ | Motor vehicles £ | Computer equipment £ | Totals £ |
|-----------------------|---------------------------|----------------------------------|------------------------|----------------------------|-------------|
| COST | | | | | |
| At 1 August 2020 | 1,000,000 | 57,257 | 4,980 | 85,596 | 1,147,833 |
| Additions | - | 110 | - | 232 | 342 |
| At 31 July 2021 | 1,000,000 | 57,367 | 4,980 | 85,828 | 1,148,175 |
| DEPRECIATION | | | | | |
| At 1 August 2020 | - | 40,675 | 1,660 | 78,718 | 121,053 |
| Charge for year | - | 4,474 | 498 | 3,558 | 8,530 |
| At 31 July 2021 | - | 45,149 | 2,158 | 82,276 | 129,583 |
| NET BOOK VALUE | | | | | |
| At 31 July 2021 | 1,000,000 | 12,218 | 2,822 | 3,552 | 1,018,592 |
| At 31 July 2020 | 1,000,000 | 16,582 | 3,320 | 6,878 | 1,026,780 |

Included in tangible fixed assets are assets held under finance leases with a net book value at the balance sheet date of £2,909 (2020: £5,574). Depreciation charged in the year on these assets amounted to £2,664 (2020: £2,664).

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2021 £ | 2020 £ |
|--------------------------------|---------------|---------------|
| Trade debtors | 17,941 | 15,912 |
| Amounts due from GTA Education | 23,449 | 23,449 |
| Prepayments | 6,247 | 6,282 |
| | <u>47,637</u> | <u>45,643</u> |

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2021 £ | 2020 £ |
|---|---------------|----------------|
| Bank loans and overdrafts (see note 17) | 67,436 | 72,788 |
| Finance leases (see note 18) | 853 | 2,048 |
| Trade creditors | 17 | - |
| Taxation and social security | 8,467 | 11,902 |
| Other creditors | 6,631 | 20,544 |
| | <u>83,404</u> | <u>107,282</u> |

**NORTH HUMBERSIDE MOTOR TRADES GROUP
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**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 July 2021**

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2021 | 2020 |
|------------------------------|----------------|----------------|
| | £ | £ |
| Bank loans (see note 17) | 193,123 | 210,579 |
| Finance leases (see note 18) | - | 853 |
| | <u>193,123</u> | <u>211,432</u> |

17. LOANS

An analysis of the maturity of loans is given below:

| | 2021 | 2020 |
|---|---------------|---------------|
| | £ | £ |
| Amounts falling due within one year on demand: | | |
| Bank loans | 17,436 | 12,788 |
| CBI loan | 50,000 | 60,000 |
| | <u>67,436</u> | <u>72,788</u> |
| Amounts falling between one and two years: | | |
| Bank loans - 1-2 years | 18,049 | 13,362 |
| | <u>18,049</u> | <u>13,362</u> |
| Amounts falling due between two and five years: | | |
| Bank loans - 2-5 years | 58,042 | 43,870 |
| | <u>58,042</u> | <u>43,870</u> |
| Amounts falling due in more than five years: | | |
| Repayable by Instalments: | | |
| Bank loans more 5 yr by instal | 117,032 | 153,347 |

The bank loan was entered into in 2015 with the purpose of financing capital alterations to the investment property.

It is for a term of 15 years and is subject to interest charges on a variable basis.

18. LEASING AGREEMENTS

Minimum lease payments under finance leases fall due as follows:

| | Finance leases | |
|------------------------------|----------------|--------------|
| | 2021 | 2020 |
| | £ | £ |
| Gross obligations repayable: | | |
| Within one year | 1,009 | 2,422 |
| Between one and five years | - | 1,009 |
| | <u>1,009</u> | <u>3,431</u> |
| Finance charges repayable: | | |
| Within one year | 156 | 374 |
| Between one and five years | - | 156 |
| | <u>156</u> | <u>530</u> |
| Net obligations repayable: | | |
| Within one year | 853 | 2,048 |
| Between one and five years | - | 853 |
| | <u>853</u> | <u>2,901</u> |

19. SECURED DEBTS

The following secured debts are included within creditors:

| | 2021 | 2020 |
|----------------|----------------|----------------|
| | £ | £ |
| Bank loans | 260,559 | 283,367 |
| Finance leases | 853 | 2,901 |
| | <u>261,412</u> | <u>286,268</u> |

The bank loan is secured by way of a legal charge over the charity's property.

The finance lease liability is secured on the underlying assets.

20. MOVEMENT IN FUNDS

| | At 1/8/20 | Net | At |
|--------------------|----------------|---------------|----------------|
| | £ | movement | 31/7/21 |
| | £ | in funds | £ |
| Unrestricted funds | | | |
| General fund | 824,166 | 36,599 | 860,765 |
| | <u>824,166</u> | <u>36,599</u> | <u>860,765</u> |
| TOTAL FUNDS | <u>824,166</u> | <u>36,599</u> | <u>860,765</u> |

**NORTH HUMBERSIDE MOTOR TRADES GROUP
TRAINING ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 July 2021**

20. MOVEMENT IN FUNDS - continued

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

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 451,738 | (415,139) | 36,599 |
| TOTAL FUNDS | <u>451,738</u> | <u>(415,139)</u> | <u>36,599</u> |

Comparatives for movement in funds

| | At 1/8/19 £ | Net movement in funds £ | At 31/7/20 £ |
|---------------------------|----------------|----------------------------------|--------------------|
| Unrestricted funds | | | |
| General fund | 883,581 | (59,415) | 824,166 |
| TOTAL FUNDS | <u>883,581</u> | <u>(59,415)</u> | <u>824,166</u> |

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 441,730 | (501,145) | (59,415) |
| TOTAL FUNDS | <u>441,730</u> | <u>(501,145)</u> | <u>(59,415)</u> |

A current year 12 months and prior year 12 months combined position is as follows:

| | At 1/8/19 £ | Net movement in funds £ | At 31/7/21 £ |
|---------------------------|----------------|----------------------------------|--------------------|
| Unrestricted funds | | | |
| General fund | 883,581 | (22,816) | 860,765 |
| TOTAL FUNDS | <u>883,581</u> | <u>(22,816)</u> | <u>860,765</u> |

**NORTH HUMBERSIDE MOTOR TRADES GROUP
TRAINING ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 July 2021**

20. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 893,468 | (916,284) | (22,816) |
| TOTAL FUNDS | <u>893,468</u> | <u>(916,284)</u> | <u>(22,816)</u> |

21. CONTINGENT LIABILITIES

As explained in note 14, upon any sale of the investment property, the charity would be liable to pay Hull City Council a proportion of the proceeds of the sale.

This agreement was based on the original property, and would amount to 44% of the proceeds of sale of that property.

If the property were sold for proceeds equal to its carrying value in the accounts, this would crystallise a liability to Hull City Council of £440,000.

As there is currently no intention to sell the property, this liability has not been recognised in these financial accounts.

22. RELATED PARTY DISCLOSURES

GTA Education Limited

The charity has undertaken transactions with GTA Education Limited, a company under the control of Mr D Willoughby and Mr M Crawford, both officers of the charity.

During the year, the charity made charges to GTA Education Limited of £33,415 for resources shared, and £25,000 for rent.

All transactions were undertaken under usual commercial terms.

At 31st July 2021, the balance owing from GTA Education Limited to the charity was £23,449 (2020: £23,449).

Hessle High School

The charity invoiced Hessle Academy a total of £128 (2020: £8,670 during the year in respect of training under a private contract. Mr D Willoughby, Director of Training, is a Governor of this school.

These transactions were undertaken under usual commercial terms.

Key Management Personnel

Total remuneration paid to key management personnel throughout the year, in the form of gross salary and benefits in kind, amounted to £51,040 (2020: £50,706).

**NORTH HUMBERSIDE MOTOR TRADES GROUP
TRAINING ASSOCIATION**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 July 2021**

| | 2021 £ | 2020 £ |
|---|----------------|----------------|
| INCOME AND ENDOWMENTS | | |
| Donations and legacies | | |
| Subscriptions | - | (600) |
| Investment income | | |
| Rents received | 24,998 | 31,250 |
| Charitable activities | | |
| Government funding | 283,173 | 271,872 |
| Private contracts | 125,945 | 105,661 |
| | <u>409,118</u> | <u>377,533</u> |
| Other income | | |
| Other income | 17,622 | 33,547 |
| Total incoming resources | <u>451,738</u> | <u>441,730</u> |
| EXPENDITURE | | |
| Charitable activities | | |
| Wages | 198,237 | 247,432 |
| Social security | 12,112 | 19,998 |
| Pensions | 4,092 | 5,490 |
| Course, examination and registration fees | 16,661 | 37,341 |
| Trainee incentives and awards | 845 | 304 |
| Management charge | 19,664 | 18,940 |
| | <u>251,611</u> | <u>329,505</u> |
| Support costs | | |
| Management | | |
| Wages | 75,475 | 75,573 |
| Social security | 9,467 | 8,332 |
| Pensions and health insurance | 1,741 | 1,732 |
| | <u>86,683</u> | <u>85,637</u> |
| Finance | | |
| Bank charges | 481 | 486 |
| Bank loan interest | 9,540 | 9,016 |
| Hire purchase | 374 | 374 |
| | <u>10,395</u> | <u>9,876</u> |
| Other | | |
| Administration costs | 29,919 | 32,326 |
| Establishment costs | 15,679 | 21,352 |
| Carried forward | 45,598 | 53,678 |

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**NORTH HUMBERSIDE MOTOR TRADES GROUP
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**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 July 2021**

| | 2021 | 2020 |
|---------------------------------------|----------------|-----------------|
| | £ | £ |
| Other | | |
| Brought forward | 45,598 | 53,678 |
| Depreciation of tangible fixed assets | 8,530 | 9,445 |
| | <u>54,128</u> | <u>63,123</u> |
| Governance costs | | |
| Wages | 3,972 | 3,978 |
| Social security | 498 | 439 |
| Pensions | 92 | 91 |
| Legal fees | 405 | 2,245 |
| Bookkeeping fees | 502 | 475 |
| Independent Examiner fees | 6,853 | 5,776 |
| | <u>12,322</u> | <u>13,004</u> |
| Total resources expended | <u>415,139</u> | <u>501,145</u> |
| Net income/(expenditure) | <u>36,599</u> | <u>(59,415)</u> |

This page does not form part of the statutory financial statements