

**Charity Registration No. 528635**

**Company Registration No. 00926888 (England and Wales)**

**NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED**

**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2023**

# **NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>Trustees</b>	E Sims P Smith I Raeside A Sims
<b>Secretary</b>	P Smith
<b>Charity number</b>	528635
<b>Company number</b>	00926888
<b>Registered office</b>	Hanley Technical Institute 151-153 Marsh Street North Hanley Stoke-on-Trent Staffordshire ST1 5HR
<b>Independent examiner</b>	K.V. Staley FCA BSc (Hons) Graphic house 124 City Road Stoke on Trent ST4 2PH
<b>Bankers</b>	National Westminster Bank plc 1 Upper Market Square Hanley Stoke-on-Trent ST1 1NS
<b>Solicitors</b>	Freeth Cartwright LLP Federation House Station Road Stoke on Trent ST4 2SA

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# **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 2023***

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The trustees present their report and the financial statements and business plan for the year ended 31 August 2023. 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 60 - 80 apprentices on program at any one time. The group has invested heavily in its delivery with two studios developed a few years ago to offer continual training on line and access to the recorded training programs are 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 in sites placed around the city, visiting regularly one or two times a week to promote and educate those looking for employment and discussing those opportunities available to them from the local engineering sector following the groups engineering upskilling training. Our upskilling training is developed and completed in areas requested through continued consultation with local engineering employers. The group run two separate steering groups throughout the year with both employers and apprentices. This upskilling of the unemployed and the group's apprenticeship offer 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 2023***

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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 and our new for this year educational mobile activity van purchased to help them understand engineering and the different roles better; NSEG now reach out to the people of Stoke-on-Trent with tasters of engineering activities and employment skills. The van fully modernized has disability access and designed to promote social integration and community engagement; it now reaches out to those that would not normally be able to get access to this information or activity. This engages individuals and creates training opportunities, particularly for those that face barriers to employment and/or live in deprived areas. The knock on affect will benefit employers in industries with known skills shortages such as engineering. The van and its activities are designed to give an appreciation of Engineering skills and allow people to try out their ability using enjoyable but safe equipment whilst receiving high quality impartial IAG. An Engineering Careers Advisor has now been employed and trained to identify, engage with and attend at least 20 local social groups, careers/job fairs, schools (5 per quarter) of which 20% will be from underrepresented groups, this has gained special recognition from the Matrix standard for advice and guidance. These continued investments, in the services and support we offer to the local community gives the group the ability to give free advice good guidance to all, the sector we support and the local people of Stoke on Trent, and surrounding areas.

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 studios.

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 was 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 2023**

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### **Achievements and performance 2022-23 - Final Success Rates**

- Apprenticeships - 80% (National Average 53.4%)      Retention Rates – 80%
- Ace Academy - 99% (National Average 86.2%)      Retention Rates – 99%
- 74% Progressed in Employment / Further Education
- Functional Skills – 100% (National Average 86.2%)      Retention Rates – 100%
- Workplace NVQs – 95% (National Average 86.2%)      Retention Rates - 95%

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, a recent customer satisfaction survey has concluded that 97% of employers would recommend NSEGTA to other employers.

This year 38 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 80% successful and timely completions. All our completed apprentices went on to get full time employment, with local engineering companies. The Ace academy trained over 150 unemployed people with an achievement rate of 99% and 74% going on to full time employment or further training.

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 in 2022 which was successful. The group have successfully gained the matrix standard for the sixth time running this year for advice and guidance. It applied for and successfully met the education skills and funding agency standards and remained on the register of UK training providers submitted at the beginning of the year. It has successfully gained a further 2 years of adult education funding for its provision in engineering training and up skilling.

The adult education delivery (for those over the age of 19) at nsegta completed with excellent results as seen. The numbers passing through the training academy program topped over 150 locally unemployed people; these were made up of men, women, low academic achievement and special needs, including previous offenders. The group offer a no barriers approach to those we support.

35 work experience / trial 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 in 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, atmospheric contaminates and coolant safe handling. We will continue to invest in this area to meet the demands of the industry and offer support.

# **NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023**

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### **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.,

- £651,926 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 £560,000 (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.

### **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.

# **NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2023**

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### **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 increasingly 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 and has now increased its 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. 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 intend to expand those courses over the next year, these will be offered 24/7.

The group continues to see 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 are increasingly apparent. We are looking to invest in this area and to expand technical skills, and are purchasing more equipment, which increases the skills base and made available to the unemployed for upskilling and improving employment prospects and our apprentices for further training.

Our completed level two apprentices this year have been given the opportunity to progress to level 3, which since the changes from frameworks to standards had not been possible due to the changes in delivery and resource requirements. Linking with the local college, the group now in partnership with them are offering a level three program. This is the first year and it is being closely monitored to assess its success. Early signs are very promising.

The group's reserves remain in a good position to react in a positive way and quickly to market needs. 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 is becoming more of a focus.

Therefore, the trustees continue to believe that it would be prudent that money for a possible relocation continue to be available and allocated to this possibility. Forming 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



# **NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023**

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### **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.

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

I Raeside  
**Trustee**

23 October 2023

# **NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED**

## **INDEPENDENT EXAMINER'S REPORT**

### **TO THE TRUSTEES OF NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED**

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I report to the trustees on my examination of the financial statements of North Staffordshire Engineering Group Training Association Limited (the charitable company) for the year ended 31 August 2023.

#### **Responsibilities and basis of report**

As the trustees of the charitable company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charitable company's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### **Independent examiner's statement**

Since the charitable company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England & Wales (ICAEW), which is one of the listed bodies.

I have completed my examination. I confirm that no 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 charitable company as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 financial statements to be reached.

**K.V. Staley FCA BSc (Hons)**

Graphic House  
124 City Road  
Stoke on Trent  
ST4 2PH

Dated: 23 October 2023

# NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

		Unrestricted funds general	Unrestricted funds designated	Total	Unrestricted funds general	Unrestricted funds designated	Total
	Notes	2023 £	2023 £	2023 £	2022 £	2022 £	2022 £
<b>Income and endowments from:</b>							
Charitable activities	3	960,152	-	960,152	1,134,594	-	1,134,594
Investments	4	20,332	-	20,332	4,449	-	4,449
Other income	5	6,453	-	6,453	-	-	-
<b>Total income</b>		<b>986,937</b>	<b>-</b>	<b>986,937</b>	<b>1,139,043</b>	<b>-</b>	<b>1,139,043</b>
<b>Expenditure on:</b>							
Charitable activities	6	742,875	48,647	791,522	666,474	44,575	711,049
<b>Net incoming resources before transfers</b>		<b>244,062</b>	<b>(48,647)</b>	<b>195,415</b>	<b>472,569</b>	<b>(44,575)</b>	<b>427,994</b>
Gross transfers between funds		(82,292)	82,292	-	(218,944)	218,944	-
<b>Net income for the year/ Net movement in funds</b>		<b>161,770</b>	<b>33,645</b>	<b>195,415</b>	<b>253,625</b>	<b>174,369</b>	<b>427,994</b>
Fund balances at 1 September 2022		471,509	1,249,281	1,720,790	217,884	1,074,912	1,292,796
<b>Fund balances at 31 August 2023</b>		<b>633,279</b>	<b>1,282,926</b>	<b>1,916,205</b>	<b>471,509</b>	<b>1,249,281</b>	<b>1,720,790</b>

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 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Tangible assets	10		651,926		618,281
<b>Current assets</b>					
Debtors	11	99,793		73,209	
Cash at bank and in hand		1,193,307		1,039,095	
		<u>1,293,100</u>		<u>1,112,304</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(10,433)</u>		<u>(9,795)</u>	
Net current assets			1,282,667		1,102,509
<b>Total assets less current liabilities</b>			1,934,593		1,720,790
<b>Creditors: amounts falling due after more than one year</b>	14		(18,388)		-
<b>Net assets</b>			<u>1,916,205</u>		<u>1,720,790</u>
<b>Income funds</b>					
Unrestricted funds					
Designated funds	15	1,282,926		1,249,281	
General unrestricted funds		<u>633,279</u>		<u>471,509</u>	
			1,916,205		1,720,790
			<u>1,916,205</u>		<u>1,720,790</u>

# **NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED**

## **BALANCE SHEET (CONTINUED)**

**AS AT 31 AUGUST 2023**

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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 2023.

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 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 23 October 2023

I Raeside

**Trustee**

**Company registration number 00926888**

# **NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED**

## **STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 AUGUST 2023**

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	19		189,758		438,103
<b>Investing activities</b>					
Purchase of tangible fixed assets		(93,840)		(33,943)	
Proceeds from disposal of tangible fixed assets		18,000		-	
Repayment of investment loans and receivables		-		600	
Investment income received		20,332		4,449	
<b>Net cash used in investing activities</b>			(55,508)		(28,894)
<b>Financing activities</b>					
Payment of obligations under finance leases		19,962		(25,839)	
<b>Net cash generated from/(used in) financing activities</b>			19,962		(25,839)
<b>Net increase in cash and cash equivalents</b>			154,212		383,370
Cash and cash equivalents at beginning of year			1,039,095		655,725
<b>Cash and cash equivalents at end of year</b>			<u>1,193,307</u>		<u>1,039,095</u>

# **NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2023**

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### **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 2023**

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### **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 2023**

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### **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 2023**

### **3 Charitable activities**

	Training and education 2023 £	Training and education 2022 £
Membership fees	31,219	31,609
Services to managing agents	41,155	164,363
Courses	115,819	94,090
Safety services	12,622	9,237
ESFA Funding	753,979	695,802
Enhanced apprenticeships	800	7,616
Ace Academy	4,558	131,877
	<u>960,152</u>	<u>1,134,594</u>

### **4 Investments**

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Interest receivable	20,332	4,449
	<u>20,332</u>	<u>4,449</u>

### **5 Other income**

	Unrestricted funds general 2023 £	Total 2022 £
Net gain on disposal of tangible fixed assets	6,453	-
	<u>6,453</u>	<u>-</u>

# **NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2023**

### **6 Charitable activities**

	Training and education 2023 £	Training and education 2022 £
Staff costs	507,390	484,343
Depreciation and impairment	48,647	44,575
Course expenses (inc NSEG costs)	74,786	27,578
Rent, rates and insurance	10,961	10,093
Heat, light and water	8,400	5,935
Minor equipment, maintenance and premises expenses	23,228	16,141
Printing, stationery and telephone	9,281	10,890
Publicity (including website)	13,479	3,607
Motor and travelling expenses	13,643	9,964
Auditors' remuneration/ Independent examiner's fees	2,030	3,950
Sundry expenses	12,736	13,261
EAL charges	21,570	30,433
Subscriptions and donations	4,498	4,190
Irrecoverable VAT	11,017	8,012
Other charitable expenditure	29,856	38,077
	<u>791,522</u>	<u>711,049</u>
	<u>791,522</u>	<u>711,049</u>
<b>Analysis by fund</b>		
Unrestricted funds - general	742,875	666,474
Unrestricted funds - designated	48,647	44,575
	<u>791,522</u>	<u>711,049</u>

### **7 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 (2022- none).

### **8 Employees**

The average monthly number of employees during the year was:

2023 Number	2022 Number
<u>15</u>	<u>15</u>

# NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 8 Employees (Continued)

Employment costs	2023 £	2022 £
Wages and salaries	442,000	415,186
Social security costs	39,607	37,343
Other pension costs	25,783	31,814
	<u>507,390</u>	<u>484,343</u>

The total amount of employee benefits paid to its key management personnel, including the trustees, amounted to £69,621 (2022: £74,624).

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

### 9 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

### 10 Tangible fixed assets

	Land and buildings £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 September 2022	523,394	208,920	55,511	787,825
Additions	-	24,721	69,119	93,840
Disposals	-	(30,498)	(30,124)	(60,622)
At 31 August 2023	<u>523,394</u>	<u>203,143</u>	<u>94,506</u>	<u>821,043</u>
<b>Depreciation and impairment</b>				
At 1 September 2022	47,076	91,336	31,133	169,545
Depreciation charged in the year	7,540	29,810	11,297	48,647
Eliminated in respect of disposals	-	(30,498)	(18,577)	(49,075)
At 31 August 2023	<u>54,616</u>	<u>90,648</u>	<u>23,853</u>	<u>169,117</u>
<b>Carrying amount</b>				
At 31 August 2023	<u>468,778</u>	<u>112,495</u>	<u>70,653</u>	<u>651,926</u>
At 31 August 2022	<u>476,318</u>	<u>117,585</u>	<u>24,378</u>	<u>618,281</u>

# **NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2023**

### **11 Debtors**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	9,854	6,455
Other debtors	1,065	570
Prepayments and accrued income	88,874	66,184
	<u>99,793</u>	<u>73,209</u>

### **12 Finance lease commitments**

Future minimum lease payments due under finance leases:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Within one year	1,574	-
Within two and five years	18,388	-
	<u>19,962</u>	<u>-</u>

### **13 Creditors: amounts falling due within one year**

	<b>Notes</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
Obligations under finance leases	12	1,574	-
Trade creditors		6,859	5,845
Accruals and deferred income		2,000	3,950
		<u>10,433</u>	<u>9,795</u>

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

### **14 Creditors: amounts falling due after more than one year**

	<b>Notes</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
Obligations under finance leases	12	18,388	-

# NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 15 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 2021 £	Resources expended £	Transfers £	Balance at 1 September 2022 £	Resources expended £	Transfers £	Balance at 31 August 2023 £
Fixed Assets	628,912	(44,575)	33,944	618,281	(48,647)	82,292	651,926
Staff Contingencies	116,000	-	15,000	131,000	-	-	131,000
Strategic Development Fund	330,000	-	170,000	500,000	-	-	500,000
	<u>1,074,912</u>	<u>(44,575)</u>	<u>218,944</u>	<u>1,249,281</u>	<u>(48,647)</u>	<u>82,292</u>	<u>1,282,926</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.

# NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 16 Analysis of net assets between funds

	Unrestricted funds 2023 £	Designated funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Designated funds 2022 £	Total 2022 £
Fund balances at 31 August 2023 are represented by:						
Tangible assets	-	651,926	651,926	-	618,281	618,281
Current assets/(liabilities)	651,667	631,000	1,282,667	471,509	631,000	1,102,509
Long term liabilities	(18,388)	-	(18,388)	-	-	-
	<u>633,279</u>	<u>1,282,926</u>	<u>1,916,205</u>	<u>471,509</u>	<u>1,249,281</u>	<u>1,720,790</u>

### 17 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	1,088	1,088
Between two and five years	1,936	3,024
	<u>3,024</u>	<u>4,112</u>

### 18 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

# **NORTH STAFFORDSHIRE ENGINEERING GROUP TRAINING ASSOCIATION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2023**

<b>19</b>	<b>Cash generated from operations</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	Surplus for the year	195,415	427,994
	Adjustments for:		
	Investment income recognised in statement of financial activities	(20,332)	(4,449)
	Gain on disposal of tangible fixed assets	(6,453)	-
	Depreciation and impairment of tangible fixed assets	48,647	44,575
	Movements in working capital:		
	(Increase) in debtors	(26,584)	(32,108)
	(Decrease)/increase in creditors	(935)	2,091
	<b>Cash generated from operations</b>	<b>189,758</b>	<b>438,103</b>
<b>20</b>	<b>Analysis of changes in net funds</b>		
		<b>At 1 September 2022</b>	<b>Cash flows At 31 August 2023</b>
		<b>£</b>	<b>£</b>
	Cash at bank and in hand	1,039,095	154,212
	Obligations under finance leases	-	(19,962)
		<b>1,039,095</b>	<b>134,250</b>
		<b>1,173,345</b>	<b>1,173,345</b>



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