

Lantra (a company limited by guarantee)

**Trustees' Annual Report and Consolidated Financial Statements
For the year ended 31 March 2021**

**Charity no 1022991
Scottish Charity no SC039039
Company no 2823181**

Lantra (a company limited by guarantee)

Financial Statements for the year ended 31 March 2021

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Company information

Company Registration Number: 2823181

Charity Registration Number: 1022991

Scottish Charity Number: SC039039

Registered office: Lantra House
Stoneleigh Park
Coventry
CV8 2LG

Trustees: Heather Peck (Chair)
William Lyle Andrew
Sarah Batten
Richard Clarke
Jane Craigie
Henry Graham
Charles John Henning OBE
Dr Geoff Mackey
Martin Redfearn
Peter Rees
Prof David Roberts
(Appointed 01/07/2021)
Dr Mary Thomson (Appointed 01/07/2021)

Chief Executive and Senior Staff: Marcus Potter (Chief Executive Officer)
Robert Tabor (Chief Operating Officer)
David Cooke (Operations Director)
Rachel Campbell (Head of HR)

Secretary: Robert M Tabor

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Company Information

Bankers: National Westminster Bank plc
Royal Priors
59 The Parade
Leamington Spa
CV32 4ZX

Solicitors: Anthony Collins Solicitors
134 Edmund Street
Birmingham
B3 2ES

Auditors: Cooper Parry Group Limited
Blythe Valley Business Park
Park View
One Central Boulevard
Solihull
B90 8BG

Chair's Report

Chair's Report

I am pleased to introduce our Annual Report for a year which was dominated by the major disruption of coronavirus. I would like to thank all our staff across the UK and Ireland for their amazing adaptability, commitment, and hard work in responding to the crisis. It has been especially pleasing to see such a lot of positive feedback from training providers who have appreciated the support and guidance received from Lantra during such challenging times.

Lantra exists to help our industries meet their skills needs. We do this by working in partnership to:

- Attract and retain a diverse and competent industry workforce
- Train people to work safely, productively, and sustainably
- Encourage and support a commitment to Lifelong Learning.

During the year, despite the various restrictions, Lantra upskilled approximately 77,000 individuals through our Awarding Organisation activities and funded training projects in Wales and Scotland. In part this was made possible by the rapid development and deployment of remote instructor-led training and assessment as well as the growth of e-learning.

There was a hiatus in the assessment of apprenticeships for part of the year as many were furloughed and colleges closed. Demand for assessment has significantly recovered in the last quarter; with a total of 581 apprentices assessed in the year. Lantra continues to consolidate its position as the leading provider of end-point assessment for apprentices in our sectors, with 56 training providers choosing Lantra as their end-point assessment organisation.

Lantra's reputation for effective skills interventions and project delivery has led to increased engagement from both Scottish and Welsh governments, with Lantra contributing to plans for post-COVID recovery. Due to restrictions, the annual awards ceremonies in Wales and Scotland to showcase people gaining skills, were successfully moved online and very much appreciated by industry stakeholders.

Pre-pandemic Lantra was already working on ambitious plans to increase access to training and improve our services by making greater use of digital technology. During the year, the trustees also approved plans to reinstate careers promotion and advice activities, to help attract and develop talent for our industries. I am pleased that with careful financial management through this challenging year, we have continued to make good progress with both these developments. If anything, the pandemic has made many more people ready to embrace digital ways of working and we are in a strong position to bring these projects to fruition in 2021-22.

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Chair's Report

Despite the tribulations of the last year, much has been learned. The smooth transition to homeworking has shown that we can work more flexibly and more sustainably. While we all look forward to more normal times ahead, we will seek to embed new working practices that have proved beneficial in terms of customer service, staff wellbeing and reduced environmental impact.

Enormous thanks go to the staff for their ongoing resilience, and to the Board for their continuing support, advice, and commitment.



Heather Peck BSc FCIPD ARAgS
Chair

Trustees' Annual Report

Trustees' Annual Report

The Trustees present their annual report, which incorporates the strategic report, with the audited financial statements for the year ended 31 March 2021.

Trustees and advisors

Details of Trustees and advisors are included on pages 2 and 3.

Charity Registration Details

Lantra is a registered charity in both England and Wales, and Scotland. Its registration details are as follows:

Charity registration number: 1022991

Scottish Charity number: SC039039

Principal Office

Lantra House
Stoneleigh Park
Coventry
Warwickshire
CV8 2LG

Raising Skills, Backing Business

Lantra is a charity in the land-based, aquaculture and environmental sector.

Our objective is to work closely with employers and stakeholders to ensure that businesses can attract new entrants and develop their skills to reduce risk and improve productivity.

Public benefit

The Trustees have considered the Charity Commission's guidance in respect of Public Benefit and have had due regard to the guidance in setting the charity's objectives and activities. In their view the charity meets, in full, the criteria to satisfy the test. Nearly 77,000 individuals benefitted directly from Lantra's activities during the year, and Lantra's training, assessments and qualifications benefit a broad range of individuals and organisations.

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Trustees' Annual Report

Financial Review

The financial statements show Lantra making a surplus of £427,866 (2020: £287,070). Upskill UK Limited made a profit of £9,131 (2020: £6,368). Lantra Awards Limited did not trade in the 12 months to 31 March 2021.

The Group has sufficient assets at the end of the year to meet its commitments and to support its future plans.

Covid-19

Lantra continued to operate effectively during the Covid-19 pandemic. While revenue was less predictable than previous years, the launch of a number of approximately 96 remotely delivered products and electronic assessment using an online proctoring solution helped to maintain a level of income during the period.

Government relief on employment costs through the furlough scheme plus deferral of VAT payments, along with effective management and regular review of other internal costs, meant that our operating position remained in control throughout the period.

Due to the level of reserves and cash balances held and security of some of our income streams, we are well placed to continue operating. See accounting policy titled Going Concern for further details.

Income

Total income for the year was £7,683,301 (2020: £8,385,704). This was generated from the provision of education and training services to employers £3,650,221 (2020: £4,381,252), from grants and contracts secured from Government departments and agencies £3,151,543 (2020: £3,499,723), from donations and legacies £601,585 (2020: £Nil), and from other trading activities £278,898 (2020: £499,553). Lantra does not undertake any fundraising activity.

All funds have been allocated to support charitable activities including costs associated with awarding and learner support, and general administrative expenditure.

Expenditure

The Group incurred total expenditure for the year of £7,454,529 (2020: £8,133,051). Payroll costs continue to be Lantra's largest expenditure.

Balance Sheet

The total reserves of the Group increased from £3,217,955 at 31 March 2020 to £3,654,952 at 31 March 2021.

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Financial risk management

The policies for managing risk are summarised below, both of which have been updated since the previous year in line with the review schedule.

Reserves policy

During the year the Trustees reviewed the level of reserves which are held in order to:

- Underwrite funding of the Charity's activities against periods of deficit;
- Provide initial funding for the development of new services;
- Provide confidence to external funding agencies that the Charity is prudently controlled; and
- Discharge all the Charity's obligations should it cease operations.

Recent figures from the ITB Pension Funds indicate that the ten-year value at risk is £0.8m. In addition, there are windup costs to provide for which total £1.3m.

The level of reserves held at 31 March 2021 for the Group was £3,654,952 (2020: £3,217,954) and for the Lantra company only £3,615,680 (2020: £3,187,816) as shown in Note 14. There are no reserves which are in deficit at 31 March 2021. Restricted funds totalled £6,665 (2020: £7,065).

The reserves policy is reviewed every year to secure the continuation of the Charity's activities. A review has been undertaken at year end and the reserves held are deemed to be sufficient for the Charities purposes, taking into account the need to hold reserves against future developments and potential wind up costs if required. In line with the reserves policy, the trustees' plan to continue to build up reserves to develop an investment fund to support initiatives for the benefit of the sector.

Investment policy

The investment policy of the Trustees is low risk with the aim of securing the real value of assets. The Trustees made a long-term investment in a total return fund during 2018. Lantra continues to hold this investment. There are no other material investments beyond bank deposits and its investments in group companies.

The investment policy is reviewed every year taking account of the Charity's assets and future cash requirements.

Lantra does not make any social investments.

Trustees' Annual Report

Interest rate risk

The Charity considers movements in interest rates to be the main financial risk. The Trustees have considered this risk and decided to continue with the approach adopted last year by investing in a total return fund, screened against an Ethical Investment Policy.

Outlook

The plan agreed by Trustees in 2020/21 focused on building sustainable income from training and qualifications, while maintaining capability to deliver other skills-related projects where funding is available. Both activities contribute to delivering our charitable objectives. Having reviewed the new five-year strategy Trustees believe that it remains viable and appropriate.

Taxation status

Lantra is a registered charity and is therefore exempt from paying corporation tax on its charitable activities and is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exemption from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. Lantra Awards Limited is dormant and not expected to trade in the foreseeable future and Upskill UK Limited will pay tax on profits generated in the future.

Third party indemnity provision for Trustees

Qualifying third party indemnity provision is in place for the benefit of all Trustees of the Charity.

Achievements and Performance

Training and qualifications

During the year we released 14 new courses, in addition to launching 96 existing products for remote delivery during COVID-19 and updating the content of 22 existing products through the standard review process.

Our move into e-learning has also started to pay dividends, with sales increasing gradually throughout the year, helped in particular by the desire during COVID-19 for training to be delivered remotely. In addition to e-learning, electronic assessment using an online proctoring solution was introduced at the start of the year.

Trustees' Annual Report

To support delivery through our accredited network, we also recruited 42 new instructors, while also closing 61 skills gaps by adding additional skills to our existing instructor base.

Ongoing social media activity has continued to increase the number of visitors to the Lantra website seeking training and qualifications.

Standards and Apprenticeships

Lantra has continued to be active in development of National Occupational Standards (NOS), qualifications and frameworks, commissioned by Skills Development Scotland (SDS). This year Lantra delivered £101,850 worth of outputs relating to NOS, apprenticeship frameworks in Wales and Modern Apprenticeships in Scotland. By maintaining Lantra's strong reputation in this area Lantra has become an "approved supplier" to SDS; entitled to bid for future standards development work.

In England Lantra has supported several employer-led groups assisting them to develop new apprenticeship standards for England and associated assessment plans. These have included Agriculture, Animal Care and Horticulture.

We continue to deliver the "End-Point Assessment" (EPA) service, with 582 assessments conducted during the year. We continue to work closely with Land Based Assessments Limited (LBAL) to forecast demand, develop assessment materials and build assessor capacity.

Projects in Scotland and Wales

In Scotland our work, funded by the Agriculture and Rural Economy Directorate, focuses on Promoting positive and rewarding career choices, influencing learning and training provision, and driving investment in learning and skills. During the year we continued the highly successful Land-based and Aquaculture Learner of the Year Awards, delivered remotely due to COVID-19 restrictions, showcasing achievements and promoting opportunities. Finalists are invited to join the Lantra "Industry Champions" programme where they receive personal development in return for acting as careers ambassadors for their industries.

Aquaculture is an increasingly important industry for Scotland, helping to sustain economic growth in the rural and coastal communities of the north and west. Lantra is working with partners to help address skills challenges in this key sector, as well as facilitating the development of short courses promoting improved productivity in the industry. Together with the Scottish Aquaculture Innovation Centre (SAIC) and Women in Scottish Aquaculture (WiSA), Lantra has also been actively promoting aquaculture as a positive destination for school leavers and career changers, by supporting the Aquaculture Skills Review and producing a range of careers videos to promote the industry.

The Lantra team in Wales has continued to expand this year to enable us to deliver new projects on Food Skills, ICT and Animal Welfare, while continuing to run part of the flagship Farming Connect programme, helping farmers to create development plans and access subsidised training.

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Our People

We achieved "Silver" accreditation under the new version of Investors in People during 2019. We improved our score for the fourth successive year in the "Times Best Companies" survey and are currently in the One Star category. During 2021 our aim is to maintain this category in the next survey.

Key Performance Indicators

The following key performance indicators are monitored by the charity:

- Sales income;
- Number of learners supported;
- Projects new income and contribution to overheads;
- Number of End Point Assessments (EPAs);
- Net promoter score;
- Number of complaints;
- New instructors recruited and new instructor skills added;
- Products which include sustainable best practice;
- Turnaround times for Sector Schemes and Technical Awards;
- Staff engagement;
- Staff turnover and absence;
- Internal overheads percentages; and
- Aged debtors.

As described throughout the Trustees' Report, through the monitoring of these indicators the Trustees are satisfied that Lantra is performing strongly.

Plans for the future

We have recently refreshed our purpose and mission to ensure that it remains relevant and have agreed that Lantra exists to help our industries meet their skills needs.

We do this by working in partnership to:

- Attract and retain a diverse and competent industry workforce;
- Train people to work safely, productively and sustainably; and
- Encourage and support a commitment to Life-Long Learning.

As outlined in our strategy report which was presented by the Board in February 2020, in order to deliver on this mission it has been agreed that Lantra's strategy should focus on the following priorities:

1. Industry Engagement;
2. Being the Skills Partner of Choice;
3. Attracting and Retaining Talent for our Industries;
4. Encouraging and Supporting Life-Long Learning;
5. Sustainability; and
6. Operational Excellence.

These activities will principally be paid for through trading income, therefore the scope, pace and sustainability of these elements depends critically on the availability of surpluses from trading.

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We are continuing to improve our relationships and information flows with our instructor and training provider network, while also increasing our delivery capacity across our course portfolio.

We will shortly be providing our learners with online access to their skills records, with the aim of also providing them with electronic skills cards and electronic certificates through the same online portal.

We measure our success through a range of performance indicators including the number of quality assured providers and instructors, the number of individuals and businesses who benefit directly from Lantra's support.

Levy

During the year a levy has been agreed to be charged to help new Instructors cover the cost of skills assessment, which is often cited as a barrier to recruitment. From 1 April 2021 for 6 months, Lantra is charging Training Providers a £1.50 levy per Learner on a selection of courses where Lantra have identified an immediate Instructor shortage. Lantra are also match funding these contributions from Providers and the fund is being used to pay for:

- Training and development costs for new instructors in certain specified skills
- Supporting Providers to mentor new Instructors
- Funding instructional techniques courses.

During this financial year Lantra have committed £10,000 towards the levy in a designated fund and this will be transferred to a restricted fund before 31st March 2022.

Governance and management

Governing document

The Charity (Lantra) is a company, limited by guarantee and incorporated on 2 June 1993 it has no share capital. Its Memorandum and Articles of Association were last updated on 7 February 2019. The Charity has two wholly owned subsidiaries, each governed by their own Memorandum and Articles of Association.

- Lantra Awards Limited; a charity whose business was transferred into Lantra on 1 July 2011 and is now dormant; and
- Upskill UK Limited; a company incorporated on 28 August 2007, to take forward the commercial opportunities.

The term 'Group' refers to the combined activity of Lantra and its subsidiaries.

Appointment of Trustees

Trustees are appointed independently with recruitment and selection based on an assessment of the skills and experience needed. This assessment is updated regularly. Recruitment is planned to replace Trustees as their term of office expires and to fill casual vacancies as they arise.

Trustees' Annual Report

Trustee induction and training

Incoming Trustees receive induction to ensure that they understand the charitable aims and strategic objectives of the Charity as well as the operation of the business and the duties and responsibilities of a Trustee. Performance of the Board and of individual Trustees is reviewed on an annual basis. Training and development is undertaken to ensure that knowledge and skills are appropriately maintained.

Governance structure

The governance structure consists of the main Board supported by the Audit and Quality Committee and the Remuneration Committee.

The Board of Trustees is comprised of not less than seven nor more than thirteen competent individuals. Trustees who served during the year were:

Heather Peck (Chair)
Richard Clarke
William Lyle Andrew
Sarah Batten
Jane Craigie
Henry Graham
Charles John Henning
Dr Geoff Mackey
Peter Rees
Martin Redfearn.

The Board of Trustees meets at least on a quarterly basis to ensure that the Charity is meeting its charitable objectives and remains financially sound. Trustees provide the strategic direction for the Charity and agree operational plans which are implemented by the Executive Team. Trustees regularly monitor strategic and operational performance through regular reports against agreed metrics and targets.

The Chief Executive and Senior Staff who served during the period were:

Marcus Potter (Chief Executive Officer)
Robert Tabor (Chief Operating Officer)
David Cooke (Director of Operations)
Rachel Campbell (Head of HR).

Trustees' Annual Report

Pay and remuneration of key management

The remuneration of all staff including key management is benchmarked using local market data and inflation. Based on this benchmark the key management team receive pay rises in line with all other staff in the Charity. In addition, key management receive a bonus based on the achievement of performance targets set by the Trustees at the beginning of the year. Parameters to the organisational pay review are set by the Remuneration Committee which also scrutinises individual pay rises and performance bonuses of key management.

Risk management and internal control

The Trustees, through the Audit and Quality Committee, undertake a regular review of risks to ensure that appropriate measures are in place to control and mitigate them. The risk register is reviewed quarterly by the Audit and Quality Committee. The Board and the Audit and Quality Committee also consider any risks which may arise as a result of new activities or areas of work being considered by the Charity.

Lantra seeks to maintain a sound system of internal control to safeguard assets and resources and support the achievement of its charitable objectives. Our internal control processes have been in place for the whole of the year ending 31 March 2021 and are designed to manage risks rather than eliminate them. Lantra's system of internal control involves an ongoing process to identify and evaluate the nature and extent of the main risks which could affect achievement of our objectives, and to manage them efficiently, effectively and economically.

Key features of the system of internal control are:

Procedures for identifying the organisation's key risks in relation to its objectives:

- Review and maintenance of the internal control strategy and risk management policy;
- Involvement of all senior managers to identify and assess risks, including consideration of risks at all monthly management meetings;
- The allocation of risk ownership;
- The use of internal audit and quality systems compliant with ISO 9001:2015;
- Procedures for ensuring that aspects of risk management and internal control are regularly reviewed and reported on;
- Systems for ensuring compliance with specific regulations or procedures laid down by key external parties;
- The Audit and Quality Committee reviews the systems and procedures in place against the risk schedule to provide guidance to the Executives; and
- The main risks and associated mitigation plans are reviewed by the board on a quarterly basis.

Trustees' Annual Report

The key risks facing the organisation are:

1. Insufficient delivery capacity/coverage - Instructors/Assessors

Mitigation plan: Each market group has a targeted recruitment plan for the “skills groups” in its remit, supported by appropriate marketing, and a new Instructor Manager has recently been appointed to provide the necessary focus for this business. Performance against instructor recruitment and instructor upskilling targets is reviewed quarterly. An instructor account management programme has been commenced to improve relationships, loyalty to Lantra and to increase the number of Lantra courses each instructor delivers.

2. Insufficient stakeholders actively engaged with Lantra

Mitigation plan: The Head of Industry Partnership roles which we have in place actively engages with key contacts across the relevant sectors, to understand the needs of the market and to build effective relationships outside of Lantra. This will ensure that training products will only be developed when there is a clear market requirement and when a commercial return is identified.

3. Collapse/closure of market and/or provider network

Mitigation plan: Continued development of new products and routes to market, based on key market information and insights, along with effective management of external relationships and close monitoring of any potential policy changes, ensures that our products remain up to date and relevant to the market.

Health and safety

Lantra has an identified Health and Safety Officer and a network of health and safety representatives across the organisation to maintain standards. Health and safety are regularly reported on and reviewed both by management and by the Board of Trustees.

Scottish Activity

The Office of Scottish Charity Regulator (OSCR) requires certain additional information to be provided regarding Lantra's operation in Scotland, which is laid out in the paragraphs below.

The aims and objectives of Lantra in Scotland are consistent with those for the rest of the UK. Lantra operates across all four countries of the UK, with key functions and support services provided from our head office. Lantra's team in Scotland undertakes a range of activities to support skills development in the land-based and aquaculture sector, including promotion of careers, celebrating the achievements of land-based learners (e.g. at the Royal Highland Show and Land-Based and Aquaculture Learner of the Year Awards), and employer engagement to promote the benefits of training and development and to influence skills policies and funding. Lantra received £776,056 funding from Scottish institutions and incurred £340,980 of costs locally. These costs exclude support from non-Scotland-based staff.

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Lantra also provides standards and qualifications development services, separately funded through Skills Development Scotland. This year Lantra reviewed 2 NOS suites, translated 4 NOS suites into Welsh, reviewed 5 Welsh Apprenticeship frameworks and a SDS pilot (stage 1), carrying out research into a new development process for Land-based Modern Apprenticeships in Scotland.

The Charity Governance Code

The Board of Trustees has reviewed and discussed the Charity Governance Code and consider Lantra to be compliant with all seven principles of the Code.

The Board has agreed its five-year strategic plan for 2020-25 which sets out our clear purpose, vision and values. To ensure we deliver against these objectives we have created a series of key performance indicators and monitor performance against these at our Board meetings. These KPIs measure the effectiveness of the organisation on both an operational and a values basis. The Board is committed to adopting values and creating a culture which helps the organisation achieve its charitable purpose and has created a network of value ambassadors to drive our values throughout the organisation.

All our decisions are based on sound management information and are reviewed against our risk schedule which is monitored at each meeting. The Trustees are recruited for their skills and experience as well as their areas of specialism. Recruitment is undertaken against a skills and knowledge matrix and each Board meeting has a feedback session to enable the Board to identify learning and development opportunities in terms of Board effectiveness. The Board regularly has attendance by non-Trustees to assist in open and transparent communication.

Use of Volunteers

The Charity is supported by the work of a significant number of volunteers who freely provide their time to attend to steering and advisory groups. In addition, businesses make their time freely available to help provide research information and assist in the development of occupational standards and frameworks and training courses.

Statement of Trustees' responsibilities

The Trustees (who are also directors of Lantra for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Charitable Company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company and Group for that period. In preparing these financial statements, the Trustees are required to:

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Trustees' Annual Report

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charity's SORP 2019 (FRS 102);
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company and the Group will continue in business.

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 financial statements comply with the Companies Act 2006, and with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the Charitable Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- So far as each Trustee is aware, there is no relevant audit information of which the Charitable Company's auditors are unaware and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

The auditors, Cooper Parry Group Limited, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Small Companies Exemption

In preparing this report, the directors have taken advantage of the small companies' exemption in section 415A of the Companies Act 2016.

Signed on behalf of the Board of Trustees



Heather Peck BSc FCIPD ARAgS
Chair

Date: 13/9/21

Independent Auditor's Report to the Members of Lantra

Independent Auditor's Report to the Members of Lantra

Opinion

We have audited the financial statements of Lantra ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2021 which comprise the group statement of financial activities, the consolidated and company only balance sheet, the consolidated and company only cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2021 and of the Group's incoming resources, including its income and expenditure 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, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Charitable Company in accordance with the ethical requirements 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 related to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Charitable company's ability to continue as a going concern for a period of at least 12 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.

Independent Auditor's Report to the Members of Lantra

Other information

The other information comprises the information included in the Trustees Annual Report, other than the financial statements and our auditor's report thereon. 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, except to the extent otherwise explicitly stated in our report, 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which is included in the Trustees' Report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Directors' Report, which is included in the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion;

- adequate and proper accounting records have not been kept by the Group or Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Group or Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

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Independent Auditor's Report to the Members of Lantra

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 purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the Parent 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 Group or the Parent 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 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, section 151 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with the Acts 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below:

Our assessment focussed on key laws and regulations the Group and Parent Charitable Company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005, Education Act 2011, taxation legislation, data protection, anti-bribery and employment legislation.

Lantra (a company limited by guarantee)
Financial Statements for the year ended 31 March 2021

Independent Auditor's Report to the Members of Lantra

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the Group and Parent Charitable Company and how the Group and Parent Charitable Company are complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the Group and Parent Charitable Company's control environment and how the Group and Parent Charitable Company have applied relevant control procedures, through discussions with Trustees and other management and by performing walkthrough testing over key areas;
- obtaining an understanding of the Group and Parent Charitable Company's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company's trustees, as a body, in accordance with the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Lantra (a company limited by guarantee)
Financial Statements for the year ended 31 March 2021**

Independent Auditor's Report to the Members of Lantra

Cooper Parry Group Ltd.

Glen Bott (Senior Statutory Auditor)

For and on behalf of:

Cooper Parry Group Limited

Chartered Accountants & Statutory Auditors

Park View
One Central Boulevard
Blythe Valley Business Park
Solihull
West Midlands
B90 8BG

Date: 30 September 2021

Lantra (a company limited by guarantee)
Financial Statements for the year ended 31 March 2021

Group statement of financial activities for the year ended 31 March 2021
(incorporating the income and expenditure account)

Group statement of financial activities

		Unrestricted Funds	Restricted Funds	31 March 2021	31 March 2020
INCOME AND ENDOWMENTS FROM:	Note	£	£	£	£
Income from Donations & legacies	3	601,585	-	601,585	-
Investments	1	1,054	-	1,054	5,176
Charitable activities					
- Awarding and Learning		3,650,221	-	3,650,221	4,381,252
- Grants and other					
Government contracts	2	3,151,543	-	3,151,543	3,499,723
- Other services provided	4	278,898	-	278,898	499,553
Total group income		<u>7,683,301</u>	<u>-</u>	<u>7,683,301</u>	<u>8,385,704</u>
EXPENDITURE ON:					
Charitable activities		7,454,529	400	7,454,929	8,133,051
Total resources expended	5	<u>7,454,529</u>	<u>400</u>	<u>7,454,929</u>	<u>8,133,051</u>
Net gains on investments	12	208,625	-	208,625	40,785
Net movement in funds		437,397	(400)	436,997	293,438
Total funds brought forward		3,210,890	7,065	3,217,955	2,924,517
Total funds carried forward	15	<u>3,648,287</u>	<u>6,665</u>	<u>3,654,952</u>	<u>3,217,955</u>

All activities during the period are classed as continuing.

The accompanying accounting policies and notes form an integral part of these financial statements.

The Charity has taken advantage of section 408 of the Companies Act 2006 to not publish its own Statement of Financial Activities.

Lantra (a company limited by guarantee)
Financial Statements for the year ended 31 March 2021

Group statement of financial activities for the year ended 31 March 2021
(incorporating the income and expenditure account)

		Unrestricted Funds for Y/E 31 March 2020	Restricted Funds for Y/E 31 March 2020	31 March 2020
INCOME AND ENDOWMENTS FROM:	Note	£	£	£
Investments	1	5,176	-	5,176
Charitable activities				
- Awarding and Learning		4,381,252	-	4,381,252
- Grants and other				
Government contracts	2	3,499,723	-	3,499,723
- Other services provided	4	499,553	-	499,553
Total group income		<u>8,385,704</u>	<u>-</u>	<u>8,385,704</u>
 EXPENDITURE ON:				
Charitable activities		8,132,651	400	8,133,051
Total resources expended	5	<u>8,132,651</u>	<u>400</u>	<u>8,133,051</u>
Net gains on investments		40,785	-	40,785
Net movement in funds		293,838	(400)	293,438
Total funds brought forward		2,917,052	7,465	2,924,517
Total funds carried forward	15	<u>3,210,890</u>	<u>7,065</u>	<u>3,217,955</u>

Lantra (a company limited by guarantee)
Financial Statements for the year ended 31 March 2021

Consolidated and Company Balance Sheet as at 31 March 2021

Balance Sheet

	Note	Group		Company	
		31 March 2021 £	31 March 2020 £	31 March 2021 £	31 March 2020 £
Fixed assets					
Tangible fixed assets	11	478,757	522,932	478,757	522,932
Investments	12	1,225,364	1,016,739	1,225,466	1,016,841
		<u>1,704,121</u>	<u>1,539,671</u>	<u>1,704,223</u>	<u>1,539,773</u>
Current assets					
Debtors	13	2,396,705	2,551,853	2,396,106	2,551,853
Cash at bank and in hand		2,827,258	1,480,048	2,826,631	1,479,383
		<u>5,223,963</u>	<u>4,031,901</u>	<u>5,222,737</u>	<u>4,031,236</u>
Creditors: amounts falling due within one year	14	(3,273,132)	(2,353,617)	(3,311,280)	(2,383,193)
Net current assets		<u>1,950,831</u>	<u>1,678,284</u>	<u>1,911,457</u>	<u>1,648,043</u>
Net assets	15	<u>3,654,952</u>	<u>3,217,955</u>	<u>3,615,680</u>	<u>3,187,816</u>
Income funds					
Unrestricted funds	15	3,648,287	3,210,890	3,609,015	3,180,751
Restricted funds	16	6,665	7,065	6,665	7,065
		<u>3,654,952</u>	<u>3,217,954</u>	<u>3,615,680</u>	<u>3,187,816</u>

These financial statements have been prepared in accordance with the special provisions in relation to companies subject to the small companies regime within the Companies Act 2006 and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved by the Board of Directors on 13/03/21 and signed on its behalf by:



Heather Peck BSc FCIPD ARAgS
Chair

Company number: 2823181

The accompanying accounting policies and notes form an integral part of these financial statements.

Lantra (a company limited by guarantee)
Financial Statements for the year ended 31 March 2021

Statement of Cash Flows and Consolidated Statement of Cash Flows for the year ended 31 March 2021

Group Cash Flow Statement

	Note	Group		Company	
		31 March 2021 £	31 March 2020 £	31 March 2021 £	31 March 2020 £
Net cash provided by (used by) operating activities	20	1,477,447	(276,899)	1,475,864	(279,921)
Cash flows from investing activities					
Interest received	1	1,054	5,176	2,675	8,052
Purchase of fixed assets	11	(131,291)	(151,697)	(131,291)	(151,697)
		(130,237)	(146,521)	(128,616)	(143,645)
Change in cash and cash equivalents in the reporting period		1,347,210	(423,420)	1,347,248	(423,556)
Cash and cash equivalents at the beginning of the year		1,480,048	1,903,468	1,479,383	1,902,949
Cash and cash equivalents at the end of the year		2,827,258	1,480,048	2,826,631	1,479,383

The accompanying accounting policies and notes form an integral part of these financial statements.

Principal Accounting Policies

Principal Accounting Policies

General information

Lantra is a private limited company, limited by guarantee and registered in England and Wales. Its company registration number is: 2823181. It is domiciled in England.

The Registered Office is Lantra House, Stoneleigh Park, Coventry, CV8 2LG.

Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' (2019), 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) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The financial statements have been prepared in accordance with all applicable laws and regulations for both, charities and companies.

The financial statements are presented on a consolidated basis. The financial statements are presented in Sterling (£), which is Lantra's functional currency and are rounded to the nearest whole pound.

Lantra meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared under the historical cost convention except that certain investments are held at market value.

Basis of consolidation

The Group financial statements consolidate those of Lantra and its wholly owned subsidiary Upskill UK Limited on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented because the Trust has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Going Concern

At the time of signing the accounts, the Trustees have considered the effect of the Coronavirus on the going concern position, and consider that this does indicate that the group will continue to operate for a period of at least 12 months from the date of signing these accounts due to the level of funding already secured with its key partners. At the balance sheet date the group held significant cash balances. The group has significant reserves, the majority of which are unrestricted and is sufficient to absorb short-term in-period deficits if required. Government support is utilised, where it is appropriate to do so, and during the year both the Furlough scheme and VAT deferral facility have been used.

Lantra (a company limited by guarantee)
Financial Statements for the year ended 31 March 2021

Principal Accounting Policies

The financial forecasts prepared by the executive team show that the group will be able to operate within the facilities available to it.

On that basis the Trustees have prepared these financial statements on a going concern basis.

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SOFA) when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income.

Income from grants and government contracts

The Charity carries out work for government bodies; income under these contracts is recognised once milestones attached to the income have been met.

Deferred income is recognised in the balance sheet when the Charity has received income in advance of milestones relating to that income being delivered.

Investment income is included when receivable.

Resources expended

All expenditure is accounted for on an accruals basis as a liability is incurred and has been classified under headings that aggregate all costs related to the category. Direct staff costs and overheads are allocated between charitable activities on the basis of estimated time spent on each project. Support costs are those incurred directly in support of expenditure on the objects of the Charity. Governance costs are those incurred in connection with administration of the Charity and compliance with statutory requirements.

Support costs are allocated in proportion to the direct costs incurred on the Charity's various activities.

Fixed assets and depreciation

Tangible fixed assets are stated at cost net of depreciation. The cost of minor additions or those under £500 are not capitalised. Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets over their expended useful lives. The rates generally applicable are:

Long leasehold premises	4%
Training and office equipment and computers	20%
Telephony equipment and computers	33%
Office furniture	20%
Software and website development	33%

Lantra (a company limited by guarantee)
Financial Statements for the year ended 31 March 2021

Principal Accounting Policies

Investments

Investments in unlisted subsidiaries are held as fixed assets measured at cost less impairment.

Stocks and work in progress

Stocks of training aids and publications are expended in the year and no value is recognised at the period end.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Financial Instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

Financial assets that are measured at fair value are valued based on valuations obtained at the year end. The fair value of the cash has been determined with reference to the bank statements and reconciling items at the year end.

Retirement benefits – Pension Scheme

The Charity participates in the ITB Pension Funds, a defined benefit scheme, which is externally funded and has its own direct contribution stakeholder pension. The fund is valued at least every 3 years by a professionally qualified independent actuary with the rates of contribution payable being determined by the Trustees on the advice of the actuary. The scheme operates as a pooled arrangement. As a consequence, no share of the underlying assets and liabilities can be directly attributed to the Charity.

In these circumstances, contributions are accounted for as if the scheme was a defined contribution scheme based on actual contributions paid through the year with the amount charged to the Statements of Financial Activities in respect of pension costs and other post-retirement benefits being the contributions payable in the year.

Lantra (a company limited by guarantee)
Financial Statements for the year ended 31 March 2021

Principal Accounting Policies

Redundancy Costs

The costs of making employees redundant are recognised in the period in which the redundancy is communicated to the employee. In cases where the redundancy is communicated prior to the year end but the employee does not leave until after the year end, the full costs of the redundancy are accrued.

Leased assets

Rentals paid under operating leases are charged to income on a straight-line basis over the term of the lease. Operating leases are where the risks and rewards of ownership remain with the lessor.

Restricted funds

Lantra receives some restricted income which can only be used for specified purposes as stated by the funder. Each type of restricted fund is accounted for and separately identified in the accounts.

Unrestricted funds

Unrestricted funds are incoming resources received or generated for charitable purposes and 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.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the Financial Statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

In relation to government contract income where we also have deferred income overlapping the financial year end, the income recognised matches the direct costs and any remaining contract funds are not recognised until the contract is complete. Accruals are mostly based on post year end events and depreciation rates are set based on industry norms and are consistent year on year.

Notes to the Financial Statements (continued)

Notes to the Financial Statements

1. Investment income

	31 March 2021 Unrestricted £	31 March 2020 Unrestricted £
Interest receivable	1,054	5,176

2. Analysis of grants and other Government contracts

	31 March 2021 Unrestricted £	31 March 2020 Unrestricted £
Other Government contracts	3,052,693	3,312,423
Other Skills Development Scotland contracts	98,850	187,300
	<u>3,151,543</u>	<u>3,499,723</u>

3. Donations & legacies

	31 March 2021 Unrestricted £	31 March 2020 Unrestricted £
Other grants	601,585	-
	<u>601,585</u>	<u>-</u>

4. Other services provided

	31 March 2021 Unrestricted £	31 March 2020 Unrestricted £
Sale of Animal Care workbooks	-	425
Apprenticeship certification	42,207	68,164
Room hire	2,040	68,008
Skills Manager sales	223,485	190,329
Consultancy	10,487	170,422
Other	679	2,205
	<u>278,898</u>	<u>499,553</u>

Lantra (a company limited by guarantee)
Financial Statements for the year ended 31 March 2021

Notes to the Financial Statements (continued)

5. Analysis of total resources expended

	Direct costs £	Staff costs £	Support costs £	31 March 2021 £	31 March 2020 £
Charitable Activities:					
Awarding and Learning	1,024,964	2,430,270	271,107	3,726,341	3,880,773
Grants and Contracts	1,673,720	1,421,770	380,152	3,475,642	3,797,827
Other services provided	156,483	92,137	4,326	252,946	454,451
Total	<u>2,855,167</u>	<u>3,944,177</u>	<u>655,585</u>	<u>7,454,929</u>	<u>8,133,051</u>

- Staff costs have been allocated to activities based on the estimated time spent by staff members on those activities
- Operating costs have been allocated based on estimated time spent by staff members on those activities.

Total expenditure in the year was £7,454,929 (2020: £8,133,051) with £7,454,529 unrestricted (2020: £8,132,651) and £400 restricted (2020: £400).

6. Support Costs

Support Costs	Awarding & Learning £	Grants & Contracts £	Other services provided £	31 March 2021 £	31 March 2020 £
Repairs & Maintenance	15,694	10,291	5,146	31,131	88,672
Depreciation	74,750	49,016	24,508	148,274	156,060
IT & Telephone	78,043	51,176	25,588	154,807	174,130
Rent & Rates	48,853	32,035	16,017	96,905	101,086
General office	96,747	63,441	31,720	191,908	245,428
Governance costs (see below)	16,414	10,764	5,382	32,560	101,683
Total	<u>330,501</u>	<u>216,723</u>	<u>108,361</u>	<u>655,585</u>	<u>867,059</u>

Governance Costs	Awarding & Learning £	Grants & Contracts £	Other services provided £	31 March 2021 £	31 March 2020 £
Audit & Account Prep. fees	6,453	4,231	2,116	12,800	14,450
Bad debts	(1,896)	(1,242)	(621)	(3,759)	47,622
Meetings & Board costs	-	-	-	-	8,689
Other Professional Fees	11,881	7,759	3,879	23,519	30,922
Total Governance Costs	<u>16,438</u>	<u>10,748</u>	<u>5,374</u>	<u>32,560</u>	<u>101,683</u>

Costs are allocated based on the staff allocated to each activity.

Lantra (a company limited by guarantee)
Financial Statements for the year ended 31 March 2021

Notes to the Financial Statements (continued)

7. Information regarding directors and employees

During the financial year and in accordance with the Memorandum and Articles of Association of the Charity the sum of £12,500 was paid to Heather Peck for consultancy services which the Chair provided to the Board during the year (2020: £12,500). This year the Charity paid no other Trustees for additional work undertaken in line with its Articles of Association (2020: no remuneration was paid to any other Trustees).

Expenses were reimbursed to 1 Trustees which amounted to £190 (2020: 12 Trustees which amounted to £13,047) for meeting and travel expenses.

Pension contributions worth £nil were made on behalf of the Chair (2020: £nil).
Pension contributions worth £nil were made on behalf of any other Trustee (2020: £nil).

The total remuneration paid to key management personnel for their services provided to the Charity was £411,415 (2020: £412,916). Key management personnel comprise of the trustees and the Chief Executive and Senior Staff as detailed on page 2.

The average number of persons (including executive directors) employed during the year was:

By activity	2021 Number	2020 Number
Government Contracts	40	38
Awarding and Learning	61	62
Central Services	20	19
Total	121	119
	31 March 2021	31 March 2020
Staff costs (for the above persons)	£	£
Salaries and wages	3,418,440	3,436,592
Social security costs	311,336	319,291
Pension costs	144,444	148,299
Restructuring costs	-	3,503
	3,874,220	3,907,685
Travel/Subsistence and other staff related costs	169,197	336,535
Value of Benefit in Kind	(99,240)	(94,210)
Total per Note 5	3,944,177	4,150,010

Lantra (a company limited by guarantee)
Financial Statements for the year ended 31 March 2021

Notes to the Financial Statements (continued)

The costs and liability in relation to the defined contribution pension scheme are allocated between activities on the same basis as staff costs. Direct staff costs including pensions are allocated directly to the activities that the staff work on, based on the estimated time that the employees have worked on the projects. Support staff pension costs are allocated in-line with all support costs.

Redundancy costs of £Nil (2020: £3,503) were incurred during the year. At the balance sheet date £nil (2020: £nil) was accrued in relation to redundancy payments that had been agreed, but not paid.

The number of staff whose emoluments for the year (including taxable benefits) exceeded £60,000 were as follows:

	31 March 2021 Number	31 March 2020 Number
£70,000 – £79,999	1	1
£110,000 – £119,999	1	1
£130,000 – £139,999	1	1

The number of higher paid staff to whom retirement benefits are accruing is 3 (2020: 3).

8. Net incoming resources for the year

Net incoming resources for the year is stated after charging:

	31 March 2021 £	31 March 2020 £
Depreciation – owned assets	169,009	182,542
Auditor's remuneration for:		
– fees payable to auditor for audit of Lantra's annual accounts	11,500	11,500
– fee payable to auditor for review of subsidiary accounts	500	500
– Corporation tax	800	800
– other services	-	400
Operating lease rentals		
– plant and machinery	132,566	141,842
– land and buildings	80,590	85,229

Lantra (a company limited by guarantee)
Financial Statements for the year ended 31 March 2021

Notes to the Financial Statements (continued)

9. Support of volunteers

The Charity is supported by the work of a significant number of volunteers who freely provide their time to attend to steering and advisory groups. In addition, businesses make their time freely available to help provide research information and assist in the development of occupational standards and frameworks and training courses. It is difficult to put a value on this contribution, but to buy in this level of support would have cost Lantra £233,415 (2020: £231,093). In accordance with the SORP, no amount is recognised in the financial statements in relation to the value of volunteer support.

10. Net income attributable to the parent company

The entity has taken exemption from presenting its own profit and loss account under section 408 of Companies Act 2006. The net income dealt with in the financial statements of the parent company is £427,866 (2020: £287,070).

11. Tangible fixed assets

Group & Company	Long leasehold premises £	Office equipment £	Software and website development £	Office furniture £	Total £
Cost					
At 1 April 2020	514,265	219,828	267,066	1,788	1,002,947
Additions	6,500	1,561	123,230	-	131,291
Disposals	(10,300)	(34,430)	(36,625)	-	(81,355)
At 31 March 2021	<u>510,465</u>	<u>186,959</u>	<u>353,671</u>	<u>1,788</u>	<u>1,052,883</u>
Depreciation					
At 1 April 2020	268,856	92,657	117,551	951	480,015
Charge for the year	20,498	59,100	89,054	357	169,009
Disposals	(3,843)	(34,430)	(36,625)	-	(74,898)
At 31 March 2021	<u>285,511</u>	<u>117,327</u>	<u>169,980</u>	<u>1,308</u>	<u>574,126</u>
Net book value					
At 31 March 2021	<u>224,954</u>	<u>69,632</u>	<u>183,691</u>	<u>480</u>	<u>478,757</u>
Net book value					
At 31 March 2020	<u>245,409</u>	<u>127,171</u>	<u>149,515</u>	<u>837</u>	<u>522,932</u>

Lantra (a company limited by guarantee)
Financial Statements for the year ended 31 March 2021

Notes to the Financial Statements (continued)

12. Fixed asset investments

Group	Total return fund £	31 March 2021 £
Value at 1 April 2020	1,016,739	1,016,739
Unrealised gain	208,625	208,625
Value at 31 March 2021	<u>1,225,364</u>	<u>1,225,364</u>

Company	Shares in subsidiaries £	Total return fund £	31 March 2021 £
Value at 1 April 2020	102	1,016,739	1,016,841
Unrealised gain	-	208,625	208,625
Value at 31 March 2021	<u>102</u>	<u>1,225,364</u>	<u>1,225,466</u>

Lantra owns 100% of the share capital of Upskill UK Limited (100 £1 ordinary shares) and Lantra Awards Limited (2 ordinary £1 shares).

The principal activity of Upskill UK Limited is the development and supply of IT solutions based on individual and business competency. The shares are unlisted and represent 100% of Upskill UK Limited; the Company is registered in England and Wales. Its company number is 06352816.

Lantra Awards Limited historically provided awarding and accreditation services to land-based and environmental industries but has been dormant since 1 July 2011. Lantra hold 100% of the issued share capital of Lantra Awards Limited which is registered in England and Wales. The shares are unlisted. Its company number is 03567982.

The aggregate amount of the subsidiary undertakings' assets, liabilities and funds are as follows:

	Assets £	Liabilities £	Funds £
Upskill UK Limited	40,672	(187,843)	(147,171)
Lantra Awards Limited	<u>2</u>	<u>-</u>	<u>2</u>

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Notes to the Financial Statements (continued)

The incoming resources, resources expended, and net incoming resources of the subsidiary undertakings are as follows:

	Incoming resources	Resources Expended	Net incoming resources
	£	£	£
Upskill UK Limited	30,577	(21,446)	9,131
Lantra Awards Limited	-	-	-
	<u>30,577</u>	<u>(21,446)</u>	<u>9,131</u>

Upskill UK Limited is not required to have an audit as it qualifies as a small company under the Companies Act 2006. The directors have considered the need for audit, but as the activities of Upskill UK Limited are immaterial relative to the Group, an audit has not been deemed necessary in the current or previous year.

During the year ended 31 March 2018 Lantra invested in a total return fund seeking long term growth, the original investment of £1,000,000 was valued at £1,225,364 at 31 March 2021.

13. Debtors

	Group		Company	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£	£	£	£
Trade debtors	2,187,689	2,252,194	2,187,090	2,252,194
Other debtors	400	400	400	400
Prepayments	197,437	179,319	197,437	179,319
Accrued income	11,179	119,940	11,179	119,940
	<u>2,396,705</u>	<u>2,551,853</u>	<u>2,396,106</u>	<u>2,551,853</u>

Accrued income includes £5,815 to fund Welsh Government Supply Chain Horticulture training in Wales, £2,180 to fund Farming Connect Training in Wales, £3,143 from Welsh Government Supply Chain Food to support training in Wales and £41 from Welsh Government Animal Health fund.

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Notes to the Financial Statements (continued)

14. Creditors: amounts falling due within one year

	Group		Company	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	322,629	310,364	362,077	341,241
Other creditors	967	609	967	608
Other taxation and social security	384,145	247,807	384,145	247,807
Accruals	340,616	125,224	339,316	123,924
Deferred income	2,224,775	1,669,613	2,224,775	1,669,613
	<u>3,273,132</u>	<u>2,353,617</u>	<u>3,311,280</u>	<u>2,383,193</u>

Group deferred income comprises contract income received in advance of contract outputs/ milestones being delivered. This figure is calculated based on actual outputs at the year end compared to cash received and includes any provisions to allow for non-delivery by the conclusion of the project timetable.

Deferred income includes £1,489,824 from Welsh Government for various projects (2020: £1,489,824), £324,766 (2020: £150,155 for end point assessments invoiced in advance and other deferred income of £369,360 from Scottish Government for various projects (2020: £Nil) and other deferred income of £40,825 (2020: £29,634)

Deferred Income

	Group & Company
	£
Balance as at 31 March 2020	1,669,613
Amount released to incoming resources	(164,000)
Amount deferred in year	719,162
Balance as at 31 March 2021	<u>2,224,775</u>

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Notes to the Financial Statements (continued)

15. Funds

Group	Opening Balance 01/04/2020 £	Income £	Expenditure £	Net loss on investments / Transfers	Closing Balance 31/03/2021 £
Restricted funds	7,065	-	(400)	-	6,665
Unrestricted funds	3,210,890	7,683,301	(7,454,529)	198,625	3,638,287
Designated fund	-	-	-	10,000	10,000
Total funds	3,217,955	7,683,301	(7,454,929)	208,625	3,654,952

Company	Opening Balance 01/04/2020 £	Income £	Expenditure £	Net loss on investments / Transfers	Closing Balance 31/03/2021 £
Restricted funds	7,065	-	(400)	-	6,665
Unrestricted funds	3,180,751	7,704,299	(7,484,660)	198,625	3,599,015
Designated fund	-	-	-	10,000	10,000
Total funds	3,187,816	7,704,299	(7,485,060)	208,625	3,615,680

During the year Lantra have set up a designated fund, which will become a restricted fund in the 2021-22 financial year. The purpose is to support instructor recruitment, this fund will form part of Lantra's match funding contribution and the commitment to support the development of instructors.

The above information has also been provided for the prior year below.

Group	Opening Balance 01/04/2019 £	Income £	Expenditure £	Net loss on investments / Transfers	Closing Balance 31/03/2020 £
Restricted funds	7,465	-	(400)	-	7,065
Unrestricted funds	2,917,052	8,385,704	(8,132,651)	40,785	3,210,890
Designated fund	-	-	-	-	-
Total funds	2,924,517	8,385,704	(8,133,051)	40,785	3,217,955

Company	Opening Balance 01/04/2019 £	Income £	Expenditure £	Net loss on investments /Transfers	Closing Balance 31/03/2020 £
Restricted funds	7,465	-	(400)	-	7,065
Unrestricted funds	2,893,280	8,409,550	(8,161,864)	40,785	3,180,751
Designated fund	-	-	-	-	-
Total funds	2,900,745	8,409,550	(8,162,264)	40,785	3,187,816

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Notes to the Financial Statements (continued)

16. Restricted funds

Group and company	Opening Balance 01/04/2020 £	Income £	Expenditure £	Closing Balance 31/03/2021 £
Frank Parkinson Trust	1,600	-	(400)	1,200
Animal Care Lead Body	4,385	-	-	4,385
R2	1,080	-	-	1,080
	<u>7,065</u>	<u>-</u>	<u>(400)</u>	<u>6,665</u>

The Frank Parkinson Trust contributed funds towards building costs.

Animal Care Lead Body funds provide support for the keeping of animals in educational establishments.

R2 provide funds to support the promotion of the arboriculture professional skill register to the industry.

The above information has also been provided for prior year below.

Group and company	Opening Balance 01/04/2019 £	Income £	Expenditure £	Closing Balance 31/03/2020 £
Frank Parkinson Trust	2,000	-	(400)	1,600
Animal Care Lead Body	4,385	-	-	4,385
R2	1,080	-	-	1,080
	<u>7,465</u>	<u>-</u>	<u>(400)</u>	<u>7,065</u>

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Notes to the Financial Statements (continued)

17. Analysis of group net assets between funds

Group	Restricted Funds £	Unrestricted funds £	2021 Total £	2020 Total £
Tangible fixed assets	1,200	477,557	478,757	522,932
Investments	-	1,225,364	1,225,364	1,016,739
Current assets	5,465	5,218,498	5,223,963	4,031,901
Current liabilities	-	(3,273,132)	(3,273,132)	(2,353,617)
Total net assets	6,665	3,648,287	3,654,952	3,217,955

Company	Restricted Funds £	Unrestricted funds £	2021 Total £	2020 Total £
Tangible fixed assets	1,200	477,557	478,757	522,932
Investments	-	1,225,466	1,225,466	1,016,841
Current assets	5,465	5,217,272	5,222,737	4,031,236
Current liabilities	-	(3,311,280)	(3,311,280)	(2,383,193)
Total net assets	6,665	3,609,015	3,615,680	3,187,816

18. Guarantee

Lantra is a Company limited by guarantee. The members of the Company have each agreed to contribute £1 to the assets of the Company in the event of it being wound up. As at 31st March 2021 there were 10 members (2020: 10 members) of Lantra.

19. Pension obligations

Under the definitions set out in FRS 102, the ITB Pension Funds is a multi-employer pension scheme. Lantra is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, Lantra has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. Lantra has set out below the information available on the surplus in the scheme and the implications for Lantra in terms of anticipated contribution rates.

The pension cost is assessed every three years in accordance with the advice of an independent qualified actuary using the projected unit valuation method. The objective of this method is to maintain a fund that is expected to be sufficient to meet the expected outgo in respect of all benefits accrued to the date of valuation. The latest actuarial valuation of the scheme was as at 31 March 2019. The assumptions that have the most significant effect on the valuation are as follows:

Pre-retirement discount rate	Gilt Yield Curve + 0.15%
Post-retirement discount rate	Gilt Yield Curve + 0.15%
Rate of price inflation	Implied by gilt curves

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Notes to the Financial Statements (continued)

The assets in the scheme and the expected rate of return were:

Market value of assets at date of last valuation	£507.2 million
Surplus in scheme	£21.3 million

20. Reconciliation of net movement in funds to net cash inflow from operating activities

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Net movement in funds for the period	436,997	293,438	427,864	287,071
Investment gains	(208,625)	(40,785)	(208,625)	(40,785)
Interest receivable	(1,054)	(5,176)	(2,675)	(8,052)
Depreciation charge	169,009	182,542	169,009	182,542
Loss on sale of fixed assets	6,457	-	6,457	-
Decrease / (Increase) in debtors	155,148	(705,138)	155,747	(703,927)
Increase / (Decrease) in creditors	919,515	(1,780)	928,087	3,230
Net cash provided by (used in) operating activities	<u>1,477,447</u>	<u>(276,899)</u>	<u>1,475,864</u>	<u>(279,921)</u>

21. Analysis of cash and cash equivalents

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Cash at bank and in hand	<u>2,827,258</u>	<u>1,480,048</u>	<u>2,826,631</u>	<u>1,479,383</u>
			Company Cashflows	
			At start of year	At end of year
			£	£
			<u>1,479,383</u>	<u>2,826,631</u>
			Group Cashflows	
			At start of year	At end of year
			£	£
			<u>1,480,048</u>	<u>2,827,258</u>

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Notes to the Financial Statements (continued)

22. Financial commitments

At 31 March 2021 the Group and Company had total commitments under non-cancellable operating leases as follows:

	2021		2020	
	Land and buildings £	Other £	Land and buildings £	Other £
Leases falling due:				
Within one year	84,910	83,220	88,522	106,377
Between two and five years	286,307	75,688	305,141	129,768
Over 5 years	4,344,546	-	4,410,623	-
	<u>4,715,763</u>	<u>158,908</u>	<u>4,804,286</u>	<u>236,145</u>

23. Capital Commitments

Contractual commitments for the acquisition of tangible fixed assets contracted for but not provided in the financial statements amounted to £43,086 (2020: £Nil)

24. Contingent liability

The Group has been in receipt of significant income from a variety of grant making bodies in recent years and takes all reasonable steps to ensure it complies with the terms attached to the receipt of all such income. However, the Trustees recognise that this is a complex area and there is always a risk that some funding could become repayable as a result of an inspection by those bodies.

It is not possible to estimate the value, if any, or timing of any such repayments.

25. Financial Instruments

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Financial assets measured at fair value through profit or loss	2,827,258	1,480,048	2,826,631	1,479,383
Financial assets that are debt instruments measured at amortised cost	2,199,268	2,372,534	2,198,669	2,372,534
	<u>5,026,526</u>	<u>3,852,582</u>	<u>5,025,300</u>	<u>3,851,917</u>
Financial liabilities that are debt instruments measured at amortised cost	1,048,357	684,004	1,086,505	713,580

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Notes to the Financial Statements (continued)

Financial assets measured at fair value through profit or loss comprise of cash at bank and in-hand. The fair value of the cash has been determined with reference to the bank statements and reconciling items at the year end.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and accrued income.

Financial liabilities that are debt instruments measured at amortised cost consists of trade creditors, other creditors, other taxation and social security, and accruals.

26. Related party transactions

During the year Upskill UK Limited, a 100% owned subsidiary, made sales to Lantra totalling £30,577 (2020: £20,969), additionally Lantra made sales/recharges to Upskill UK Limited totalling £11,908 (2020: £4,209) an amount of £39,445 (2020: £31,837) was outstanding to Upskill/owed by Lantra. Lantra also charged interest of £1,622 (2020: £2,876) to Upskill UK Limited on the outstanding inter-company loan of £186,543 (2020: £186,543). All inter-company transactions are charged according to the Service Contract that is in place between the two entities.

Details of the balances and transactions with the Directors and Trustees are disclosed in Note 7.

Income of £1,321 (2020: £5,806) from Countryside Services Limited was received, a company that C Henning is also a Director of. As at 31 March 2021 £Nil (2020 £1,551) was outstanding from Countryside Services Limited.

Income of £Nil (2020: £20,036) from AHDB Dairy Board was received, a company that P Rees is also a Director of, as at 31 March 2021 £Nil (2020 £2,816) was outstanding from AHDB Dairy Board.

Income of £43,006 (2020: £63,293) was received from Ringlink Services Limited, a company that J Craigie is a Director of. As at 31 March 2021 £7,456 (2020 £172) was outstanding from Ringlink Services Limited. Expenditure of £9,064 (2020 £10,000) was incurred from Ringlink Services Limited.

Income of £4,666 (2020: £Nil) was received from SRUC, a company that J Craigie is a Director of. As at 31 March 2021 £1,377 (2020 £Nil) was outstanding from SRUC.