

REGISTERED COMPANY NUMBER: 02262730 (England and Wales)
REGISTERED CHARITY NUMBER: 700763

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021
FOR
DERWENT TRAINING ASSOCIATION**

Fortus Audit LLP
Chartered Accountants & Statutory Auditors
5&6 Manor Court
Manor Garth
Scarborough
North Yorkshire
YO11 3TU

DERWENT TRAINING ASSOCIATION
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For The Year Ended 31 July 2021

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DERWENT TRAINING ASSOCIATION

REPORT OF THE TRUSTEES For The Year Ended 31 July 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 July 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objectives of the charity are to:

- Remain on the Register of Apprentice Training Providers (RoATP) and contract directly with both levy and non-levy paying employers
- Maintain appropriate working partnerships with Prime organisations.
- Achieve above national achievement rates.
- Achieve 'good' in Ofsted inspection.
- Maintain and improve the Matrix Quality Standard.
- Continue to improve the quality of service and provision by teamwork and partnership working.
- Promote equality of opportunity and diversity to work with under-represented groups and encourage more females into engineering.
- Maintain a presence at careers events and other training awareness events with both employers and potential apprenticeship candidates.
- Offer a managed flexible approach to the training facilities to support employers and maintain our position in the training market.
- Further develop and expand the range of full cost courses and work with companies to develop new ideas.

Public benefit

The charity trustees have had regard to the charity commissions' guidance on public benefit and feel that this can be demonstrated by the aims and objectives listed above and the significant achievements explained in detail later in the report.

DERWENT TRAINING ASSOCIATION

REPORT OF THE TRUSTEES For The Year Ended 31 July 2021

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Derwent Training Association (Derwent Training) maintained the Matrix quality standard as well as maintaining direct claim status from the awarding organisations, EAL & Pearson. Derwent Training subcontract from Craven College who received 'good' in their last Ofsted inspection as well as from Maritime and Engineering College who also received 'good' in their last Ofsted inspection.

New enrolments in 2020-21 were 93% of the set target. Eighty-five employers placed apprentices with Derwent Training. Commercial courses were also delivered.

The timely achievement rate in 2020-21 was 79% at Level 3 and 91% at Level 2, both well above the National Average. The timely achievement rates compare favourably against the performance of other private sector public funded providers (61.3%) and General Further Education Colleges (60%) in Yorkshire and Humberside.

Derwent Training provides information, advice and guidance to employers and their employees on the best route forward in terms of training. There is a delicate balance to be had in being honest with employers about what Derwent Training can deliver in a set timeframe and signposting employers to other providers for aspects outside of the scope of Derwent Training. Integrity remains important in working with employers.

Derwent Training continues to review the staffing levels and skills needed to deliver the prescribed programmes. New staff have joined the company whilst others have taken up new opportunities elsewhere.

FINANCIAL REVIEW

Principal funding sources

Income is generated through a direct contract with the Education and Skills Funding Agency and subcontracting arrangements with Craven College and Maritime and Engineering College. A Bounce Bank Loan was obtained in October 2020 and held within the Reserves account.

Reserves policy

Trustees have examined the charity's requirements for reserves in light of the main risks to the organisation. Reserves can cover possible emergency repairs to the centre and other expenditure including salaries. The Charity's financial working capital consists of core business funded activity and other funds through projects which vary year on year. Trustees report the level of reserves (that is those funds that are freely available).

Reserves bridge any gaps between spending on training and money received through full cost courses and grants that provide funding. Short term reserves would be needed to meet the working capital requirements of the charity; approximately £175,000 would cover three months salaries and general running costs. The Trustees have taken steps to maintain monies and reserves exist that safeguard the organisation.

Going concern

The company is repaying a loan taken out in December 2018. There was no repayment required of the Bounce Bank Loan during the period of this report. Creditors are paid and debtors pay the company. The management of cash flow is good because processes are tightly managed. The Trustees are building up reserves in line with the principles above. As a result of this the Trustees are of the opinion that the charity is a going concern.

DERWENT TRAINING ASSOCIATION

REPORT OF THE TRUSTEES For The Year Ended 31 July 2021

FUTURE PLANS

The regional environment:

The York, North Yorkshire, East Riding and Hull Area Review (2017) identified that the lack of large employers within the region is a challenge and there is limited take up of apprenticeships by micro-business. Indeed, new apprenticeship starts nationally had decreased pre-pandemic and did not pick up as the pandemic continued. Some providers may struggle to provide a viable offer therefore it is essential to ensure that apprenticeship delivery structures are financially sustainable and allow progression to and from traditional full-time technical and vocational curriculum and higher education. The lack of higher level apprenticeships standards in the Local Enterprise Partnership (LEP) priority areas, such as engineering, remains a significant challenge to developing the local economy. Derwent Training is resolved to supporting the development of higher level skills either alone or in partnership with other institutions. It will also work to embed Low Carbon skills and knowledge with its delivery where applicable.

The North Yorkshire County Council Plan 2020-2024 identifies as a priority the need for increasing skill levels and ensuring that the workforce meets the needs of North Yorkshire, ensuring that there is a clear pathway for young people from education to training and employment, and other actions to support the development of a workforce that meets the social and economic needs of the county. Additionally, the LEP states that there is a clear link between investment in higher level skills and a business' competitive advantage. Businesses need to train their staff to keep pace with technology and ensure increased productivity.

Strategic plan:

The Trustees believe Derwent Training is positioned to address the challenges identified regionally and create opportunities through working in partnership with other providers and employers.

Derwent Training will work towards securing continued funding for apprenticeship delivery through existing contractor and new partnership arrangements. The increased funding available for delivering the Apprenticeship Standards means that income per apprentice has increased in comparison to delivering Frameworks.

The charity recognises the impact of the limited agreed trade deals following the withdrawal from the European Union on employers in the sector and the region, with many still holding off in recruiting new employees. Additionally, the COVID-19 pandemic has caused a further contraction in recruitment for some employers.

The charity has identified the leadership and management curriculum as a new area for development and delivery and is working towards recruiting to it.

Consequently, the charity has set a realistic budget with tight management maintained around expenditure that is focused on supporting learner achievement within truthful income figures. Derwent Training continues to enrol all year round rather than just in September to support employers' growth plans as they occur.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Derwent Training Association is a company limited by guarantee and not having share capital. It is governed by its Memorandum and Articles of Association dated 27 May 1988 (amended February 2015). It is registered as a charity with the Charity Commission. The number of members which the company proposes to be registered is unlimited.

Recruitment and appointment of new trustees

As set out in the Articles of Association, the chair of the Trustees is nominated by the members of the charitable company. At the Annual General Meeting, one third or nearest number to one third shall retire from office. Directors who have been longest in office since their last election shall retire.

DERWENT TRAINING ASSOCIATION

REPORT OF THE TRUSTEES For The Year Ended 31 July 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Board of Trustees, which usually has from 6 up to no more than 10 members, oversees the strategic business planning. A Chief Executive Officer is appointed by the Trustees to manage the day to day operations of the charity. To facilitate effective operations, the Chief Executive Officer has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance, employment and other related activities.

Induction and training of new trustees

New Trustees are invited to a Board meeting and given a copy of the Memorandum and Articles of Association, Self-Assessment Report and ESFA contract performance figures and a copy of the latest budget figures. All Trustees must complete statutory training on Safeguarding and Prevent Duty.

Key management remuneration

The Trustees consider that the Board along with the senior leadership team comprise the key management personnel of the charity and are in charge of directing, controlling and operating the Trust on a day to day basis. All the Trustees give their time freely and none are remunerated. Details of expenses reimbursed during the year are shown in the notes to the accounts.

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, the Trustees benchmark against pay levels in other similar organisations in the North of England to ensure that the remuneration is fair and not out of line with that generally paid for similar roles.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02262730 (England and Wales)

Registered Charity number

700763

Registered office

Hertford Way
York Road Industrial Park
Malton
North Yorkshire
YO17 6YG

Trustees

Mr R A Shaw (Chairman)
Mr A Suggett (resigned 1.9.20)
Mr D Macfarlane (Vice Chairman)
Mr A B G Pickering
Mr S Pearson (resigned 4.11.20)
Ms A Watson
Mrs S Edwards (appointed 4.11.20)
Ms L A Thompson (appointed 30.11.21)

Auditors

Fortus Audit LLP
Chartered Accountants & Statutory Auditors
5&6 Manor Court
Manor Garth
Scarborough
North Yorkshire
YO11 3TU

DERWENT TRAINING ASSOCIATION

**REPORT OF THE TRUSTEES
For The Year Ended 31 July 2021**

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Santander UK
Bridle Road
Bootle
Merseyside
L30 4GB

Chief Executive Officer

C E Gavaghan

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Derwent Training Association for the purposes of company law) are responsible for preparing the Report of the Trustees 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are 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.

AUDITORS

The auditors, Fortus Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees onApril 2022 and signed on its behalf by:

.....
Mr R A Shaw - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DERWENT TRAINING ASSOCIATION**

Opinion

We have audited the financial statements of Derwent Training Association (the 'charitable company') for the year ended 31 July 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2021 and of its incoming resources and application of 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The 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 Report of the Independent Auditors 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 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DERWENT TRAINING ASSOCIATION**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

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 determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DERWENT TRAINING ASSOCIATION**

Our 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (UK GAAP and the Companies Act 2006) and the relevant tax compliance regulations in the UK.

We understood how the company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through review of board minutes and discussions with those charged with governance.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by discussion with management from various parts of the business to understand where they considered there was a susceptibility to fraud. We considered the procedures and controls that the company has established to prevent and detect fraud, and how these are monitored by management, and also any enhanced risk factors such as performance targets.

Based on our understanding, we designed our audit procedures to identify any non-compliance with laws and regulations identified in the paragraphs above.

We also performed audit work over the risk of management override of controls, including testing of 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.

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/auditors-responsibilities. This description forms part of our Report of the Independent Auditors.

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Dixon ACA (Senior Statutory Auditor)
for and on behalf of Fortus Audit LLP
Chartered Accountants & Statutory Auditors
5&6 Manor Court
Manor Garth
Scarborough
North Yorkshire
YO11 3TU

Date:April 2022

DERWENT TRAINING ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
For The Year Ended 31 July 2021

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Charitable activities					
Education and training	4	702,560	-	702,560	756,246
Other trading activities	2	-	-	-	55
Investment income	3	<u>74</u>	<u>-</u>	<u>74</u>	<u>169</u>
Total		702,634	-	702,634	756,470
EXPENDITURE ON					
Charitable activities					
Education and training	5	<u>624,712</u>	<u>-</u>	<u>624,712</u>	<u>774,150</u>
NET INCOME/(EXPENDITURE)		77,922	-	77,922	(17,680)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>663,097</u>	<u>-</u>	<u>663,097</u>	<u>680,777</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>741,019</u></u>	<u><u>-</u></u>	<u><u>741,019</u></u>	<u><u>663,097</u></u>

The notes form part of these financial statements

DERWENT TRAINING ASSOCIATION

**BALANCE SHEET
31 July 2021**

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	12	741,142	767,773
CURRENT ASSETS			
Debtors	13	88,902	94,703
Cash at bank and in hand		<u>282,792</u>	<u>127,039</u>
		371,694	221,742
CREDITORS			
Amounts falling due within one year	14	(40,592)	(38,771)
		<u>331,102</u>	<u>182,971</u>
NET CURRENT ASSETS			
		1,072,244	950,744
CREDITORS			
Amounts falling due after more than one year	15	(331,225)	(287,647)
		<u>741,019</u>	<u>663,097</u>
NET ASSETS			
		<u>741,019</u>	<u>663,097</u>
FUNDS	19		
Unrestricted funds		<u>741,019</u>	<u>663,097</u>
TOTAL FUNDS		<u>741,019</u>	<u>663,097</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue onApril 2022 and were signed on its behalf by:

.....
Mr R A Shaw - Trustee

The notes form part of these financial statements

DERWENT TRAINING ASSOCIATION

**CASH FLOW STATEMENT
For The Year Ended 31 July 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	136,481	26,916
Interest paid		<u>(20,012)</u>	<u>(22,572)</u>
Net cash provided by operating activities		<u>116,469</u>	<u>4,344</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(5,367)	(13,584)
Interest received		<u>74</u>	<u>169</u>
Net cash used in investing activities		<u>(5,293)</u>	<u>(13,415)</u>
Cash flows from financing activities			
New loans in year		50,000	-
Loan repayments in year		<u>(5,423)</u>	<u>(4,760)</u>
Net cash provided by/(used in) financing activities		<u>44,577</u>	<u>(4,760)</u>
<hr/>			
Change in cash and cash equivalents in the reporting period		155,753	(13,831)
Cash and cash equivalents at the beginning of the reporting period		<u>127,039</u>	<u>140,870</u>
Cash and cash equivalents at the end of the reporting period		<u><u>282,792</u></u>	<u><u>127,039</u></u>

The notes form part of these financial statements

DERWENT TRAINING ASSOCIATION

NOTES TO THE CASH FLOW STATEMENT
For The Year Ended 31 July 2021

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

	2021	2020
	£	£
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	77,922	(17,680)
Adjustments for:		
Depreciation charges	31,998	34,753
Interest received	(74)	(169)
Interest paid	20,012	22,572
Decrease in debtors	5,802	9,412
Increase/(decrease) in creditors	<u>821</u>	<u>(21,972)</u>
Net cash provided by operations	<u>136,481</u>	<u>26,916</u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.8.20	Cash flow	At 31.7.21
	£	£	£
Net cash			
Cash at bank and in hand	<u>127,039</u>	<u>155,753</u>	<u>282,792</u>
	<u>127,039</u>	<u>155,753</u>	<u>282,792</u>
Debt			
Debts falling due within 1 year	(5,000)	(1,000)	(6,000)
Debts falling due after 1 year	<u>(287,647)</u>	<u>(43,578)</u>	<u>(331,225)</u>
	<u>(292,647)</u>	<u>(44,578)</u>	<u>(337,225)</u>
Total	<u>(165,608)</u>	<u>111,175</u>	<u>(54,433)</u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Income

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

Expenditure

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

Allocation and apportionment of costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities and are made up of auditors remuneration for audit and non-audit services These costs have been allocated to expenditure on charitable activities.

Tangible fixed assets

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

Freehold property	- Straight line over 25 years
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Computer equipment	- 33% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

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

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

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

DERWENT TRAINING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 July 2021

1. ACCOUNTING POLICIES - continued

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

The trustees have considered the impact of COVID-19 in relation to their assessment of going concern and in their opinion have taken all reasonable steps to mitigate these factors. As at the point of authorising the accounts, and for the foreseeable future, the directors consider the going concern assumption to still be appropriate. The trustees acknowledge that given the currently rapidly changing business and social environment, there are likely to be significant unknown factors which may present themselves. Such factors are considered by the trustees to represent a general inherent level of risk in relation to the going concern assumption albeit not quantifiable at this time.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising are recognised in the profit and loss account.

2. OTHER TRADING ACTIVITIES

	2021	2020
	£	£
Room hire and refreshments	-	55
	<u> </u>	<u> </u>

3. INVESTMENT INCOME

	2021	2020
	£	£
Deposit account interest	74	169
	<u> </u>	<u> </u>

4. INCOME FROM CHARITABLE ACTIVITIES

		2021	2020
	Activity	£	£
Training fees	Education and training	698,463	729,052
Employer contributions	Education and training	3,708	17,194
Grants	Education and training	-	10,000
Miscellaneous income	Education and training	389	-
		<u> </u>	<u> </u>
		<u>702,560</u>	<u>756,246</u>

Grants received, included in the above, are as follows:

	2021	2020
	£	£
Ryedale District Council	-	10,000
	<u> </u>	<u> </u>

DERWENT TRAINING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 July 2021

5. CHARITABLE ACTIVITIES COSTS

	2021	2020
	£	£
Direct costs (see note 6)	618,220	767,478
Support costs (see note 7)	<u>6,492</u>	<u>6,672</u>
	<u>624,712</u>	<u>774,150</u>

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2021	2020
	£	£
Staff costs	424,607	519,083
Water rates	137	828
Insurance	9,837	11,399
Light and heat	7,826	8,717
Telephone	6,166	9,219
Stationery, printing and postage	5,757	9,050
Advertising	2,853	11,431
Sundries	4,418	5,430
Workshop tools, consumables and training materials	11,984	17,186
Registration fees	15,238	21,013
Equipment leasing	6,854	5,910
Motor vehicle leasing	3,528	3,534
Travelling expenses	1,672	5,006
Repairs and renewals	9,231	8,682
Computer expenses	20,051	18,247
Professional fees	13,197	8,830
Staff training	9,231	9,524
Staff recruitment	212	22,020
Licences and subscriptions	5,109	5,576
Clothing costs	76	1,018
Cleaning expenses	745	1,124
Bookkeeping	7,481	7,326
Depreciation	31,998	34,753
Interest payable and similar charges	<u>20,012</u>	<u>22,572</u>
	<u>618,220</u>	<u>767,478</u>

7. SUPPORT COSTS

	2021	2020
	£	£
Auditors' remuneration	5,340	5,430
Auditors' remuneration for non-audit work	<u>1,152</u>	<u>1,242</u>
	<u>6,492</u>	<u>6,672</u>

DERWENT TRAINING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 July 2021

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Auditors' remuneration	5,340	5,430
Auditors' remuneration for non audit work	1,152	1,242
Depreciation - owned assets	<u>31,998</u>	<u>34,753</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 July 2021 nor for the year ended 31 July 2020.

Trustees' expenses

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

10. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	386,483	476,183
Social security costs	28,871	33,552
Other pension costs	<u>9,253</u>	<u>9,348</u>
	<u>424,607</u>	<u>519,083</u>

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

	2021	2020
Charitable activities	<u>12</u>	<u>15</u>

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

The cost of key management personnel for the year was £54,852.

DERWENT TRAINING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 July 2021

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Education and training	756,246	-	756,246
Other trading activities	55	-	55
Investment income	<u>169</u>	<u>-</u>	<u>169</u>
Total	756,470	-	756,470
EXPENDITURE ON			
Charitable activities			
Education and training	<u>774,150</u>	<u>-</u>	<u>774,150</u>
NET EXPENDITURE	(17,680)	-	(17,680)
Transfers between funds	<u>690,191</u>	<u>(690,191)</u>	<u>-</u>
Net movement in funds	672,511	(690,191)	(17,680)
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>(9,414)</u>	<u>690,191</u>	<u>680,777</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>663,097</u></u>	<u><u>-</u></u>	<u><u>663,097</u></u>

12. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 August 2020	745,000	420,242	129,216	190,111	1,484,569
Additions	<u>-</u>	<u>-</u>	<u>4,967</u>	<u>400</u>	<u>5,367</u>
At 31 July 2021	<u>745,000</u>	<u>420,242</u>	<u>134,183</u>	<u>190,511</u>	<u>1,489,936</u>
DEPRECIATION					
At 1 August 2020	59,600	374,632	104,925	177,639	716,796
Charge for year	<u>14,900</u>	<u>6,841</u>	<u>4,030</u>	<u>6,227</u>	<u>31,998</u>
At 31 July 2021	<u>74,500</u>	<u>381,473</u>	<u>108,955</u>	<u>183,866</u>	<u>748,794</u>
NET BOOK VALUE					
At 31 July 2021	<u><u>670,500</u></u>	<u><u>38,769</u></u>	<u><u>25,228</u></u>	<u><u>6,645</u></u>	<u><u>741,142</u></u>
At 31 July 2020	<u><u>685,400</u></u>	<u><u>45,610</u></u>	<u><u>24,291</u></u>	<u><u>12,472</u></u>	<u><u>767,773</u></u>

The freehold property was revalued on 8 October 2016 by McBeath Property Consultancy Limited, independent chartered surveyors. The value using an open market basis was £745,000.

DERWENT TRAINING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 July 2021

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2021	2020
	£	£
Trade debtors	66,463	81,506
Prepayments	<u>22,439</u>	<u>13,197</u>
	<u>88,902</u>	<u>94,703</u>
14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2021	2020
	£	£
Bank loans (see note 16)	6,000	5,000
Trade creditors	14,080	14,976
Social security and other taxes	8,016	10,372
Other creditors	2,438	2,573
Accruals and deferred income	<u>10,058</u>	<u>5,850</u>
	<u>40,592</u>	<u>38,771</u>
15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
	2021	2020
	£	£
Bank loans (see note 16)	<u>331,225</u>	<u>287,647</u>
16. LOANS		
An analysis of the maturity of loans is given below:		
	2021	2020
	£	£
Amounts falling due within one year on demand:		
Bank loan	<u>6,000</u>	<u>5,000</u>
Amounts falling between one and two years:		
Bank loan	<u>7,000</u>	<u>6,000</u>
Amounts falling due between two and five years:		
Bank loan	<u>21,000</u>	<u>21,000</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loan	303,225	260,647

DERWENT TRAINING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 July 2021

17. SECURED DEBTS

The following secured debts are included within creditors:

	2021	2020
	£	£
Bank loans	<u>337,225</u>	<u>292,647</u>

The bank facilities are secured by a legal charge on the company's land and buildings.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Restricted funds	2021 Total funds	2020 Total funds
	£	£	£	£
Fixed assets	741,142	-	741,142	767,773
Current assets	371,694	-	371,694	221,742
Current liabilities	(40,592)	-	(40,592)	(38,771)
Long term liabilities	<u>(331,225)</u>	-	<u>(331,225)</u>	<u>(287,647)</u>
	<u>741,019</u>	<u>-</u>	<u>741,019</u>	<u>663,097</u>

19. MOVEMENT IN FUNDS

	At 1.8.20	Net movement in funds	At 31.7.21
	£	£	£
Unrestricted funds			
General fund	663,097	77,922	741,019
	<u>663,097</u>	<u>77,922</u>	<u>741,019</u>
TOTAL FUNDS			
	<u>663,097</u>	<u>77,922</u>	<u>741,019</u>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	702,634	(624,712)	77,922
	<u>702,634</u>	<u>(624,712)</u>	<u>77,922</u>
TOTAL FUNDS			
	<u>702,634</u>	<u>(624,712)</u>	<u>77,922</u>

DERWENT TRAINING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 July 2021

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.8.19 £	Net movement in funds £	Transfers between funds £	At 31.7.20 £
Unrestricted funds				
General fund	(9,414)	(17,680)	690,191	663,097
Restricted funds				
Learning Skills Council - SRAP Expenditure	170,656	-	(170,656)	-
Centre of Vocational Excellence	17,365	-	(17,365)	-
Centre of Excellence	458,106	-	(458,106)	-
Yorkshire Forward	5,191	-	(5,191)	-
Skills Funding Agency	6,009	-	(6,009)	-
Ryedale District Council	32,864	-	(32,864)	-
	<u>690,191</u>	<u>-</u>	<u>(690,191)</u>	<u>-</u>
TOTAL FUNDS	<u>680,777</u>	<u>(17,680)</u>	<u>-</u>	<u>663,097</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	756,470	(774,150)	(17,680)
	<u>756,470</u>	<u>(774,150)</u>	<u>(17,680)</u>
TOTAL FUNDS	<u>756,470</u>	<u>(774,150)</u>	<u>(17,680)</u>

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

	At 1.8.19 £	Net movement in funds £	Transfers between funds £	At 31.7.21 £
Unrestricted funds				
General fund	(9,414)	60,242	690,191	741,019
Restricted funds				
Learning Skills Council - SRAP Expenditure	170,656	-	(170,656)	-
Centre of Vocational Excellence	17,365	-	(17,365)	-
Centre of Excellence	458,106	-	(458,106)	-
Yorkshire Forward	5,191	-	(5,191)	-
Skills Funding Agency	6,009	-	(6,009)	-
Ryedale District Council	32,864	-	(32,864)	-
	<u>690,191</u>	<u>-</u>	<u>(690,191)</u>	<u>-</u>
TOTAL FUNDS	<u>680,777</u>	<u>60,242</u>	<u>-</u>	<u>741,019</u>

DERWENT TRAINING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 July 2021

19. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,459,104	(1,398,862)	60,242
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>1,459,104</u>	<u>(1,398,862)</u>	<u>60,242</u>

20. EMPLOYEE BENEFIT OBLIGATIONS

The company operates a defined contribution scheme for the benefit of certain employees, the assets of the scheme are held separately from those of the company, being invested with insurance companies.

The charge for the year represents all contributions made by the company of £9,253 (2020 £9,348).

21. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 July 2021.

22. COMPANY STATUS

The charity is a company limited by guarantee. The members of the company are the trustees named on page one and in the event of the charity being wound up the liability of the guarantee is limited to £5 per member.