

Company Registration No. 02852984

Charity Registration No. 1041966

**The Food and Drink Training and
Education Council Limited**

(A Company Limited by Guarantee)

Report of the Trustees and Audited

Financial Statements for the year

ended 31 August 2022

The Food and Drink Training and Education Council Limited
(registered number 02852984)

Report and financial statements for the year ended 31 August 2022

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The Food and Drink Training and Education Council Limited
(registered number 02852984)

Report and financial statements for the year ended 31 August 2022

Officers and professional advisers

Names

The Food and Drink Training and Education Council Limited

Food Training Council (Trading name)
ftc (Trading name)

Trustees

Mr J J Proctor (Chairman)
Mr A J Brodie
Mr R J Bansback
Mr R J Field
Mr R M Griffiths

Secretary

Mr W J Jermey

Registered Office

4100 Park Approach
Thorpe Park
Leeds
LS15 8GB

Bankers

Lloyds TSB
Thavies Inn House
6 Holborn Circus
London
EC1N 2HP

Solicitors

Sherrards
45 Grosvenor Road
St Albans
Herts
AL1 3AW

Auditor

DSC Accountants Ltd
Chartered Accountants and Registered Auditors
Tattersall House
East Parade
Harrogate
HG1 5LT

The Food and Drink Training and Education Council Limited

(registered number 02852984)

Report and financial statements for the year ended 31 August 2022

Group trustees' report

The trustees present their report together with the financial statements for the year ended 31 August 2022. This report is also a Directors' Report as required by the Companies Act 2006.

Structure, Governance and Management

Governing document

The Food and Drink Training and Education Council Limited is a company limited by guarantee, incorporated on 8 September 1993, and a registered charity. It is governed by its Memorandum and Articles of Association. The guarantee of each member is limited to £1.

Structure

The Food and Drink Training and Education Council has three wholly owned subsidiaries - FDQ Limited, Institute of Meat, and The Meat Training Council Limited. The latter one is a dormant company. Details appear in note 17.

Bill Jermey the Group Chief Executive stepped down at the AGM held on 24 February 2022, but remains as company secretary as well as the chairman of IOM. He was replaced by Christine Walsh.

The day to day management of FDQ Limited is conducted by the director, Dr Jane Downes. The day to day management of Institute of Meat is conducted by chief executive Keith Fisher who reports into the Chair Bill Jermey. Both Dr Jane Downes and Bill Jermey report into the Group Chief Executive Christine Walsh. The Group Chief Executive reports into the trustees who approve the budget and are involved in key decision making.

Trustees

The trustees are also directors for company law. A full list of those who served during the year and subsequently is shown within the legal and administrative information.

Trustees are appointed by the members at the Annual General Meeting of the charity after nomination by a minimum of three members as required by the charity's Memorandum and Articles of Association. All trustees receive appropriate training and induction on becoming trustees.

Related parties

The subsidiary companies, FDQ Limited, Institute of Meat and The Meat Training Council Limited are related parties because of this relationship. Also related are the trustees and key management of the company and its subsidiaries, and any connected persons as defined in the charity SORP 2019. Some trustees are also directors of other companies.

Risk policy

The council have reviewed and implemented a formal risk management process to assess business risk and management strategies.

Objective and activities

The principal activity of the charity is to secure and promote the provision of training within the food industry. The most important way it achieves this is through promotion and development of vocational training and apprenticeships. Our subsidiary FDQ Limited is the largest Awarding Organisation in the food industry and are well established as an end point assessment organisation for many food industry apprenticeships. This is an area for growth. We have worked with industry to ensure that the new apprenticeships fully meet the needs of both employer and apprentice. This year the charity has continued to use income and reserves to fund these developments.

The Company also arranges a number of animal welfare and HACCP courses.

Institute of Meat (IoM) is a professional body representing its members within the meat industry. IoM have continued to improve the bottom line this year through improving their engagement with industry and apprentices. Their Accredited Master Butcher award is proving popular both in the UK and abroad as a recognised independent assessment method of experiential learning. This trend should continue.

The Food and Drink Training and Education Council Limited

(registered number 02852984)

Report and financial statements for the year ended 31 August 2022

Group trustees' report

In setting the charity's objectives and planning its activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Achievements and performance/financial review and plans for future periods

We have continued to lead on government backed apprentice Trailblazer projects, assisting a large group of employers by providing the secretariat for the employer Trailblazer group and IFATE, in getting apprentice standards approved for Butcher, Advanced Butcher, and Abattoir Workers. These projects, along with our support of training development through FDQ Limited and support of Institute of Meat, assist us in achieving our charitable objectives. FDQ Limited are also undertaking end point assessments in other food apprenticeships.

The start of this year continued to be impacted by the Covid pandemic although the second half of the year was much improved with many organisations allowing access to food plants. The strong demand for apprenticeships and especially qualifications seen at the end of the previous year continued throughout the year. The restrictions on attendance in workplaces meant that initially FDQ Limited did many of the assessments online. By the second quarter many of their customers sites were open and they all needed to be visited for audit purposes or to undertake apprentice end point assessment at sites. FDQ Limited is the only awarding organisation that offers the qualifications mandated in the Food and Drink apprenticeship in Wales. FDQ Limited is recognised as a regulated awarding organisation by CCEA in Northern Ireland.

Animal Welfare training has seen significant reduction because many organisations have moved to in-house trainers or their customers asking them to use Bristol University. However even with the fall in charity income, this was compensated by the two other organisations and we were pleased to end the year with a strong cash position and ready for the opportunities and challenges ahead.

Public benefit

The charity provides benefit through engaging in activities that help the public at large to benefit ultimately from a better provision of trained staff in the food industry. Whilst we have made training grants in the past, we are not considering reinstating our restricted fund until the ongoing apprenticeship developments have been completed.

Reserve policy

Charity Commission guidelines require us to have reserves equivalent to three months' operating costs. Because of uncertainties that lie ahead as a result of the governments proposed post 16 Skills Plan, we believe that we are justified in maintaining a higher level of reserves. Our board are more comfortable with a higher figure, and reserves at the year end are £393,392 approximately four months' operating costs based on budget.

Investment policy and performance

In accordance with the trust deed, the trustees have the power to invest in such stocks, shares investments and property in the UK as they see fit. There were no investments during the year.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under the Companies Act 2006.

Statement as to disclosure of information to auditors.

So far as the trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the charity's auditors are unaware, and each trustee has taken all the steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

By order of the Board

The Food and Drink Training and Education Council Limited
(registered number 02852984)

Report and financial statements for the year ended 31 August 2022

Trustees' responsibilities statement

The trustees (who are also directors of The Food and Drink Training and Education Council for the purposes of company law) are responsible for preparing the Trustees' 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 group for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records 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. 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.

Independent Auditor's report to the members and trustees of The Food and Drink Training and Education Council Limited

Opinion

We have audited the financial statements of The Food and Drink Training and Education Council (the 'charity') and its subsidiaries (the 'group') for the year ended 31 August 2022, which comprise the Consolidated Statement of Financial Activities, Consolidated and Charity Balance Sheet, Statement of Cash Flows and Consolidated Statement of Cash Flows, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

1. give a true and fair view of the state of the group's and of the charity's affairs as at 31 August 2022 and of the group's results for the year then ended;
2. have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
3. have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Independent Auditor's report to the members and trustees of The Food and Drink Training and Education Council Limited

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- 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 our knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

1. adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
2. the financial statements are not in agreement with the accounting records and returns; or
3. certain disclosures of trustees remuneration specified by law are not made; or
4. we have not received all the information and explanations we require for our audit; or
5. the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 4], the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, a review of correspondence with the Charity Commission, the most recent Ofqual compliance report, enquiries with management and the inspection of other regulatory and legal correspondence. We addressed the risk of management override of internal controls, including testing journals and estimates and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud and the completeness of income recognition by testing the income from a database of learners. We did not identify any key audit matters relating to irregularities, including fraud.

Independent Auditor's report to the members and trustees of The Food and Drink Training and Education Council Limited

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 law or regulation is removed from 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 on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's 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 and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Graham French FCA (Senior Statutory Auditor)
For an on behalf of DSC Accountants Ltd
Statutory Auditors
Tattersall House
East Parade
Harrogate
HG1 5LT

Date: 23 February 2023

The Food and Drink Training and Education Council Limited
(registered number 02852984)

Consolidated Statement of Financial Activities
For the year ended 31 August 2022
(Including Consolidated Income and Expenditure Account)
Summary Income and Expenditure Account

	Note	Unrestricted fund £	2022 £	2021 £
Incoming resources				
Incoming resources from generated funds				
Activities for generating funds				
Income generated by subsidiaries		1,446,703	1,446,703	1,046,563
Investment Income				
Other investment income	5	41	41	20
Incoming resources from charitable activities				
Project and other income	4	11,162	11,162	32,842
Total incoming resources		<u>1,457,906</u>	<u>1,457,906</u>	<u>1,079,425</u>
Resources expended				
Costs of generating funds				
Costs incurred by subsidiaries	6	1,318,877	1,318,877	943,639
Costs of charitable activities				
Direct costs	6	8,767	8,767	25,531
Support costs	6	53,269	53,269	34,226
Governance costs	6	4,200	4,200	4,200
Total resources expended		<u>1,385,113</u>	<u>1,385,113</u>	<u>1,007,596</u>
Net (outgoing) / incoming resources		72,793	72,793	71,829
Total funds brought forward at 1 September		<u>320,599</u>	<u>320,599</u>	<u>248,770</u>
Total funds carried forward	16	<u>393,392</u>	<u>393,392</u>	<u>320,599</u>

The Statement of Financial Activities incorporates the income and expenditure account. The results for the year derive from continuing activities and there are no gains or losses other than those shown above.

The notes form part of these financial statements

The Food and Drink Training and Education Council Limited
(registered number 02852984)

Consolidated and Charity Balance Sheet
As at 31 August 2022

	Note	Group		Charity	
		2022 £	2021 £	2022 £	2021 £
Fixed assets					
Intangible assets	9	50,213	60,409	-	-
Tangible assets	10	32,613	45,437	712	-
Investments	11	-	-	1	1
Current assets					
Debtors	12	214,001	187,651	157,857	157,079
Prepayments and accrued income		34,737	23,365	11,185	9,103
Cash at bank and in hand		342,265	226,289	162,909	108,608
Total current assets		<u>591,003</u>	<u>437,305</u>	<u>331,951</u>	<u>274,790</u>
Creditors: amounts falling due within one year	13	<u>(115,548)</u>	<u>(70,875)</u>	<u>(3,936)</u>	<u>(3,243)</u>
Net current assets		<u>475,455</u>	<u>366,430</u>	<u>328,015</u>	<u>271,547</u>
Total assets less current liabilities		<u>558,281</u>	<u>472,276</u>	<u>328,728</u>	<u>271,548</u>
Creditors: amounts falling due after more than one year	14	(32,640)	(40,703)	-	-
Accruals and deferred income	15	<u>(132,249)</u>	<u>(110,974)</u>	<u>(5,750)</u>	<u>(5,998)</u>
Net assets		<u>393,392</u>	<u>320,599</u>	<u>322,978</u>	<u>265,550</u>
Funds					
Unrestricted		393,392	320,599	322,978	265,550
Unrestricted deficit retained within non-charitable subsidiaries		-	-	-	-
Total funds	16	<u>393,392</u>	<u>320,599</u>	<u>322,978</u>	<u>265,550</u>

The notes form part of these financial statements

The Food and Drink Training and Education Council Limited
(registered number 02852984)

Consolidated and Charity Balance Sheet (Continued)
As at 31 August 2022

The members have required the company to obtain an audit of its financial statements for the year ended 31 August 2022 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for:

- (a) ensuring that the charitable company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements of The Food and Drink Training and Education Council Limited were approved by the Board of Trustees on 23 February 2023 and were signed on its behalf by:

J J Proctor (Chairman of the Trustees)

The Food and Drink Training and Education Council Limited
(registered number 02852984)

Statement of Cash Flows and Consolidated Statement of Cash Flows
For the year ended 31 August 2022

	Note	Group		Charity	
		2022 £	2021 £	2022 £	2021 £
Cash generated from/(used in) operating activities	21	<u>140,246</u>	<u>99,565</u>	<u>55,040</u>	<u>26,089</u>
Cash flows from investing activities					
Interest income		41	20	20	9
Purchase of intangible assets		(20,048)	(8,435)	-	-
Purchase of tangible fixed assets		<u>(4,263)</u>	<u>(37,036)</u>	<u>(759)</u>	<u>-</u>
Cash provided by (used in) investing activities		<u>(24,270)</u>	<u>(45,451)</u>	<u>(739)</u>	<u>9</u>
Increase/(decrease) in cash and cash equivalents in the year		115,976	54,114	54,301	26,098
Cash and cash equivalents at the beginning of the year		<u>226,289</u>	<u>172,175</u>	<u>108,608</u>	<u>82,510</u>
Total cash and cash equivalents at the end of the year	22	<u><u>342,265</u></u>	<u><u>226,289</u></u>	<u><u>162,909</u></u>	<u><u>108,608</u></u>

The notes form part of these financial statements

The Food and Drink Training and Education Council Limited

(registered number 02852984)

Notes to the financial statements (Continued)

For the year ended 31 August 2022

1. Statutory Information

The Food and Drink Training and Education Council Limited is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page. The charity is a public benefit entity. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

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

2. Accounting policies

Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The Food and Drink Training and Education Council Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements have been prepared under the historical cost convention.

Basis of Consolidation

These financial statements consolidate the results of the charity and its wholly owned subsidiaries, FDQ Limited, Institute of Meat and The Meat Training Council Limited on a line by line basis. A separate Statement of Financial Activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006.

The Meat Training Council Limited has not traded during this financial year.

Going concern

The trustees believe that the company will be able to maintain positive cash flows for the foreseeable future, and there is no reliance on external financing. As a consequence, the trustees believe the charity is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties about the charity's ability to continue. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Fund accounting

General funds are unrestricted funds which 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 a particular purpose. The aim and use of each designated fund is set out in the notes to the financial statements.

The Food and Drink Training and Education Council Limited
(registered number 02852984)

Notes to the financial statements (Continued)
For the year ended 31 August 2022

2. Accounting policies (continued)

Incoming resources

Income is the amount derived from the provision of goods and services, and stated after trade discounts, other sales taxes and VAT.

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Grants and donations receivable

Income from donations and grants is included in incoming resources when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods; and
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with use of resources.

Charitable expenditure relates to expenditure directly relating to the objects of the charity.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out on the premises.

Governance costs are those included in connection with the administration of the charity and compliance with constitutional and statutory requirements.

The council sets aside reserves into a designated fund to be distributed as grants to other businesses within the meat and poultry industry. Grants are awarded on receipt of applications that suitably satisfy the councils grant making criteria.

Tangible fixed assets and depreciation

All tangible assets are capitalised at cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost over their expected useful economic lives as follows:

Fixtures, fittings and equipment 25% straight line

Assets below a value of £500 are not considered material to the charity and so are not capitalised in the charity accounts. Assets above a value of £500 are capitalised in the subsidiary accounts. Impairment reviews occur when there is an indication that the assets may be impaired.

Fixed asset investments

Fixed asset investments are in the balance sheet at cost less any provision made for impairment in value. Such investments are classified as current assets when regarded as available for sale.

The Food and Drink Training and Education Council Limited
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Notes to the financial statements (Continued)
For the year ended 31 August 2022

2. Accounting policies (continued)

Development costs

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The development costs have been capitalised as they relate to the development of end point assessment for apprenticeship standards. The costs relate to developing assessment plans and assessor training which the benefit will be seen over 5 years.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Pension costs

The pension costs charged to the SOFA represent the amount of the contribution payable to certain employees' personal pension schemes in respect of the accounting period.

The contributions made for the accounting period are treated as an expense and were £52,066 (2021 - £41,512).

The contributions are split between costs incurred by the subsidiaries and support costs in the charity. They form part of the unrestricted funds of the group.

Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the SOFA over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the SOFA on a straight line basis over the lease terms.

Related parties

As the company prepares publicly available consolidated financial statements, the company has taken advantage of the exemption contained in FRS 102 and has therefore not disclosed transactions or balances with its wholly owned subsidiaries.

The Food and Drink Training and Education Council Limited
(registered number 02852984)

Notes to the financial statements (Continued)
For the year ended 31 August 2022

3. Financial performance of the charity

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiaries. The summary financial performance of the charity is detailed below.

	2022	2021
	£	£
Income	11,162	32,842
Donation from subsidiary companies	149,057	90,160
Investment income	20	9
	<hr/>	<hr/>
	160,239	123,011
Expenditure on charitable activities	(8,767)	(25,531)
Grant paid to subsidiary company	(30,000)	(10,000)
Support costs	(59,845)	(41,801)
Governance costs	(4,200)	(4,200)
	<hr/>	<hr/>
	(102,812)	(81,532)
Net income	57,427	41,479
Fund balances brought forward	265,551	224,072
Fund balances carried forward	<hr/> <hr/>	<hr/> <hr/>
Represented by:		
Unrestricted income funds	<hr/> <hr/>	<hr/> <hr/>
	322,978	265,551

4. Project and other income

	2022	2021
	£	£
Project and other income:		
NVQ's, courses and examination fees	11,162	32,842
	<hr/> <hr/>	<hr/> <hr/>
No grants received in the year (2021: nil).		

5. Investment income

	2022	2021
	£	£
Bank interest received	41	20
	<hr/> <hr/>	<hr/> <hr/>

The Food and Drink Training and Education Council Limited
(registered number 02852984)

Notes to the financial statements (Continued)
For the year ended 31 August 2022

6. Total resources expended

	Charitable activities			Governance costs 2022 £	Total 2022 £	Total 2021 £
	Direct costs 2022 £	Support costs 2022 £	Costs of generating funds 2022 £			
Project expenditure	8,767	-	357,165	-	365,932	233,068
Staff costs and expenses	-	19,395	670,338	-	689,733	542,229
Training and development	-	-	8,436	-	8,436	2,748
Premises and office costs	-	1,725	68,886	-	70,611	57,272
Travelling and motor expenses	-	5,669	40,700	-	46,369	15,043
Audit fees	-	-	7,920	4,200	12,120	12,120
Accountancy and professional fees	-	4,875	15,996	-	20,871	23,563
Depreciation and amortisation	-	47	46,354	-	46,401	49,074
Loss on disposal	-	-	930	-	930	-
Bank charges and interest	-	1,224	2,082	-	3,306	2,878
Insurance	-	987	-	-	987	2,791
Advertising and exhibitions	-	12,898	29,828	-	42,726	20,080
Product development	-	-	27,627	-	27,627	14,607
Computer expenses	-	5,720	24,500	-	30,220	24,946
Other costs	-	729	14,566	-	15,295	6,484
Corporation Tax	-	-	3,549	-	3,549	693
	<u>8,767</u>	<u>53,269</u>	<u>1,318,877</u>	<u>4,200</u>	<u>1,385,113</u>	<u>1,007,596</u>

7. Net incoming resources for the year

Is stated after charging:	2022 £	2021 £
Fees payable to the charity's auditor for the audit of the accounts	12,120	12,120
Fees payable to the charity's auditor for tax advisory services	1,200	1,200
Fees payable to the charity's auditor for other financial services	8,038	7,920
Depreciation of tangible assets	16,157	12,136
Amortisation of intangible assets	30,244	36,938
Rents	38,252	31,219
	<u>105,011</u>	<u>100,533</u>

The Food and Drink Training and Education Council Limited
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Notes to the financial statements (Continued)
For the year ended 31 August 2022

8. Staff costs

	2022	2021
	£	£
Gross wages and salaries	564,401	461,882
Other staff costs	4,181	3,332
Employer's national insurance	53,949	35,503
Pension costs	52,066	41,512
	<u>674,597</u>	<u>542,229</u>

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

	2022	2021
	No.	No.
Administration	<u>20</u>	<u>16</u>

All trustees are non-executive and other than noted below, none of them received any remuneration in the year (2021: £nil). A trustee claimed £287 (2021: £0) in travelling expenses in the year.

The key management personnel of the parent charity comprise the trustees and Company Secretary. These also comprise the key management personnel of the group. The total employee benefits of the key management personnel were £12,161 (2021: £6,000).

The number of employees of the trading subsidiaries whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows:

	2022	2021
	No.	No.
£60,001 - £70,000	1	-
£70,001 - £80,000	<u>1</u>	<u>1</u>

Pension contributions in the year for staff earning more than £60,000 were £12,750 (2021: £6,545).

The Food and Drink Training and Education Council Limited
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Notes to the financial statements (Continued)
For the year ended 31 August 2022

9. **Intangible assets**

	Group development costs £	Charity development costs £
Cost		
At 1 September 2021	187,593	-
Additions	20,048	-
	<hr/>	<hr/>
At 31 August 2022	207,641	-
	<hr/>	<hr/>
Depreciation		
At 1 September 2021	127,184	-
Charge for the year	30,244	-
	<hr/>	<hr/>
At 31 August 2022	157,428	-
	<hr/>	<hr/>
Net book value		
At 31 August 2022	50,213	-
	<hr/> <hr/>	<hr/> <hr/>
At 31 August 2021	60,409	-
	<hr/> <hr/>	<hr/> <hr/>

The Food and Drink Training and Education Council Limited
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Notes to the financial statements (Continued)
For the year ended 31 August 2022

10. Tangible assets

	Group fixtures, fittings and equipment £	Charity fixtures, fittings and equipment £
Cost		
At 1 September 2021	83,183	5,999
Additions	4,263	759
Disposals	(13,328)	-
	<hr/>	<hr/>
At 31 August 2022	74,118	6,758
	<hr/>	<hr/>
Depreciation		
At 1 September 2021	37,746	5,999
Charge for the year	16,157	47
Elimination on disposal	(12,398)	-
	<hr/>	<hr/>
At 31 August 2022	41,505	6,046
	<hr/>	<hr/>
Net book value		
At 31 August 2022	32,613	712
	<hr/> <hr/>	<hr/> <hr/>
At 31 August 2021	45,437	-
	<hr/> <hr/>	<hr/> <hr/>

11. Fixed asset investments

	Shares in group under takings £
Cost	
At 1 September 2022	1
	<hr/>
At 31 August 2021	1
	<hr/>
Net book value	
At 31 August 2022	1
	<hr/> <hr/>
At 31 August 2022	1
	<hr/> <hr/>

The charity holds 100% of the ordinary share capital of The Meat Training Council Limited, a company incorporated in the UK. The Meat Training Council Limited is a dormant company.

The Food and Drink Training and Education Council Limited
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Notes to the financial statements (Continued)
For the year ended 31 August 2022

12. Debtors

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	210,686	185,606	-	3,093
Amounts owed by subsidiary undertakings	-	-	157,857	153,986
Other debtors	3,315	2,045	-	-
	<u>214,001</u>	<u>187,651</u>	<u>157,857</u>	<u>157,079</u>

13. Creditors: Amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	79,710	38,773	2,944	2,518
Taxation and social security costs	20,248	13,228	856	724
Bank loans	10,000	9,297	-	-
Other creditors	5,590	9,577	136	1
	<u>115,548</u>	<u>70,875</u>	<u>3,936</u>	<u>3,243</u>

14. Creditors: Amounts falling due after one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Bank loans	<u>32,640</u>	<u>40,703</u>	<u>-</u>	<u>-</u>

15. Accruals and deferred income

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Accruals and deferred income	<u>132,249</u>	<u>110,974</u>	<u>5,750</u>	<u>5,998</u>

The Food and Drink Training and Education Council Limited
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Notes to the financial statements (Continued)
For the year ended 31 August 2022

15. Accruals and deferred income (continued)

Deferred income comprises membership subscriptions which run from April 2022 to March 2023 and income from end point assessments which had not been performed by the balance sheet date.

	Group	Charity
	£	£
Balance as at 1 September 2021	77,069	-
Amount released to income from activities for generating funds	(77,069)	-
Amount deferred in year	113,197	-
	<u>113,197</u>	<u>-</u>
Balance as at 31 August 2022	<u><u>113,197</u></u>	<u><u>-</u></u>

16. Statement of funds - Group

Analysis of movements in unrestricted funds

	At 1 September 2021	Income	Expenditure	Transfers	At 31 August 2022
	£	£	£	£	£
Unrestricted	320,599	1,457,906	(1,385,113)	-	393,392
	<u>320,599</u>	<u>1,457,906</u>	<u>(1,385,113)</u>	<u>-</u>	<u>393,392</u>
Total funds	<u><u>320,599</u></u>	<u><u>1,457,906</u></u>	<u><u>(1,385,113)</u></u>	<u><u>-</u></u>	<u><u>393,392</u></u>

Analysis of movement in unrestricted funds – previous year

	At 1 September 2020	Income	Expenditure	Transfers	At 31 August 2021
	£	£	£	£	£
Unrestricted	248,770	1,079,425	(1,007,596)	-	320,599
	<u>248,770</u>	<u>1,079,425</u>	<u>(1,007,596)</u>	<u>-</u>	<u>320,599</u>
Total funds	<u><u>248,770</u></u>	<u><u>1,079,425</u></u>	<u><u>(1,007,596)</u></u>	<u><u>-</u></u>	<u><u>320,599</u></u>

The Food and Drink Training and Education Council Limited
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Notes to the financial statements (Continued)
For the year ended 31 August 2022

17. Subsidiary companies

The charity is the sole member of FDQ Limited (registered number 05508318) and Institute of Meat (registered number 07400471). All are companies registered in England and Wales and are limited by guarantee. The charity also owns 100% of the share capital of The Meat Training Council Limited (registered number 08843003). The Meat Training Council Limited is a dormant company and incorporated in England and Wales. The registered office of all the companies is the same as the parent, and can be found on the Company Information page.

All activities have been consolidated on a line by line basis in the SOFA. The majority of any net profit is gifted to the charity. A summary of the results of the subsidiaries is shown below.

	Institute of Meat		FDQ Limited	
	2022	2021	2022	2021
	£	£	£	£
Turnover and costs contribution	88,883	60,413	1,364,187	992,679
Cost of sales	(20,453)	(1,507)	(336,711)	(206,030)
	<u>68,430</u>	<u>58,906</u>	<u>1,027,476</u>	<u>786,649</u>
Government grants received	-	-	208	1,042
Administrative expenses	(44,029)	(38,650)	(896,457)	(687,075)
Interest receivable	-	-	22	11
Charitable donation	(20,808)	(19,019)	(128,249)	(71,141)
	<u>3,593</u>	<u>1,237</u>	<u>3,000</u>	<u>29,486</u>
Net profit				
Tax	(1,094)	(693)	(2,455)	-
	<u>2,499</u>	<u>544</u>	<u>545</u>	<u>29,486</u>
Net profit after tax				
Members' surplus/(deficit)	<u>4,000</u>	<u>1501</u>	<u>44,922</u>	<u>44,377</u>

FDQ Limited provides training and education services within the food industry. Institute of Meat acts as a professional body within the food industry.

18. Taxation

The charitable activities are exempt from taxation under Chapter 3 of Part 11 of the Corporation Tax Act 2010.

19. Ultimate controlling party

The company is limited by guarantee.

The liability of each member is limited. A member is defined as a person or entity entered as such in the statutory records of the company.

Every member of the company undertakes to contribute £1 to the assets of the company, in the event of being wound up while he is a member, or within one year after he ceases to be a member.

As a result no individual member has overall control.

As at 31 August 2022, there were 14 members (2021: 14) of the company.

The Food and Drink Training and Education Council Limited
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Notes to the financial statements (Continued)
For the year ended 31 August 2022

20. Related party disclosures

There were no related party transactions for the year ended 31 August 2022.

21. Reconciliation of net movements in funds to net cash flow from operating activities

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Surplus/(Deficit) before taxation	72,793	71,828	57,427	41,479
Depreciation charges	46,401	49,074	47	-
Loss on disposal charge	930	-	-	-
Interest income	(41)	(20)	(20)	(9)
	<u>120,083</u>	<u>120,882</u>	<u>57,454</u>	<u>41,470</u>
Decrease/(increase) in trade and other debtors	(37,721)	(129,881)	(2,860)	(17,765)
(Decrease)/increase in trade and other creditors	57,884	108,564	446	2,384
Cash generated from operations	<u>140,246</u>	<u>99,565</u>	<u>55,040</u>	<u>26,089</u>

22. Cash and cash equivalents

Year ended 31 August 2022	Group		Charity	
	31/08/2022 £	01/09/2021 £	31/08/2022 £	01/09/2021 £
Cash and cash equivalents	342,265	226,289	162,909	108,608

Year ended 31 August 2021	Group		Charity	
	31/08/2021 £	01/09/2020 £	31/08/2021 £	01/09/2020 £
Cash and cash equivalents	226,289	172,175	108,608	82,510