JTL
Training People

JTL

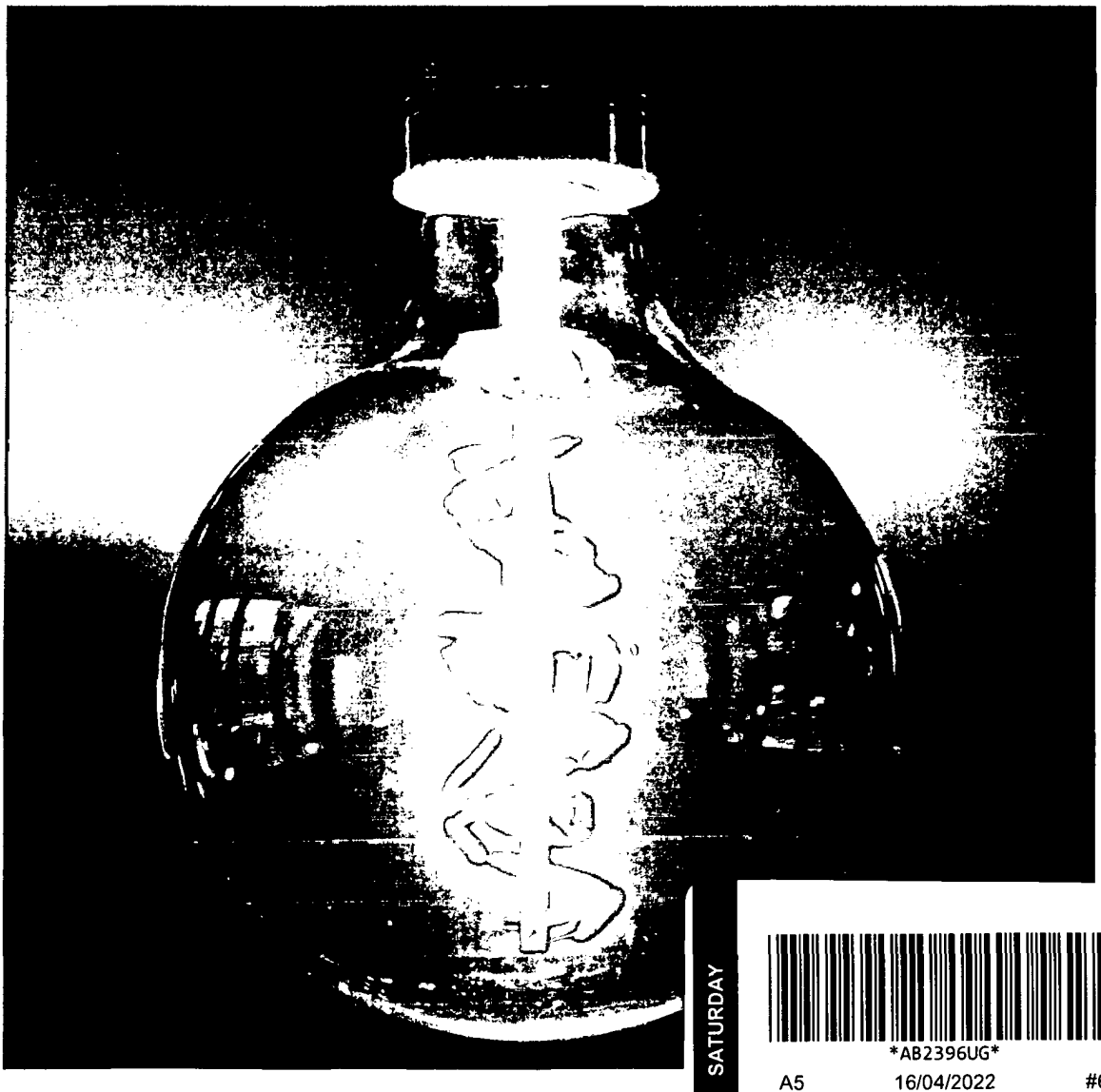
(A company limited by guarantee)

Group Consolidated Financial Statements

Company Registration No 03958541

Charity No 1080254

Year ended 31st July 2021



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JTL
(A company limited by guarantee)

Group Consolidated Financial Statements

Year Ended 31st July 2021

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JTL
(A company limited by guarantee)

Group Consolidated Financial Statements

Year Ended 31st July 2021

Charity registration number	1080254
Company registration number	03958541
Trustees	G Russell (Chairman) [1 3 4] J Allott P Bird (resigned 08.03.21) J Burrows [6] (resigned 24.03.21) R Clarke [2 3] A Eldred [2 3] C Fenton [7] M Jobling [6] (appointed 24.03.21, resigned 27.04.21) J Lelliott [1 2] (appointed 24.03.21) P McNaughton [1 4] T Shelley [5] I Woodland [1 4] (resigned 31.08.21)
Chief Executive	J Graham
Company Secretary	C Turner
Registered Office	Stafford House 120-122 High Street Orpington Kent BR6 0JS
Auditors	Menzies LLP Centrum House 36 Station Road Egham Surrey TW20 9LF
Solicitors	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR

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Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP
Investment Managers	Barclays Wealth Management 1 Churchill Place London E14 5HP

Board Sub Committee Membership

1	Investments
2	Finance, Audit & Risk
3	Quality and Standards
4	Remuneration
5	Equality, Diversity & Safeguarding
6	Health & Safety
7	CompEx Certification Limited (formerly JT Limited)
8	Develop Training

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Structure, Governance and Management

The Trustees (who are also Directors of the charity for the purposes of the Companies Act) present their report and the audited financial statements of JTL (the charity and the group) for the year ended 31st July 2021.

The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document, the Companies Act 2006, the Charities Act 2011 and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2019).

Within the Trustees' Annual Report is the strategic report, required under S414c(11) of the Companies Act 2006, which contains the following headings:

- Coronavirus Pandemic
- Achievements and Performance
- Financial Review
- Reserves Policy
- Remuneration Policy
- Public Benefit
- Principal Risks and Uncertainties

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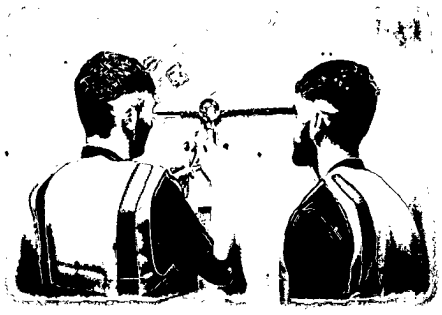
Trustees of the Charity

The Directors of the charitable company are its Trustees for the purposes of charity law. The Trustees who have served during the year and to the date of this report were as follows:

Nominated by Unite the Union	*Nominated by the Electrical Contractors' Association*	*Other independent appointments*
• J Allott	• J Burrows (resigned 24.03.21)	• P Bird (resigned 08.03.21)
• R Clarke	• A Eldred	• C Fenton
• I Woodland (resigned 31.08.21)	• M Jobling (appointed 24.03.21, resigned 27.04.21)	• J Lelliott (appointed 24.03.21)
	• P McNaughton	• G Russell (Chairman)
	• S Rugg (appointed 11.11.21, resigned 21.02.22))	• T Shelley

Charitable Objects

The charity's objects set out in its Articles of Association are *"to encourage training of persons employed in the electrical installation engineering industry and such other industries as the Trustees may decide".*



The charitable company's principal activities during the year were the delivery of Advanced Apprenticeships in Electrotechnical, Plumbing, Engineering and Heating and Ventilating.

Vision and Values

JTL's vision is:

"to be the training organisation of choice to the building services engineering sector".

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The company's values have proved more important than ever during the challenging times encountered in 2020/21 and beyond.

Integrity
Professionalism
Respect
Responsiveness

Structure and Members

JTL is a charitable company limited by guarantee and was set up on 23rd March 2000. Formerly, the company operated as JT Limited which was incorporated in 1989. JTL's company registration number is 03958541 and its charity number is 1080254. The charity is governed by its Articles of Association.

The company's members are Unite the Union and the Electrical Contractors' Association. The members have a liability not exceeding £10 per member.

Recruitment and Training of Trustees

The Articles of Association entitle Unite the Union and the Electrical Contractors' Association to each appoint up to four Trustees and a further independent Trustee to be Chairman. The Trustees may appoint up to a further four independent Trustees. The company is administered by the Board of Trustees, with the Chief Executive (appointed by the Trustees) managing the day-to-day operations of the charity.

Trustee recruitment is undertaken in accordance with the Articles of Association.

Induction and training are provided by the management and company's professional advisors on a regular basis.

Related Parties

The principal transactions with related parties are with the Joint Industry Board for the Electrical Contracting Industry (JIBECI) and the Joint Industry Board for Plumbing and Mechanical Engineering Services (JIB PMES). This relates to the registration of all apprentices with the relevant Joint Industry Board for the purpose of receiving apprentice cards and cards recognising their craft competence at the end of the apprenticeship. The registration fees are

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agreed annually with the relevant JIB and formalised in an annual agreement signed by each organisation.

The arrangement is believed to provide added value to JTL apprentices and is subject to regular review by the JTL Board.

Compliance with Trustees' Duties under Section 172(1) Companies Act 2006

Trustees must act in the way they consider, in good faith, would be most likely to promote JTL's success to achieve its charitable purposes. The Trustees, in doing so, delegate day to day management and decision-making to the Chief Executive and other members of the Executive Management Team, who are required to act to further JTL's strategy and to ensure that activities are carried out in compliance with agreed plans and policies and in accordance with JTL's values. The Trustees receive regular reports on JTL's performance and plans. In carrying out their duties, the Trustees have regard (amongst other matters) to:

- **The likely long-term consequences of any decision**

In 2020/21, Trustees debated and decided to roll over JTL's strategic vision and three-year plan due to the uncertainties surrounding future planning given the on-going Covid-19 pandemic. They also reviewed, amongst other plans the IT Strategy and Financial plans. The long-term likely impact for JTL has been considered as well as the consequences of their decisions.

- **The interests of the charity's employees**

Trustees had oversight of the impact of Covid-19 on ways of working for JTL staff and the need to close the training centres and other places of work and to furlough some staff. They reviewed the steps put in place to promote staff health and wellbeing, including means of keeping in touch with those on furlough. We have renewed our approach to people management and career progression to enable our staff to fulfil their potential, with a specific focus on under-represented groups and in line with our safe, feminist and anti-racist principles.

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- **The need to foster the charity's business relationships with suppliers, customers, and others**

JTL continually strive to make partnerships with suppliers, customers, and others more equitable, collaborative and with a view to gaining better value for money and improving the learner experience.

- **The impact of the charity's operations on the community and the environment**

The organisational structure is designed to enable us to become a safe environment for all stakeholders that come in contact with JTL, especially employees and learners. We have continued to invest and improve our safeguarding to ensure that we better protect all those with whom we work. Risks relating to Safeguarding are considered and debated by the Board, which receives quarterly reports on safeguarding casework and progress, including against agreed key performance indicators.

- **Maintaining a reputation for high standards of business conduct**

JTL strives to achieve its strategic goals; we lead by example by demonstrating in all areas the same values that we wish to see in the people we work with and those we aim to influence. Further, our values and the behaviours we want to see, including our commitment to safeguarding, are embedded in our staff recruitment, induction, and appraisal procedures.

Governance and Key Management Personnel

The governance of JTL takes the form of a non-executive Board of Trustees which meets quarterly. In addition, there are formal Board Sub-Committees including Investment, Remuneration, Finance, Audit & Risk and Quality & Standards. The Board has agreed formal Standing Orders for its own operation and formal Terms of Reference for each of the Sub-Committees.

In addition to the above, there are further two Sub-Committees formed to cover Health and Safety and Equality, Diversity and Safeguarding. Board representatives meet regularly with the executive on these matters and report formally back to the Board of Trustees.

Regular skills audits of Board members are conducted in order to ensure that, across its membership, it has a good understanding of all key areas of business undertaken by and relevant to JTL. The results are reviewed by the Board and the outcomes influence subjects for future training for Board members.

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The Board also conducts an annual self-evaluation of its performance. The evaluation is influenced by the Charity Governance Code and the Code of Good Governance for Independent Training Providers published by the Association of Employment and Learning Providers (AELP). The results of the self-evaluation are considered by the Board and appropriate action taken to address areas for improvement.

The Board delegates the day-to-day operations of JTL to the executive team through a formal Delegated Levels of Authority document which is reviewed periodically by the Board. The executive team is led by the Chief Executive supported by the Executive Management Team (EMT) which consists of the following roles, each with responsibility for defined functions within the business:

- Chief Operating Officer
- Director of Learning & Innovation
- Director of Policy & External Relations
- Human Resources Director
- National Delivery Director

Key Management Personnel Remuneration

The key management personnel of the charity include the Trustees and the EMT.

The Trustees of the charity give their time freely and are not remunerated.

The Chief Executive's remuneration is set annually by the Remuneration Committee. The Remuneration Committee is made up of the Chairman and three other trustees nominated by the ECA, Unite the Union and the independent directors. It is the responsibility of the Chief Executive to set the pay of the EMT.
The Remuneration Committee also has responsibility to consider the recommendation of the Chief Executive regarding the overall remuneration of the organisation. This recommendation is based on organisational and staff performance, market testing conducted by the HR Director, Consumer Price Index data and feedback from the members on their likely pay awards. The decision of the Remuneration Committee is then applied through a performance related pay process lead by the Chief Executive and EMT.

Employees

The average monthly full-time equivalent number of employees of JTL for the year ended 31st July 2021 was 382 (2020: 356).

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JTL communicates with its staff through a number of channels including regular executive blogs, webinars, newsletters, EMT and Senior Management Team (SMT) meetings, other manager and staff meetings, a staff forum and the intranet. The annual staff conference was cancelled in 2021 due to the Coronavirus pandemic.

JTL ensures that no discrimination is shown on the grounds of any protected characteristics such as: race, colour, nationality, ethnic or national origin, gender, gender reassignment, religion or belief, sexual orientation, age, marital status including civil partnerships, pregnancy and maternity, caring responsibilities or disability (the latter is subject to the industry's safety requirements).

Rewarding everyone fairly, regardless of gender, is at the heart of the JTL leadership team's agenda. However, women are under-represented in the building services engineering sector and assessors are required to be occupationally competent in their discipline, which currently limits the number of female applicants. Our gender split is currently 70% male and 30% female which reflects JTL's reliance on a nationwide team of occupationally competent assessors, predominantly male, who account for 37% of its total workforce.

	JTL Gender Gap		Proportion of relevant employees with bonus pay	Number with bonuses
	Hourly Pay Differential	Annual Bonus Differential		
Mean	17.4% (17.7%)	-82.7% (61.7%)		
Median	17.8% (18.1%)	-127.8% (74.6%)		
Male			1.4% (3.00%)	5 (5)
Female			0.9% (9.7%)	5 (6)

This is not a pay but a representation issue. All JTL recruitment is based on competence and not gender, race, creed or orientation. The majority of female employees are in lower paid administrative functions. The move to having JTL centres and tutors will have a positive impact on the gap as more female tutors are likely to be available.

MODERN SLAVERY

JTL acknowledges its responsibilities in relation to tackling modern slavery and commits to complying with the provisions of the Modern Slavery Act 2015. The organisation understands that this requires an ongoing review of both its internal practices in relation to its labour force and, additionally, its supply chains. No labour provided to JTL in the pursuance of its services is obtained by means of slavery or human trafficking.

JTL is a Disability Confident Employer and actively seeks to attract and recruit disabled people by providing a fully inclusive and accessible recruitment process. We interview all disabled people who meet the minimum criteria for our vacancies. We are supportive of our employees who may become disabled during their employment and proactively offer and make reasonable adjustments as required. We encourage training, career progression and promotion for all disabled persons employed by the company. We expect all our employees and people working with us to treat all people with respect and ensure that appropriate disability equality awareness briefings take place on a regular basis.

JTL has an obligation to meet the Prevent Duty requirements as defined by the Counter Terrorism and Security Act 2015. In meeting this duty, JTL has developed a training programme for all staff, has a Prevent strategy in place and has amended its policies and key documents to reflect the Prevent Duty. A staff working group is in place to focus on Equality, Safeguarding and Prevent and meets half-yearly to provide updates to all staff as appropriate.

Aims and Objectives

The JTL Executive Management Team present to the Board, who annually approve, a rolling three-year organisational strategy, and underpinning one-year business plan. The five strategic goals of the organisation are to:

- Increase our learner numbers and market share in our core apprenticeships year on year.
- Improve our financial resilience, sustainability and results.
- Continue to diversify and grow our products and services to better meet the changing needs of the industry and its workforce.
- Enhance and innovate (our processes and systems) to enable us to be a great, high quality organisation: responsive to our learner and employer needs with a minimum Grade 2 "Good" Ofsted; and
- Recruit and retain great people and be a great place to work.

The Trustees believe that, despite the challenges faced during 2020/21, JTL has made satisfactory progress against its charitable objects and its strategic and business plan objectives.

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Public Benefit Statement

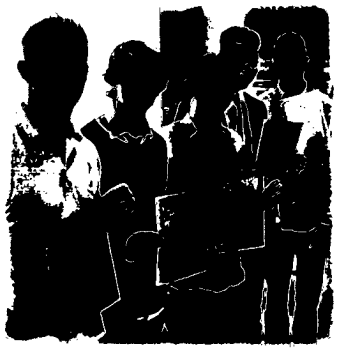
The Trustees have had regard to their responsibilities in demonstrating public benefit as set out in guidance provided by the Charity Commission. The charity has and continues to demonstrate a number of areas of public benefit within its core charitable objective of the advancement of education, in the form of advanced apprenticeship training, achieving high levels of success through the support and mentoring offered throughout the typically four-year apprenticeship period.

Given the challenges faced during the pandemic, JTL has paid particular attention to mental health support for its learners, many of whom were badly affected by the uncertainties of the situation and the impact on their learning, employment and family circumstances. JTL partners with the Electrical Industries Charity to offer targeted support for individuals in particular need.

The impact on beneficiaries is through the training of persons employed in, or wishing to enter, the building services engineering sector to obtain qualifications for life. In doing so this ensures the success and prosperity of the sector by supporting and improving an appropriately trained and skilled workforce. The high achievement rates of JTL apprentices are a good indicator of the effectiveness of its programmes and therefore the value for money obtained for the public purse.

JTL also continues to offer its employer grant schemes including an adoption grant for employers who take on apprentices who have been made redundant during their apprenticeship to help them complete their apprenticeship successfully.

JTL also offers Traineeships which are a Government-funded scheme, which last up to 16 weeks. These prepare young people who are not yet ready for an apprenticeship, with skills which will help them with future employment as well as giving work experience which may lead to employment. Greater emphasis on initial advice and guidance and initial assessment supports JTL's No Wrong Door strategy which ensures all learners are given the appropriate support and guidance to meet their individual needs in making choices about their career in the industry.



JTL provides all its apprentices with free, high-quality textbooks, learning materials and toolkits to support their progress and achievement without the need to incur the costs associated with such purchases.

It is also apparent that charitable status is attractive to colleges of further education who are more willing to work with JTL in innovative partnership arrangements than is otherwise the case with profit seeking providers. Such arrangements are proving beneficial to learners and employers and are providing improved services to local communities.

All apprenticeship courses are fully accessible and available free of charge to its learners, as the costs are met by the government and employers or are underwritten by JTL's charitable funds.

JTL offers our apprentices a chance to stay in touch and continue their development through JTL Toolbox, a free online support package specifically aimed at employers and those who have completed or are near to completing their apprenticeship. Power Up is a CPD platform within Toolbox which offers free taster training sessions to electricians which will help them in their day-to-day job role and support their continued professional training needs.

Energy and Carbon Reporting

JTL recognises the climate crisis and the need for everyone to take action to address this global threat. The government's SECR policy was implemented on 1st April 2019, this is the Charity's first-time adoption of disclosures on energy carbon. However, JTL has been part of the Government's Energy Saving Opportunity Scheme since 2015 and the most recent four-yearly audit, by Infinite Utilities Limited, took place and was reported to the Environment Agency in November 2019. At that time, JTL's emissions were as follows:

Type of Emissions	Fuel	kWh	Kg CO_2e	T CO_2e	% of Total
Direct (Scope 1)	Electricity	467,821	132,426	132.426	17.1
	Gas	243,996	44,880	44.88	5.8
	Company Vehicles (Petrol)	172,154	40,244	40.244	5.2
	Company Vehicles (Diesel)	652,852	165,145	165.145	21.4
	Sub Total	**1,536,823**	**382,695**	**382.695**	**49.5**
Indirect (Scope 2)	Sub Total	N/A	N/A	N/A	N/A
Indirect Other (Scope 3)	Business Travel (Own User Petrol Vehicles)	326,844	76,407	76.40	9.9
	Business Travel (Own User Diesel Vehicles)	1,239,474	313,538	313.583	21.4
	Sub Total	**1,566,318**	**389,945**	**389.945**	**50.5**
Total		**3,103,141**	**772,640**	**772.640**	**100**
Intensity Ratio (total/Group Revenue)		**0.08643**	**0.02152**	**0.00002**	

The impact of Covid-19 on working practices, in particular lockdowns, reduced mileage and working from home, will have skewed this picture since March 2020. Changing working practices in the future, as we move to a new normality, will also impact on our energy consumption moving forwards.

Energy audits will be conducted annually from 2021/22.

- **SECR Methodology Statement 2021**

The analysis above is based on the activity undertaken by Infinite Utilities Limited. It includes the Total Energy Calculation (including the significant energy consumption), Profiling of Site Energy data, Analysis of Transport, and Onsite Energy Audits of JTL's Head Office (Orpington), flagship training centre (Birmingham) and National Administration Centre (Wrexham) as reported in the suite of ESOS Phase 2 Reports.

We are committed to reducing our carbon emissions to which transport remains our largest contributor. We are making significant steps to address this, including:

- Encouraging company car users to move away from petrol and diesel cars to hybrid and fully electric cars. Over the full cycle of company renewals to 2024, this is very likely to reduce our carbon output to under 100 tCO2e based on the current reordering trend.
- Examining potential solutions to encourage own car users to move away from high carbon emitting vehicles. This could include salary sacrifice schemes to provide a car under 75gCo2 pre-Tax/NI to own users. It is also likely that increases in vehicle excise duty, fuel pricing and the extension of clean air zones will encourage self-selection of cleaner vehicles at natural replacement.

With regard to buildings, we have already taken steps towards reducing carbon emissions including:

- Moving our Birmingham training centre from an energy inefficient building (with poor insulation, old plant equipment including 3 gas boilers and a mix of inefficient incandescent and fluorescent lighting, and windows, which accounted for 65% of building fabric, which were single glazed, leaked energy and provided no thermal properties) to a new building designed with a journey toward Net Zero in mind (including LED lighting, efficient VRF Heat pumps as a main source of heating and cooling, carbon absorbing laurel hedging around the perimeter boundary and photovoltaic roof panels and EV chargers). The estimated saving is a 40% reduction in carbon output on a property which is 20% larger.
- Our Orpington property has also had energy efficient frames/windows installed which will impact positively against gas consumption and typically reduce consumption/ carbon emissions by 10%.

Further potential energy savings will be considered on an on-going basis and as JTL expands and improves its estate.

STRATEGIC REPORT

CORONAVIRUS PANDEMIC

The world has faced unparalleled adversity in the Coronavirus pandemic (Covid-19) which has had a devastating global effect on people, businesses, economies and governments commencing in the second half of 2019/20 and continuing throughout 2020/21 and beyond. Despite efforts by the UK government to implement extraordinary business support measures, JTL has continued to experience the consequences of the pandemic:

- The total loss of the anticipated recruitment of c600 new apprentices between April and July 2020 will continue to impact for the four years that those individuals should

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have been in learning.

- Up to c50% of existing apprentices were furloughed by their employers for periods during 2019/20/21 which affected their progression opportunities and will require remedial catch-up learning.
- AM2 centres were shut for a number of months which prevented anticipated completions being achieved resulting in a backlog which needed clearing in addition to the new planned completions.

However, the decision, in England, to treat education – including further education and apprenticeships – as a key priority has meant that some return to a semblance of normality has been possible. Training centres and FE colleges remained generally open, having made special arrangements to be as Covid-secure as possible. Likewise, the construction industry, and therefore building services engineering, continues to operate. Many apprentices were furloughed for periods of time although they were encouraged to continue their learning during this time. However, there was an inevitable impact on their progress.

JTL has continued to pro-actively manage the crisis throughout 2020/21:

- The Business Continuity Management team (BCM) has continued to meet regularly to consider all aspects of the pandemic on JTL activity and to advise the EMT on actions required to meet changing Government regulations and put the safety of its staff, learners and employers at the forefront of its BCM plans.
- Support staff have largely continued to work from home although offices were reopened in accordance with Government regulations and some staff found it easier to return to the office and/or flex their working locations.
- Subject to personal circumstances, field staff resumed visits to employers and apprentices as soon as Government regulations allowed as it was believed that risks of infection were relatively low in the open air/site-based locations the majority of such visits entailed.
- A minimal number of staff were furloughed as the majority of JTL's business activities continued.
- Increased contact (albeit remote) with all learners was put in place to ensure safeguarding was maintained and for mental health and wellbeing purposes.
- Remote learning arrangements were put in place to maximise teaching and learning for JTL apprentices during a sustained period and to minimise disruption to their progress. This was made available to all apprentices regardless of whether they were still working, furloughed, self-isolating or redundant. The aim was "to keep our learners learning".

- Plans were for a return to more normal conditions were implemented including how to assess any loss of progress and implement additional teaching and learning to catch up.

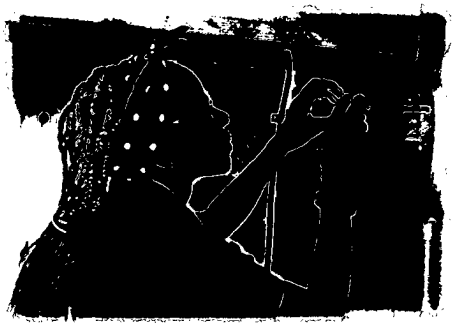
Given the nature of the four-year apprenticeships delivered by JTL, performance has inevitably been affected and will continue to do so with the impact and effects of Covid-19 continuing beyond 2020/21, but significant efforts have been rewarded as the business has continued to successfully meet these challenges.

ACHIEVEMENTS AND PERFORMANCE

Management

The EMT initially set out a three-year strategy - with a view to this being reviewed and updated on a rolling annual basis - framed around the vision to be the training organisation of choice to the building services engineering sector, supporting the organisation's drive to pursue a journey from "good to great".

Given the uncertain situation and the frequently changing circumstances, JTL decided to roll-over its three-year Strategic Plan as it was believed unrealistic to plan effectively for the coming three years. A Business Plan Lite was agreed for 2020/21 which focussed on maintaining the business during the turbulent year. As it was very unclear how the sector would cope with the pandemic, high, medium and low performance targets were agreed and carried through to variable financial forecasts. However, in the end, recruitment held up better than expected and met the medium targets; this may, in part, be due to the Government apprenticeship recruitment incentives.



We continue to work with our delivery partners but also opened more of our own training centres to support our employers and learners as appropriate.

The EMT is supported by a Senior Management Team (SMT) comprising the next tier of performance management within the company which is made up of Heads of Departments and Heads of Learning and Assessment. The EMT and SMT meet and work together to continuously improve JTL's performance.

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Statistics

During the year JTL:

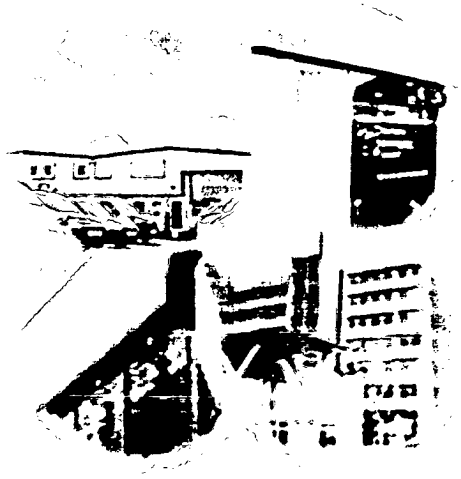
- recruited 1,731 (2020: 2,338) apprentices.
- delivered 1,089 (2020: 1,200) apprentice achievements.
- market share in the core electrotechnical discipline is 31.6%
- According to ESFA published data, JTL's overall achievement rate was 67.6% (2019/20: 71.4%). This compares with a national average of 64.1%. Due to the Covid-19 pandemic, the ESFA has not published any timely achievement rates.
- At 31st July 2020, JTL had 7,293 apprentices in training.

College Partners and JTL Centres

JTL continues to fund all college fees for its apprentices in training to enable them to successfully complete the appropriate off-the-job learning elements of the apprenticeship. JTL employs occupationally qualified and competent field staff who regularly monitor, review and assess the apprentices' progress.

The core business model is for JTL to work with delivery partners where the quality is good, and it meets employer needs. However, where this model has proved unsatisfactory in terms of quality or financial viability of provision, JTL has continued its strategy of developing its own centres. It now operates its own training from the following centres:

- Ashford
- Bedford (college partnership)
- Birmingham
- Bury (college partnership)
- Carlisle
- Maidstone (college partnership)
- Norwich
- Nottingham
- Orpington
- Oxford
- Preston (college partnership)
- Tankersley (South Yorkshire)
- York



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JTL also operates a training centre in exclusive partnership with P & R Hurt in Yeovil.

Quality

Quality is a key factor in assessing the effect of our training on both employers and apprentices. The Education Inspection Framework and Self-Assessment Report form a key foundation of JTL's quality activities to help maintain a clear focus on Ofsted priorities. In November 2016, JTL was re-inspected by Ofsted and once again achieved a "Grade 2 - Good" inspection report. JTL's focus on the quality of its provision results in it continuing to have achievement rates well above the national average in its core disciplines of electrotechnical and plumbing.

In addition, JTL holds BS EN ISO 9001:2008 for quality management systems and it has held the Investors in People (IIP) standard since 1995 (most recently re-assessed in 2021) and the Matrix standard since 2012 (which was also successfully re-assessed in 2021). In 2020, JTL was re-accredited with Committed 2 Equality and maintained its Gold standard for Equality.

CompEx Certification Limited has also been accredited by UKAS to ISO 17024:2012 in respect of its CompEx operations since 2010 (re-audited in 2021).

JTL employs a rolling internal audit programme which includes delivery partner inspections.

Equality, Diversity and Safeguarding

JTL is committed to a policy of equality and diversity for everyone. No applicant for a training scheme place with JTL, apprentice, customer or member of staff shall knowingly receive less favourable treatment on the protected characteristics, nor will any other condition or requirement that cannot be justified disadvantage them.

JTL is also committed to safeguarding and promoting the welfare of children and young people and expects all staff to share this commitment. This has been of particular importance during the Covid-19 lockdown period where learners have been particularly vulnerable to mental health and wellbeing issues. We have taken additional steps to stay in touch with our learners during this period to monitor their welfare.

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The building services engineering industry is generally regarded as a white, male industry and JTL continues to address this stereotyping through its growing apprentice ambassador scheme which sees existing female and Black, Asian, Minority Ethnic (BAME) apprentices working with schools and at careers events to promote the opportunities in the industry as well as to network with each other.

FINANCIAL REVIEW

The JTL strategy set out by the Executive Management Team in 2018 included, as one of its five objectives, a strategic objective of improving financial management and performance. This included specifically delivering a positive overall net movement of funds and, within that, moving JTL from an operating deficit to an operating surplus.

The principal funding source is the Education and Skills Funding Agency. The charity uses this income source to further its aims and objectives including increasing apprentice learner numbers, increasing market share and enhancing and innovating its provision.

No fundraising is carried out and any income from investments is generated via a responsible and ethical approach implemented by the Investment Managers, Barclays, which, amongst other things, excludes investment in Tobacco, Arms, Gambling and Pornography.

The Consolidated Statement of Financial Activities for the year shows an operating loss for the year of £4,339,947 (2020: Loss £2,895,996). Net movement in funds for the year amounted to £2,228,670 (2020: £530,659) after investment gains of £7,032,647 (2020: £3,700,655) and taxation. This resulted in a net asset position, all held as unrestricted funds as at 31st July 2021, of £46,002,012 (2020: £43,773,342). The Trustees are satisfied with the net asset position at the year end and are confident that sufficient funds are available to meet future needs.

For the charity alone, total income for the year amounted to £28,203,803 (2020: £33,164,661), with a net movement in funds of £2,737,971 (2020: £3,211,605). Total donations to JTL from CompEx Certification Limited and Develop Training Group Limited under the Gift Aid scheme in the year to 31st July 2021 was £0 (2020: £592,668). The 2020 profit amount was not accrued at the end of the year following clarification of Financial Reporting Standard 102. The subsidiaries had total income for the year of £7,737,596 (2020: £5,637,504) and costs of £7,780,301 (2020: £7,463,826) which is in line with strategy and expectation.

Finance, Audit and Risk Committee (FARC)

The Finance, Audit and Risk Committee was active throughout 2020/21. In addition to standard agenda items covering company and financial performance, internal and external audit activity and preparation of the financial statements, the Committee also considered a number of items in focus at its meetings. These included:

- Bad debt policy
- IT security
- Property
- Proposed new finance system
- Quality management and activity
- Reserves Policy
- Risk appetite of all group related companies
- Safeguarding

Investments

Under the Articles of Association, the charity has the power to make any investments which the Trustees see fit.

In terms of investment funds, JTL's objective is to achieve capital growth, whilst maintaining a balanced risk profile over the medium term and to deliver annual net gains to support the consolidated financial position, as set out in the three-year strategy. JTL's funds are managed solely by Barclay's Wealth with funds invested on a medium risk profile.

In terms of socially responsible investing, regular discussions are held at the JTL Board, JTL Investment Committee and with the investment managers regarding the approach taken on behalf of JTL. The Investment Committee is aware that the investments are managed by the charity department of Barclays who have an established ethical investing offering. This is made up of a 3-stage process that includes:

- A negative screen which is applied using MSCI ESG Business Involvement Screening Research to remove companies whose primary businesses are focused around tobacco, alcohol, armaments, gambling, adult entertainment or fossil fuels.
- Independently calculated MSCI ESG results are then used to remove companies that do not meet a minimum threshold around environmental, social and corporate governance characteristics.
- Positive Analysis - Companies are identified that help to address at least one of the UN's Sustainable Development goals.

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During the year, the overall return of the portfolio was 22.42%. The JTL portfolio has performed comparatively better than the ARC (Asset Risk Consultants) Sterling Steady Growth Charity Index which delivered a return of 18.14% during the same period.

Subsidiaries

In addition to the investment funds, JTL has two wholly owned subsidiaries, CompEx Certification Limited and Develop Training.

CompEx Certification Limited (formerly JT Limited)

The principal business of CompEx Certification Limited is the operation of the CompEx Certification Scheme. The CompEx Scheme is the global solution for validating core competency of employees and contract staff of major users in the gas, oil and chemical sectors for both offshore and onshore activities.

CompEx Certification Limited has, under contract to the Engineering Equipment and Materials Users Association (EEMUA), managed and operated the CompEx Scheme since it was developed in 1994 and, in April 2014, acquired the Scheme from EEMUA.

Develop Training

When JTL acquired Develop in September 2019, it comprised a group of four companies:

- Develop Training Group Limited (DTGL)
- Develop Training Limited (DTL)
- Develop Solutions Limited (DSL)
- Develop Training Employee Benefit Limited (DTEBL)

The intention is to close all but Develop Training Limited. Develop Solutions Limited was dissolved on 7th April 2020. Develop Training Employee Benefit Limited was dissolved on 7th December 2021 and Develop Training Group Limited is due to be dissolved in 2022.

Develop is an accredited provider of compliance, technical, and safety training for the utilities and construction, defence, healthcare, facilities management, and telecommunication sectors.

Develop Training Limited, a predominantly commercial course provider was acquired to compliment and provide a source of funds to the JTL group to further its Charitable aims.

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A plan to turn around Develop Training Limited from the current loss-making position to making profits is currently in progress and will be achieved through review, management and efficiencies through the use of shared resources with JTL.

Reserves Policy

The general reserves of the group at 31 July 2021 were £46,002,012 of which £7,114,967 is represented by tangible and intangible fixed assets. Free reserves, defined as excluding such funds attributed to these assets, were £38,887,045.

The current reserves policy requires that unrestricted funds held by the charity should be more than six months (£20,150,554) and less than twelve months (£40,301,109) of the resources expended. After allowing for factors detailed in Charity Commission guidance for best practice, the charity's reserves are in line with this policy. At this level the charity would be able to continue its activities until arrangements could be found to transfer and fund the transfer of the training of apprentices under its managing agency to another organisation.

In addition, the Reserves Policy was reviewed and amended by the Finance, Audit and Risk Committee during the year to reflect the need for digital and technological improvements, capital investments in new JTL training centres and potential acquisitions. It was also agreed that the Finance, Audit and Risk Committee would have an annual review, to support the next strategic and business planning cycle to update and restate JTL's Reserves Policy to ensure that the level of reserves is reasonable to cover all operational and other commitments.

The Trustees consider that in light of the above and the current economic climate, the amount in reserves is appropriate.

Principal Risks and Uncertainties

The Board ensures, through the specific delegation of responsibilities, that the Executive Management Team will manage significant business risks through a combination of risk identification, analysis, evaluation, control and action planning so as to contain risk within limits acceptable to the Board.

In line with JTL's risk management policy and framework, risks are logged on JTL's risk register and reviewed regularly. The most significant risks are then reviewed and discussed monthly by the Executive Management Team and quarterly by the Finance, Audit & Risk Committee and reported to the Board.

The most significant risks currently identified are:

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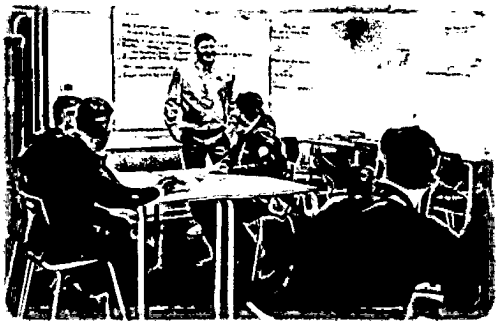
- Covid -19 and related operational and financial implications
- Poor Ofsted inspection outcome.
- Loss of learner, staff and/or employer personal identifiable data.

The Trustees have assessed these major risks and are satisfied that adequate steps are being taken to mitigate exposure and reduce the risks.

Plans for future periods

JTL's core business is delivering high quality apprenticeships to the building services engineering sector. The strategy is to continue to concentrate on this sector but to expand the range of training offered including to some of the smaller, more specialist areas of the industry. In addition to our apprenticeship provision, we are strengthening our pre-apprenticeship/traineeship programme.



The JTL three-year strategy and annual business plan set out specific targets to grow our learner numbers and our market share. Our preferred option continues to be a mixed delivery model strategy with our partners, but it is also likely that we will increase the levels of our direct delivery at our own current and new centres.

While building services engineering sector is predominantly made up of SME/micro businesses, we are also continuing to improve our engagement with national accounts in order to support our employers in utilising the apprenticeship levy.

JTL remains committed to the implementation of a technology strategy and have set out a digital journey. This includes increased automation of systems and processes plus e-documentation, e-portfolios and a new customer relationship management system.

Underpinning everything we do is our focus on the quality of our provision and ensuring that we not only meet but exceed the expectations of our customers, learners, funding bodies and the industry. In doing this we also want to be an enjoyable, fulfilling and exciting place to work, an organisation which people are proud to be part of and one which rewards excellence and achievement. Simply put, we want to

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be a great place to work and a great organisation to work with.

JTL continues to monitor external opportunities for partnership and acquisition as long as these support the JTL objectives, ethos and the overall business strategy.

The JTL strategic objective of improving financial management and performance continues to support all our development plans and continued improvement.

Going Concern

The Trustees have assessed the financial impact of Covid-19 on the charity to date, along with latest financial results and future forecasts and, as a result, have a reasonable expectation that the financial impact of Covid-19 on the charity has now peaked and will reduce year on year going forward, and therefore the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Trustees' Responsibilities Statement

Trustees (who are also directors of JTL for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic 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 their incoming resources and application of resources, including the income and expenditure of the charitable company and the 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 Statement of Recommended Practice (SORP) 2019 (FRS102).
- make judgements 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 and the group will continue in operation.

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The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Disclosure of information to the auditors

We, the Directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and

- we have taken all the steps that we ought to have taken as Directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company Directors.

Auditors

Menzies LLP were appointed to fill a casual vacancy and have been appointed as auditor for the ensuing period in accordance with section 485 of the Companies Act 2006.

The report of the Directors has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

Signed on behalf of the Board of Trustees

DocuSigned by:
Geoff Russell
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Geoffrey Russell
Chair of the Trustees
Date: 01-Apr-2022

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JTL

Opinion

We have audited the financial statements of JTL (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2021 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related notes, 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 July 2021 and of the Group's 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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 other information comprises the information included in the Annual report other than the financial statements and our Auditors' 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JTL (CONTINUED)

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 including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JTL (CONTINUED)

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

The charitable company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations were most significant including the Companies Act 2006, Charities Act 2011, Employment and Health and Safety legislation, GDPR and the UK Code of Fundraising Practice. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

We understood how the charitable company is complying with those legal and regulatory frameworks by, making inquiries to management, those responsible for legal and compliance procedures and the company secretary. We corroborated our inquiries through our review of board minutes.

The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. The assessment did not identify any issues in this area.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: fictitious employees, apprentices that don't exist, fictious suppliers, the posting of unusual journals and complex transactions and the use of management override of controls to manipulate results, or to cause the Company to enter into transactions not in its best interests.

Audit procedures performed by the engagement team included:
- identifying and assessing the design and effectiveness of controls management has in place to prevent and detect fraud;
- understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- challenging assumptions and judgements made by management in its significant accounts estimates;
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

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 on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

JTL

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JTL (CONTINUED)

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Janice Matthews
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Janice Matthews FCA (Senior statutory auditor)
for and on behalf of
Menzies LLP
Chartered Accountants
Statutory Auditor
Centrum House
36 Station Road
Egham
Surrey
TW20 9LF

Date: 01-Apr-2022

JTL

(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2021

	Note	Unrestricted funds 2021 £	Total funds 2021 £	*As restated Total funds 2020 £*
Income from:				
Donations and legacies	4	**110,203**	**110,203**	*362,760*
Charitable activities	5	**27,785,956**	**27,785,956**	*31,795,578*
Other trading activities	6	**7,647,157**	**7,647,157**	*5,351,642*
Investments	7	**417,846**	**417,846**	*704,723*
Total income		**35,961,162**	**35,961,162**	*38,214,703*
Expenditure on:				
Raising funds	8,9	**7,774,974**	**7,774,974**	*7,562,635*
Charitable activities	11	**32,526,135**	**32,526,135**	*33,548,064*
Total expenditure		**40,301,109**	**40,301,109**	*41,110,699*
Net expenditure before net gains on investments		**(4,339,947)**	**(4,339,947)**	*(2,895,996)*
Net gains on investments		**7,032,647**	**7,032,647**	*3,700,655*
Net income before taxation		**2,692,700**	**2,692,700**	*804,659*
Taxation		**(464,030)**	**(464,030)**	*(274,000)*
Net movement in funds		**2,228,670**	**2,228,670**	*530,659*
Reconciliation of funds:				
Total funds brought forward		**43,773,342**	**43,773,342**	*43,242,683*
Net movement in funds		**2,228,670**	**2,228,670**	*530,659*
Total funds carried forward		**46,002,012**	**46,002,012**	*43,773,342*

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 36 to 56 form part of these financial statements.

JTL
(A company limited by guarantee)
REGISTERED NUMBER: 03958541

CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2021

	Note		2021 £		As restated 2020 £
Fixed assets					
Intangible assets	16		**37,146**		-
Tangible assets	17		**7,077,821**		*5,144,864*
Investments	18		**37,008,395**		*35,688,572*
			44,123,362		*40,833,436*
Current assets					
Debtors	19	**6,910,267**		*6,647,384*	
Cash at bank and in hand		**3,775,731**		*3,861,124*	
		10,685,998		*10,508,508*	
Creditors: amounts falling due within one year	20	**(8,578,737)**		*(7,399,519)*	
Net current assets			**2,107,261**		*3,108,989*
Total assets less current liabilities			**46,230,623**		*43,942,425*
Provisions for liabilities			**(228,611)**		*(169,083)*
Net assets excluding pension asset			**46,002,012**		*43,773,342*
Total net assets			**46,002,012**		*43,773,342*
Charity funds					
Restricted funds	24		-		-
Unrestricted funds	24		**46,002,012**		*43,773,342*
Total funds			**46,002,012**		*43,773,342*

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

DocuSigned by:
Geoff Russell
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Geoffrey Russell
Chair of the Trustees
Date: 01-Apr-2022

The notes on pages 36 to 56 form part of these financial statements.

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COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2021

	Note		2021 £		As restated 2020 £
Fixed assets					
Tangible assets	17		**6,909,152**		*5,004,749*
Investments	18		**37,140,398**		*35,820,575*
			44,049,550		*40,825,324*
Current assets					
Debtors	19	**8,244,021**		*7,989,259*	
Cash at bank and in hand		**3,397,469**		*3,243,652*	
		11,641,490		*11,232,911*	
Creditors: amounts falling due within one year	20	**(6,862,867)**		*(6,027,561)*	
Net current assets			**4,778,623**		*5,205,350*
Total assets less current liabilities			**48,828,173**		*46,030,674*
Provisions for liabilities			**(228,611)**		*(169,083)*
Total net assets			**48,599,562**		*45,861,591*
Charity funds					
Restricted funds	24		**-**		*-*
Unrestricted funds	24		**48,599,562**		*45,861,591*
Total funds			**48,599,562**		*45,861,591*

The Company's net movement in funds for the year was £2,737,971 *(2020 - £3,211,605)*.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

DocuSigned by:
Geoff Russell
15FFE1B8925248D.....
Geoffrey Russell
Chair of the Trustees

Date: 01-Apr-2022

The notes on pages 36 to 56 form part of these financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	**(3,056,960)**	*(1,985,880)*
Cash flows from investing activities		
Dividends, interests and rents from investments	**417,846**	*704,723*
Proceeds from the sale of tangible fixed assets	**-**	*310,000*
Purchase of intangible assets	**(38,315)**	-
Purchase of tangible fixed assets	**(3,120,788)**	*(3,008,205)*
Payments to acquire subsidiary undertakings	**-**	*(132,001)*
Payments to aqcuire investments	**(2,377,795)**	*(49,891,856)*
Receipts from sales of investments	**6,818,131**	*52,304,760*
Movement in cash held by investment managers	**1,272,488**	*(457,926)*
Net cash provided by/(used in) investing activities	**2,971,567**	**(170,505)**
Cash flows from financing activities		
Repayments of borrowing	**-**	*(599,000)*
Net cash provided by/(used in) financing activities	**-**	**(599,000)**
Change in cash and cash equivalents in the year	**(85,393)**	**(2,755,385)**
Cash and cash equivalents at the beginning of the year	**3,861,124**	*6,616,509*
Cash and cash equivalents at the end of the year	**3,775,731**	*3,861,124*

The notes on pages 36 to 56 form part of these financial statements

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

1. General information

JTL is a charitable company limited by guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

The address of the registered office is given in the charity information on page 3 of these financial statements.

The nature of the charity's operations and principal activities are delivering Advanced Apprenticeships in Electrotechnical, Plumbing, Engineering and Heating and Ventilating.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

JTL 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.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2.2 Basis of consolidation

The financial statements consolidate the accounts of JTL and its wholly owned subsidiaries undertakings, CompEx Certification Limited, Develop Training Group Limited and Develop Training Limited .

The charity has taken advantage of the exemption contained within Section 408 of the Companies Act 2006 not to present its own income and expenditure account.

The net movement in funds dealt with in the income and expenditure account of the charity was £2,737,971 (2020: £3,211,605).

2.3 Going concern

The Trustees have assessed the use of going concern and have considered possible events or conditions that might cast significant doubt on the ability of the Charity to continue as a going concern including the ongoing and reducing negative financial impact of Covid-19. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. The Trustees have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing these financial statements.

2.4 Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity. All funds received during the year were unrestricted.

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2. Accounting policies (continued)

2.5 Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received, and the amount can be measured reliably. If entitlement is not met, then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

Other income includes gains on disposals of tangible fixed assets, recognised upon completion of the sale.

2.6 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities comprises costs which directly relate to education and training activities as well as an allocation of support costs, see note (2.7).
- Costs of raising funds, which includes:
    - Trading expenditure consists of expenditure relating to the operation of the trading subsidiary CompEx Certification Limited and Develop Training Limited.
    - Investment management expenses which consist of amounts charged by Investment Managers for managing the charity's investments.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

2.7 Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at headquarters. Where support costs cannot be directly attributed to particular headings, they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

2.8 Government grants

Government grants of a revenue nature are recognised in the Statement of Financial Activities in the same period as the related expenditure.

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2. Accounting policies (continued)

2.9 Intangible assets and amortisation

Intangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation. Cost includes costs directly attributable to making the asset capable of operating as intended.

Assets costing less than £1,000 individually are not capitalised and are expended within the year.

Amortisation is provided on all intangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life. During the year the amortisation rate applied was:

Software	-	25 %	straight line

2.10 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation. Cost includes costs directly attributable to making the asset capable of operating as intended.

Assets costing less than £1,000 individually are not capitalised and are expended within the year.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life. During the year the depreciation rates were:

Freehold property	-	4%	straight line
Short-term leasehold property	-	25%	straight line
Motor vehicles	-	33%	straight line
Fixtures and fittings	-	25%	straight line
Computer equipment	-	25%	straight line
IT software cost	-	25%	straight line

No depreciation is provided for on Freehold Land

2.11 Investments

Investments are recognised initially at fair value, which at year end is normally the transaction price excluding transaction costs. Subsequently, they are continuously measured at a mark to market at fair value with changes recognised in 'net gains or losses on investments' in the consolidated statement of financial activities if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Investments in subsidiaries are measured at cost less impairment.

2.12 Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the SoFA unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

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2. Accounting policies (continued)

2.13 Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

2.14 Leases

Rentals payable under operating leases are charged to the Consolidted statement of financial activities on a straight-line basis over the period of the lease.

2.15 Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service. The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

2.16 Tax

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. As such, surpluses and gains are exempt from Corporation Tax providing they are applied for charitable purposes. The trading subsidiary is subject to Corporation Tax, however, has committed to donate its profit to the parent company in the form of Gift Aid within 9 months of the year end such that no tax charge arose in the year. This donation is not accrued at the year end as it does not represent a legal or constructive obligation.

2.17 Financial instruments

The charity holds basic Financial Instruments. The financial assets and financial liabilities of the Charity are as follows:

• Financial assets: Trade and other debtors and accrued income are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 19. Prepayments are not financial instruments.
• Cash at bank – is classified as a basic financial instrument and is measured at face value.

All other investments are classified as basic financial instruments and held at their fair value.

Financial Liabilities: Trade creditors, accruals and other creditors will be classified as financial instruments and are measured at amortised cost as detailed in note 20. Basic taxation and social security are not included in the financial instrument's disclosure. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver charitable services rather than cash or another financial instrument.

3. Critical accounting estimates and areas of judgement

Judgements (apart from those involving estimates) have been made in the process of applying the following accounting policies that have had a significant effect on amounts recognised in the financial statements;

- Depreciation rates for tangible fixed assets
- Provision for bad and doubtful debts

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4. Income from donations and legacies

	Unrestricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Furlough grant income	110,203	**110,203**	*362,760*
Total 2020	*362,760*	*362,760*	

5. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
ESFA and Welsh Assembly income receivable	25,046,226	**25,046,226**	*29,016,516*
Other income receivable	2,739,730	**2,739,730**	*2,779,062*
	27,785,956	**27,785,956**	*31,795,578*
Total 2020	*31,795,578*	*31,795,578*	

Other income receivable of £2,739,730 (2020 £2,779,062) comprises of income from various sources including employer contributions, commercial courses, room hire, rental income, miscellaneous income and royalties.

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6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Trading income in subsidiaries	7,647,157	**7,647,157**	*5,351,642*
Total 2020	*5,351,642*	*5,351,642*	

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Dividends and interest from listed investments	417,846	**417,846**	*704,723*
Total 2020	*704,723*	*704,723*	

8. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Direct trading expense	2,551,726	**2,551,726**	*2,902,994*
Support costs of trading	5,092,579	**5,092,579**	*4,529,994*
	7,644,305	**7,644,305**	*7,432,988*
Total 2020	*7,432,988*	*7,432,988*	

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

9. Investment management costs

	Unrestricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Investment management fees	130,669	**130,669**	*129,647*
Total 2020	*129,647*	*129,647*	

10. Analysis of grants

	Grants to Individuals 2021 £	Total funds 2021 £	*Total funds 2020 £*
Grants, Education and training	1,733,400	**1,733,400**	*1,463,254*
Total 2020	*1,463,254*	*1,463,254*	

11. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Education and training	32,526,135	**32,526,135**	*33,548,064*
Total 2020	*33,548,064*	*33,548,064*	

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12. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Grant funding of activities 2021 £	Support costs 2021 £	Total funds 2021 £	*Total funds 2020 £*
Education and training	25,428,524	1,733,400	5,364,211	**32,526,135**	*33,548,064*
Total 2020	*27,202,294*	*1,463,254*	*4,882,516*	*33,548,064*	

13. Auditors' remuneration

	2021 £	*2020 £*
Fees payable to the Charity's auditor and its associates for the audit of the Company's annual accounts	**25,000**	*20,000*
Fees payable to the Company's auditor and its associates in respect of:		
The auditing of accounts of subsidiaries of the Charity	**12,500**	*12,000*
Accountancy and tax services	**5,500**	*33,345*

14. Staff costs

	Group 2021 £	*Group 2020 £*	Company 2021 £	*Company 2020 £*
Wages and salaries	**15,396,867**	*12,850,516*	**12,407,111**	*12,452,457*
Social security costs	**1,628,692**	*1,408,778*	**1,334,710**	*1,361,690*
Contribution to defined contribution pension schemes	**1,886,831**	*1,757,649*	**1,629,926**	*1,692,944*
	18,912,390	*16,016,943*	**15,371,747**	*15,507,091*

During the year termination payments of £192,503 (2020:£nil) were paid.

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14. Staff costs (continued)

The average number of persons employed by the Company during the year was as follows:

	Group 2021 No.	*Group 2020 No.*	Company 2021 No.	*Company 2020 No.*
Directors	**8**	*8*	**6**	*6*
Operations	**309**	*301*	**273**	*255*
Support	**163**	*161*	**116**	*108*
	480	*470*	**395**	*369*

The average headcount expressed as full-time equivalents was:

	Group 2021 No.	*Group 2020 No.*	Company 2021 No.	*Company 2020 No.*
Directors	**8**	*8*	**6**	*6*
Operations	**299**	*289*	**264**	*246*
Support	**155**	*149*	**112**	*104*
	462	*446*	**382**	*356*

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2021 No.	*Group 2020 No.*
In the band £60,001 - £70,000	**7**	*8*
In the band £70,001 - £80,000	**2**	*3*
In the band £80,001 - £90,000	**2**	*2*
In the band £90,001 - £100,000	**-**	*2*
In the band £100,001 - £110,000	**2**	*-*
In the band £130,001 - £140,000	**1**	*1*
In the band £200,001 - £210,000	**1**	*1*

15. Trustees' and Key Management Personnel Remuneration and Expenses

During the year, no Trustees received any remuneration or other benefits *(2020 - £NIL)*.

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15. Trustees' and Key Management Personnel Remuneration and Expenses (continued)

During the period, four trustees were reimbursed £678 (2020: £1,111) for expenses relating to travel costs.

The Charity considers its key management personnel comprise of:

- The Trustees
- Chief Executive Officer
- Chief Operating Officer
- Director of Learning & Innovation
- Director of Policy & External Relations
- Human Resources Director
- National Delivery Director

As noted above no trustees were remunerated during the year. The total amount of employee benefits received by key management personnel (Salary, Employer NI, Employers Pension, Benefit in Kind etc.) was £929,520 (2020: £1,063,455).

16. Intangible assets

Group

	Computer software £	Goodwill £	Total £
Cost			
At 1 August 2020	-	24,001	24,001
Additions	38,315	-	38,315
At 31 July 2021	38,315	24,001	62,316
Amortisation			
At 1 August 2020	-	24,001	24,001
Charge for the year	1,169	-	1,169
At 31 July 2021	1,169	24,001	25,170
Net book value			
At 31 July 2021	37,146	-	37,146
At 31 July 2020	-	-	-

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16. Intangible assets (continued)

Company

	Goodwill £
Cost	
At 1 August 2020	**24,001**
At 31 July 2021	**24,001**
Amortisation	
At 1 August 2020	**24,001**
At 31 July 2021	**24,001**
Net book value	
At 31 July 2021	-
At 31 July 2020	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

17. Tangible fixed assets

Group

	Freehold property £	Short-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Software / IT consultancy £	Total £
Cost or valuation							
At 1 August 2020	**3,764,127**	**188,738**	**48,600**	**4,760,598**	**857,480**	**387,099**	**10,006,642**
Additions	**2,457,666**	**47,094**	**-**	**303,088**	**118,322**	**194,618**	**3,120,788**
At 31 July 2021	**6,221,793**	**235,832**	**48,600**	**5,063,686**	**975,802**	**581,717**	**13,127,430**
Depreciation							
At 1 August 2020	**1,114,980**	**160,140**	**29,700**	**2,702,711**	**676,525**	**177,722**	**4,861,778**
Charge for the year	**149,365**	**12,875**	**18,900**	**852,921**	**74,334**	**79,436**	**1,187,831**
At 31 July 2021	**1,264,345**	**173,015**	**48,600**	**3,555,632**	**750,859**	**257,158**	**6,049,609**
Net book value							
At 31 July 2021	**4,957,448**	**62,817**	**-**	**1,508,054**	**224,943**	**324,559**	**7,077,821**
At 31 July 2020	*2,649,147*	*28,598*	*18,900*	*2,057,887*	*180,955*	*209,377*	*5,144,864*

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17. Tangible fixed assets (continued)

Company

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Software / IT Consultancy £	Total £
Cost or valuation						
At 1 August 2020	**3,764,127**	**48,600**	**4,858,470**	**744,264**	**375,784**	**9,791,245**
Additions	**2,457,666**	**-**	**286,720**	**98,444**	**194,618**	**3,037,448**
At 31 July 2021	**6,221,793**	**48,600**	**5,145,190**	**842,708**	**570,402**	**12,828,693**
Depreciation						
At 1 August 2020	**1,114,980**	**29,700**	**2,837,851**	**633,944**	**170,021**	**4,786,496**
Charge for the year	**149,365**	**18,900**	**828,206**	**57,138**	**79,436**	**1,133,045**
At 31 July 2021	**1,264,345**	**48,600**	**3,666,057**	**691,082**	**249,457**	**5,919,541**
Net book value						
At 31 July 2021	**4,957,448**	**-**	**1,479,133**	**151,626**	**320,945**	**6,909,152**
At 31 July 2020	*2,649,147*	*18,900*	*2,020,619*	*110,320*	*205,763*	*5,004,749*

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17. Tangible fixed assets (continued)

The net book value of land and buildings for both the Charity and the Group comprised:

	2021 £	*2020 £*
Freehold land	**631,875**	*431,875*
Freehold buildings	**4,957,447**	*2,649,147*
	5,589,322	*3,081,022*

Note: A leasehold of building was acquired in Carlisle with a life of 53 years which is being depreciated over 25 years.

18. Fixed asset investments

Group	Listed investments £
Cost or valuation	
At 1 August 2020	**35,688,572**
Additions	**2,377,795**
Disposals	**(6,818,131)**
Revaluations	**7,032,647**
Foreign exchange movement	**(1,272,488)**
At 31 July 2021	**37,008,395**
Net book value	
At 31 July 2021	**37,008,395**
At 31 July 2020	*35,688,572*

18. Fixed asset investments (continued)

Company	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 August 2020	**132,003**	**35,688,572**	**35,820,575**
Additions	**-**	**2,377,795**	**2,377,795**
Disposals	**-**	**(6,818,131)**	**(6,818,131)**
Revaluations	**-**	**7,032,647**	**7,032,647**
Foreign exchange movement	**-**	**(1,272,488)**	**(1,272,488)**
At 31 July 2021	**132,003**	**37,008,395**	**37,140,398**
Net book value			
At 31 July 2021	**132,003**	**37,008,395**	**37,140,398**
At 31 July 2020	*132,003*	*35,688,572*	*35,820,575*

Principal subsidiaries

The following were subsidiary undertakings of the Company:

Names	Company number	Registered office or principal place of business	Class of shares	Holding
Develop Training Group Limited	06299573	Derby Training Centre, Ascot Drive, Derby, DE24 8GW	Ordinary	100%
Develop Training Limited	06115331	Derby Training Centre, Ascot Drive, Derby, DE24 8GW	Ordinary	100%
CompEx Certification Limited	02336110	Stafford House, 120-122 High Street, Orpington, Kent, BR6 0JS	Ordinary	100%

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) for the year £	Net assets £
Develop Training Group Limited	**-**	**2,803**	**2,803**	**(774,122)**
Develop Training Limited	**6,571,680**	**(6,800,671)**	**(693,021)**	**(2,618,144)**
CompEx Certification Limited	**1,165,916**	**(982,433)**	**183,483**	**155,160**

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18. Fixed asset investments (continued)

Group and Company

	2021 £	*2020 £*
Investments at fair value comprise:		
Equities	**30,330,801**	*27,022,399*
Securities	**6,066,122**	*6,780,896*
Cash within investment portfolio	**611,473**	*1,885,277*
	37,008,396	*35,688,572*

The fair value of listed investments is determined by reference to the bid (sale) price at close of business on the date of the valuation or fair value if the market value is unavailable.

19. Debtors

	Group 2021 £	*Group As restated 2020 £*	Company 2021 £	*Company As restated 2020 £*
Due within one year				
Trade debtors	**5,683,967**	*4,928,986*	**4,588,568**	*4,621,400*
Amounts owed by group undertakings	**-**	*-*	**2,744,927**	*2,439,966*
Other debtors	**207,071**	*175,330*	**191,319**	*172,764*
Prepayments and accrued income	**1,019,229**	*1,079,038*	**719,207**	*755,129*
Deferred taxation	**-**	*464,030*	**-**	*-*
	6,910,267	*6,647,384*	**8,244,021**	*7,989,259*

As at the year end, JTL was owed £136,503 (2020: £89,966) from CompEx Certification Limited and £2,608,424 (2020: £2,350,000) from Develop Training Limited. £53,889 interest was charged for the year.

20. Creditors: Amounts falling due within one year

	Group 2021 £	*Group As restated 2020 £*	Company 2021 £	*Company As restated 2020 £*
Trade creditors	**2,834,147**	*2,386,272*	**2,306,034**	*1,859,655*
Other taxation and social security	**792,639**	*684,116*	**469,043**	*505,029*
Other creditors	**1,399,749**	*604,629*	**554,488**	*139,156*
Accruals and deferred income	**3,552,202**	*3,724,502*	**3,533,302**	*3,523,721*
	8,578,737	*7,399,519*	**6,862,867**	*6,027,561*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

20. Creditors: Amounts falling due within one year (continued)

Deferred income relates to the license and apprenticeship fees being recognised over the period that they relate to.

	Group 2021 £
Deferred income	
Deferred income at 1 August 2020	**433,946**
Resources deferred during the year	**637,067**
Amounts released from previous periods	**(822,518)**
	248,495

21. Deferred taxation

Group

The deferred tax asset is made up as follows:

	Group 2021 £	*Group 2020 £*
Tax losses carried forward	-	*464,030*
	-	*464,030*

22. Provisions

Group and Company

	Dilapidations £
At 1 August 2020	**169,083**
Additions	**59,528**
At 31 July 2021	**228,611**

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23. Prior year adjustments

Reallocations have been made within the 2020 figures to correctly reflect the nature of the balances. There was no effect to the results for the year or the funds carried forward.

24. Statement of funds

Statement of funds - current year

	Balance at 1 August 2020 £	Income £	Expenditure £	Taxation £	Gains/ (Losses) £	Balance at 31 July 2021 £
Unrestricted funds						
General Funds	**43,773,342**	**35,961,162**	**(40,301,109)**	**(464,030)**	**7,032,647**	**46,002,012**

Statement of funds - prior year

	Balance at 1 August 2019 £	*Income £*	*Expenditure £*	*Gains/ (Losses) £*	*Balance at 31 July 2020 £*
Unrestricted funds					
General Funds	*43,242,656*	*38,209,569*	*(41,379,539)*	*3,700,656*	*43,773,342*

25. Summary of funds

Summary of funds - current year

	Balance at 1 August 2020 £	Income £	Expenditure £	Taxation £	Gains/ (Losses) £	Balance at 31 July 2021 £
General funds	**43,773,342**	**35,961,162**	**(40,301,109)**	**(464,030)**	**7,032,647**	**46,002,012**

Summary of funds - prior year

	Balance at 1 August 2019 £	*Income £*	*Expenditure £*	*Gains/ (Losses) £*	*Balance at 31 July 2020 £*
General funds	*43,242,656*	*38,209,569*	*(41,379,539)*	*3,700,656*	*43,773,342*

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26. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	7,077,821	**7,077,821**
Intangible fixed assets	37,146	**37,146**
Fixed asset investments	37,008,395	**37,008,395**
Current assets	10,685,998	**10,685,998**
Creditors due within one year	(8,578,737)	**(8,578,737)**
Provisions for liabilities and charges	(228,611)	**(228,611)**
Total	46,002,012	**46,002,012**

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	*Total funds 2020 £*
Tangible fixed assets	*5,144,864*	*5,144,864*
Fixed asset investments	*35,688,572*	*35,688,572*
Current assets	*10,508,508*	*10,508,508*
Creditors due within one year	*(7,399,519)*	*(7,399,519)*
Provisions for liabilities and charges	*(169,083)*	*(169,083)*
Total	*43,773,342*	*43,773,342*

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27. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2021 £	*Group 2020 £*
Net income for the year (as per Statement of Financial Activities)	*2,228,670*	*530,659*
Adjustments for:		
Depreciation charges	**1,187,831**	*1,061,644*
Amortisation charges	**1,169**	*24,001*
Gains on investments	**(7,032,647)**	*(3,700,657)*
Dividends, interests and rents from investments	**(417,846)**	*(704,723)*
Loss on the sale of fixed assets	**-**	*62,000*
(Increase)/decrease in debtors	**(726,913)**	*2,343,589*
Increase/(decrease) in creditors	**1,179,218**	*(2,045,476)*
Tax charge	**464,030**	*274,000*
Increase in provisions	**59,528**	*169,083*
Net cash used in operating activities	**(3,056,960)**	*(1,985,880)*

28. Analysis of cash and cash equivalents

	Group 2021 £	*Group 2020 £*
Cash in hand	**3,775,731**	*3,861,124*
Total cash and cash equivalents	**3,775,731**	*3,861,124*

29. Analysis of changes in net debt

	At 1 August 2020 £	Cash flows £	At 31 July 2021 £
Cash at bank and in hand	**3,861,124**	**(85,393)**	**3,775,731**
	3,861,124	**(85,393)**	**3,775,731**

30. Operating lease commitments

At 31 July 2021 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	*Group 2020 £*	Company 2021 £	*Company 2020 £*
Not later than 1 year	**931,166**	*1,332,479*	**388,683**	*821,479*
Later than 1 year and not later than 5 years	**1,579,620**	*2,408,060*	**664,306**	*1,176,060*
Later than 5 years	**353,762**	*135,000*	**229,518**	-
	2,864,548	*3,875,539*	**1,282,507**	*1,997,539*

31. Related party transactions

JTL had the following transactions and year end balances with The Electrical Contractors' Association Limited ("ECA") and Unite the Union, both of which are members of the charitable company. JTL also had the following transactions and year end balances with the Joint Industry Board for the Electrical Contracting Industry ("JIB") which has as its constituent parties the ECA and Unite the Union.

Information about related party transactions and outstanding balances is set out below:

	Expenditure £	*Outstanding Balances £*
Unite the Union is a member of the charitable company	-	-
At year ending 31 July 2021	-	-
At year ending 31 July 2020	**1,668**	-
Electrical Contractors' Association is a member of the charitable company	-	-
At year ending 31 July 2021	**17,117**	-
At year ending 31 July 2020	**19,274**	*(982)*
Joint Industry Board has its constituent parties with ECA and Unite	-	-
At year ending 31 July 2021	**251,510**	*30,000*
At year ending 31 July 2020	**212,716**	*2,880*

Amounts payable to Unite relate to the provision of room hire. Amounts payable to ECA includes the BUPA annual membership, plus additional services. Amounts payable to JIB relate to Electrotechnical and Plumbing Apprentice registration fees and Health & Safety Assessment fees.