

# The British Engineering Manufacturers' Association Ltd

(A company limited by guarantee)

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2020

Pages for filing with Registrar

# **The British Engineering Manufacturers' Association Ltd**

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# **The British Engineering Manufacturers' Association Ltd**

## **Company Information**

<b>Directors</b>	P J Smith A J Cunliffe H J Smart B J Young R C Meredith K E Christopherson
<b>Registered office</b>	5 Stover Road Yate Bristol BS37 5JN
<b>Registered number</b>	00438632
<b>Accountants</b>	Corrigan Accountants Limited The Tramshed 25 Lower Park Row Bristol BS1 5BN

# The British Engineering Manufacturers' Association Ltd

(Registration number: 00438632)  
Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	<u>5</u>	129,191	147,764
<b>Current assets</b>			
Debtors	<u>6</u>	52,929	108,396
Cash at bank and in hand		35,305	23,757
		<u>88,234</u>	<u>132,153</u>
<b>Creditors:</b> Amounts falling due within one year	<u>7</u>	(288,538)	(322,602)
<b>Net current liabilities</b>		<u>(200,304)</u>	<u>(190,449)</u>
<b>Total assets less current liabilities</b>		(71,113)	(42,685)
<b>Creditors:</b> Amounts falling due after more than one year	<u>7</u>	(46,500)	(2,836)
<b>Net liabilities</b>		<u>(117,613)</u>	<u>(45,521)</u>
<b>Capital and reserves</b>			
Profit and loss account		(117,613)	(45,521)
<b>Total equity</b>		<u>(117,613)</u>	<u>(45,521)</u>

**The British Engineering Manufacturers' Association Ltd**

**(Registration number: 00438632)**

**Balance Sheet as at 31 December 2020**

For the financial year ending 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 28 September 2021 and signed on its behalf by:

H J Smart

Director

# **The British Engineering Manufacturers' Association Ltd**

## **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020**

### **1 Statutory information**

The company is a private company, limited by guarantee, incorporated in England and Wales.

The address of its registered office is:

5 Stover Road

Yate

Bristol

BS37 5JN

United Kingdom

### **2 Accounting policies**

#### **Summary of significant accounting policies**

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

#### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are prepared in pounds sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

## **The British Engineering Manufacturers' Association Ltd**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020**

#### **Going concern**

The financial statements have been prepared on a going concern basis which assumes that the company has sufficient funds to continue for the foreseeable future, and to meet its liabilities as they fall due. The pandemic has adversely affected the business from the disruption to the provision of courses to the fall in apprentices being taken on by the engineering industry. The company has the full support of the directors and its members and has received financial support from its Landlord by way of deferred rent in addition to the Government backed Bounce Back Loan. The company is reviewing the strategy going forward and has already expanded the range of courses it can deliver, as well as providing more training in areas such as health and safety and insurances. The start of the new term has seen an improvement in the number of apprentices joining and the directors are confident that with the lifting of restrictions and the continued interest of key stakeholders in supporting a respected training partner, the company remains a going concern.

#### **Revenue recognition**

The Association's income comprises membership subscriptions, membership services and apprenticeship income, and is exclusive of value added tax.

#### **Government grants**

Government grants are recognised, using the accrual model, at the fair value of the asset received or receivable when there is reasonable assurance that the company will comply with conditions attaching to them and the grants will be received.

#### **Tangible fixed assets**

Tangible fixed assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation.

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Plant and machinery	15% reducing balance
Furniture and fixtures	15% reducing balance
Computer equipment	15% reducing balance
Motor vehicles	15% reducing balance

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and call deposits.

## **The British Engineering Manufacturers' Association Ltd**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020**

#### **Trade debtors**

Trade debtors are recognised at the transaction price. They are subsequently measured less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

#### **Trade creditors**

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.



# **The British Engineering Manufacturers' Association Ltd**

## **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020**

### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employees' services are received.

### **3 Staff numbers**

The average number of persons employed by the company (including directors) during the year, was 8 (2019 - 12).

### **4 Taxation**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2020 nor for the year ended 31 December 2019.

# The British Engineering Manufacturers' Association Ltd

## Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020

### 5 Tangible fixed assets

	Furniture, fittings and equipment £	Motor vehicles £	Other tangible assets £	Total £
<b>Cost</b>				
At 1 January 2020	58,021	-	277,849	335,870
Additions	-	3,500	579	4,079
At 31 December 2020	58,021	3,500	278,428	339,949
<b>Depreciation</b>				
At 1 January 2020	31,166	-	156,940	188,106
Charge for the year	4,028	438	18,186	22,652
At 31 December 2020	35,194	438	175,126	210,758
<b>Carrying amount</b>				
At 31 December 2020	22,827	3,062	103,302	129,191
At 31 December 2019	26,855	-	120,909	147,764

The net book value of tangible fixed assets includes an amount of £9,279 (2019: £50,089) in respect of assets held under hire purchase contracts. The depreciation charge for the year was £1,638 (2019: £8,839).

### 6 Debtors: amounts falling due within one year

	2020 £	2019 £
Trade debtors	29,488	51,408
Prepayments and accrued income	23,157	56,846
VAT	284	142
	52,929	108,396

# The British Engineering Manufacturers' Association Ltd

## Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020

### 7 Creditors

	Note	2020 £	2019 £
Bank loans		3,500	-
Hire purchase liability		3,061	28,438
Trade creditors		76,819	83,371
Social security and other taxes		4,412	10,024
Other creditors		339	918
Accruals and deferred income		200,407	199,851
		<u>288,538</u>	<u>322,602</u>
		<b>2020</b>	<b>2019</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>Due after one year</b>			
Bank borrowings		46,500	-
HP and finance lease liabilities		-	2,836
		<u>46,500</u>	<u>2,836</u>

The bank loan is the government backed Business Bounce Back Loan, an unsecured loan with a flexible repayment term of 10 years, charged at 2.5% interest. Repayments commenced in June 2021.

### 8 Limited by guarantee

The liability of each member is limited to £5 on the winding up of the company.

## **The British Engineering Manufacturers' Association Ltd**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020**

#### **9 Obligations under leases and hire purchase contracts**

##### **Hire purchase**

The total of future minimum lease payments is as follows:

<b>2020</b>	<b>2019</b>
<b>£</b>	<b>£</b>
<b>3,061</b>	<b>31,274</b>

##### **Secured debts**

The liabilities under hire purchase contracts with a carrying value of £3,061 (2019: £31,274) are secured against the assets to which they relate.

#### **10 Related party transactions**

##### **Related party disclosures**

As a trade association the directors of The British Engineering Manufacturer's Association Limited may also be directors of member companies, and by definition the company will receive fees and provide services to these companies. All services provided on an arms length basis and on equal terms with other members.

##### **Ravenscourt Engineering Limited**

The company leases premises from Ravenscourt Engineering Limited, a company with a director in common. During the year the company was charged £100,534 (2019: £79,945) for rent, rates and utilities by Ravenscourt Engineering Limited. At the year end £69,485 (2019: £49,138) was owed to Ravenscourt Engineering Limited in respect of these services.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.