

Charity Registration No. 1092902

Company Registration No. 00998121 (England and Wales)

ATG TRAINING
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

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ATG TRAINING

LEGAL AND ADMINISTRATIVE INFORMATION

| | | |
|--------------------------|--|-------------------------|
| Trustees | S Ball S A S Dicketts CBE C Ashby | (Appointed 14 May 2018) |
| Charity number | 1092902 | |
| Company number | 00998121 | |
| Registered office | Activate Learning Oxpens Road Oxford OX1 1SA | |
| Auditor | Richardsons 30 Upper High Street Thame Oxfordshire OX9 3EZ | |

ATG TRAINING

CONTENTS

| | Page |
|---|-------------|
| Trustees' report | 1 - 3 |
| Statement of trustees' responsibilities | 4 |
| Independent auditor's report | 5 - 6 |
| Statement of financial activities | 7 |
| Balance sheet | 8 |
| Statement of cash flows | 9 |
| Notes to the financial statements | 10 - 18 |

ATG TRAINING

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2018

The trustees present their report and financial statements for the year ended 31 July 2018.

The accounts have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charitable company should undertake.

The charitable company develops learners to maximise their potential through the design and delivery of training and assessment. This benefits young people aged 16-24 and adults in varied work based and educational qualifications and short courses to meet business needs of both public and private sectors.

ATG TRAINING

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2018

Achievements and performance

Financial review

ATG Training joined the Activate Learning group at the end of the 2015/16 financial year. Since then we have taken steps to integrate our back office functions and business apprenticeship delivery to drive efficiencies and provide a better service for employers and learners. This meant that during the 2017/18 financial year, ATG Training focused on its core business of cycles training and engineering apprenticeships. However, lower than expected learner numbers led to disappointing financial performance in the first half of the year. This led to the Board making two significant decisions for ATG Training. The first was to take the opportunity of a break clause to exit our premises at Smeaton Close in Aylesbury. This decision was taken following a review of ATG Training's financial position, concluding that it was unable to sustain the substantial costs of the premises. New cycles and engineering workshops were created at the Activate Learning's Technology Campus in Oxford to ensure that learners have access to the same quality of facilities that they have been used to in Aylesbury.

Although steps have been taken to deliver benefits by integrating several key functions within Activate Learning including back-office support and quality assurance, this has not resulted in bringing the company back to long term financial health.

2017/18 losses were £1,521k. There are 2 key elements which have contributed to this

1. Running costs of Smeaton Place were too expensive given the current and projected levels of student numbers and it was financially unsustainable to maintain the use of this site. ATG exercised the 5 year break clause in the contract and moved its Aylesbury operations to an Activate Learning site at Blackbird Leys in Oxford in June 2017. Impact on the Income and Expenditure Account of exiting Smeaton Place is £904k which includes a loss on disposal of £335k.
2. 2017/18 Operational performance was a loss of £617k, albeit this includes the high rental costs for Smeaton Place for the full year. However, insufficient student numbers and operational inefficiencies would still have resulted in a loss without the rental cost impact.

The loss has resulted in a closing year end debt of £907k to Activate Learning Group companies (2016: 213k) with a further 380k still owed for property dilapidations which will need to be funded by Activate Learning.

ATG Training's apprenticeship delivery is not of sufficient scale to be sustainable in the long-term and took the decision to terminate our apprenticeship contract with the ESFA. We are working closely with the ESFA to ensure a smooth transition of learners to new providers chosen by their employers. In most cases we anticipate that this will be Activate Learning who will be able to provide continuity of service with the same staff and delivery model that they are used to with ATG Training. Those learners and employers choosing Activate Learning will be supported by a larger organisation with the scale to provide long-term stability.

ATG are now in discussions with Activate Learning, regarding the transfer of the remaining Commercial Cycles business, including any remaining Assets & Liabilities, in return for writing off outstanding debts.

The trustees have assessed the major risks, as highlighted, to which the charitable company is exposed, and as per their responsibilities are taking appropriate steps to mitigate exposure to these major risks, whilst also protecting the beneficiaries of its charitable activity.

The trustees conduct regular reviews of the risks to which the charitable company is exposed and constantly develop its systems to mitigate those risks. The reviews identify the risks that could reasonably be foreseen and measures to reduce the exposure have been implemented where possible. The trustees seek to minimise internal risks through its procedures for appropriate authorisation for all transactions and projects and to ensure as far as possible consistent quality of delivery for operational functions. These procedures are periodically reviewed to ensure that they continue to be appropriate

ATG TRAINING

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2018

Structure, governance and management

The charitable company is controlled by its Memorandum and Articles of Association and constitutes a limited company by guarantee, as defined by the Companies Act 2006.

Good Governance practice is followed with guidance from the Charity Commission.

The trustees have broad skills and experience which contribute to the strategic direction of the charitable company and seek to act prudently in all their activities. They review their progress regularly and hold meetings of the Board and senior management.

In March 2018, the trustees conducted a review of the governance structure of ATG Training, and concluded that, in the interests of efficiency and good governance, the Committees of the Board should be disbanded, and all Committee activity undertaken at meetings of the full Board. As a result, review of risks, control systems, governance requirements, and the Chief Executive's performance and remuneration will be undertaken by the Board of Trustees. The Chief Executive is not permitted to participate in decisions relating to his performance and remuneration. The trustees also reviewed and updated the Governance Handbook to reflect improved governance practices, including the policy for handling conflicts of interest.

Management

The trustees meet to receive the Financial and Contractual, Business Development, Quality Improvement reports and to consider the management accounts.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

S Ball

S A S Dicketts CBE

P T B Hepworth Lloyd

(Resigned 14 May 2018)

C Ashby

(Appointed 14 May 2018)

None of the trustees have any beneficial interest in the charitable company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Day to day management

During the year, the day to day management of the charitable company was conducted by Jonathan Adams.

The trustees' report was approved by the Board of Trustees.



S Ball

Trustee

Dated: 26 NOVEMBER 2018

ATG TRAINING

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 JULY 2018

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

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make 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 will continue in operation.

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

ATG TRAINING

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ATG TRAINING

Opinion

We have audited the financial statements of ATG Training (the 'charitable company') for the year ended 31 July 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2018 and of its incoming resources and application of resources, 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 Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

ATG TRAINING

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF ATG TRAINING

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Richardsons

Richardsons
Chartered Accountants
Statutory Auditor

26 November 2018

30 Upper High Street
Thame
Oxfordshire
OX9 3EZ

Richardsons is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

ATG TRAINING

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JULY 2018

| | Notes | 2018 £ | 2017 as restated £ |
|--|-------|--------------------|--------------------------|
| <u>Income and endowments from:</u> | | | |
| Charitable activities | 3 | 1,191,338 | 2,084,308 |
| Other trading activities | 4 | 407,119 | 588,566 |
| Investments | 5 | - | 3 |
| Other income | 6 | 7,471 | 17,404 |
| Total income | | 1,605,928 | 2,690,281 |
| <u>Expenditure on:</u> | | | |
| Raising funds | 7 | 54,162 | 471,260 |
| Charitable activities | 8 | 3,073,019 | 2,628,123 |
| Total resources expended | | 3,127,181 | 3,099,383 |
| Net expenditure for the year/ Net movement in funds | | (1,521,253) | (409,102) |
| Fund balances at 1 August 2017 | | (14,681) | 394,421 |
| Fund balances at 31 July 2018 | | (1,535,934) | (14,681) |

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ATG TRAINING

BALANCE SHEET

AS AT 31 JULY 2018


| | | 2018 | | 2017 as restated | |
|---|-------|-------------|-------------|---------------------|-----------|
| | Notes | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 12 | | 47,018 | | 476,160 |
| Current assets | | | | | |
| Debtors | 14 | 115,141 | | 297,176 | |
| Cash at bank and in hand | | 33,553 | | 26,613 | |
| | | 148,694 | | 323,789 | |
| Creditors: amounts falling due within one year | 15 | (1,731,646) | | (814,630) | |
| Net current liabilities | | | (1,582,952) | | (490,841) |
| Total assets less current liabilities | | | (1,535,934) | | (14,681) |
| Income funds | | | | | |
| Unrestricted funds | | | (1,535,934) | | (14,681) |
| | | | (1,535,934) | | (14,681) |

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 July 2018, although an audit has been carried out under section 144 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

The accounts were approved by the Trustees on ...26...NOVEMBER 2018



S Ball
Trustee

Company Registration No. 00998121

ATG TRAINING

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2018

| | Notes | 2018 £ | £ | 2017 £ | £ |
|---|-------|-----------|---------------|-----------|---------------|
| Cash flows from operating activities | | | | | |
| Cash (absorbed by)/generated from operations | 21 | | (401,372) | | 63,819 |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | - | | (84,560) | |
| Proceeds on disposal of tangible fixed assets | | 408,312 | | - | |
| Interest received | | - | | 3 | |
| Net cash generated from/(used in) investing activities | | | 408,312 | | (84,557) |
| Net cash used in financing activities | | | - | | - |
| Net increase/(decrease) in cash and cash equivalents | | | 6,940 | | (20,738) |
| Cash and cash equivalents at beginning of year | | | 26,613 | | 47,351 |
| Cash and cash equivalents at end of year | | | <u>33,553</u> | | <u>26,613</u> |

ATG TRAINING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

1 Accounting policies

Charity information

ATG Training is a private company limited by guarantee incorporated in England and Wales. The registered office is Activate Learning, Oxpens Road, Oxford, OX1 1SA.

1.1 Accounting convention

The accounts have been prepared in accordance with the charitable company's Memorandum and Articles, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charitable company is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charitable company has adequate support from Activate Learning, who is the sole member of ATG Training, to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charitable company.

1.4 Incoming resources

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

ATG TRAINING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2018

1 Accounting policies

(Continued)

1.5 Resources expended

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

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|--------------------------|--|
| Short leasehold | Straight line over the remaining period of the lease |
| Improvements to property | Straight line over the remaining period of the lease |
| Plant and Machinery | 15% to 20% per annum straight line |
| Office equipment | 20% per annum straight line |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Items of equipment are only capitalised where the purchase price exceeds £1,000.

1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

ATG TRAINING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2018

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Charitable activities

| | 2018 £ | 2017 £ |
|-------------------|------------------|------------------|
| Engineering | 427,454 | 420,238 |
| Business training | - | 366,683 |
| Subcontractors | - | 768,893 |
| Cycles | 763,884 | 528,494 |
| | <u>1,191,338</u> | <u>2,084,308</u> |

ATG TRAINING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018

4 Other trading activities

| | 2018 | 2017 |
|-----------------------|---------|---------|
| | £ | £ |
| Commercial activities | 407,119 | 588,566 |

5 Investments

| | 2018 | 2017 |
|-------------------|------|------|
| | £ | £ |
| Investment income | - | 3 |

6 Other income

| | 2018 | 2017 |
|--------------|-------|--------|
| | £ | £ |
| Other income | 7,471 | 17,404 |

7 Raising funds

| | 2018 | 2017 |
|---------------------------|--------|---------|
| | £ | £ |
| Fundraising and publicity | | |
| Commercial courses | 54,162 | 471,260 |
| | 54,162 | 471,260 |

ATG TRAINING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018

8 Charitable activities

| | 2018 £ | 2017 £ |
|--|------------------|------------------|
| Staff costs | 978,728 | 937,833 |
| Other costs | 1,039,433 | 898,149 |
| | <u>2,018,161</u> | <u>1,835,982</u> |
| Share of support costs (see note 9) | 1,046,658 | 756,483 |
| Share of governance costs (see note 9) | 8,200 | 35,658 |
| | <u>3,073,019</u> | <u>2,628,123</u> |
| Analysis by fund | | |
| Unrestricted funds | 3,073,019 | |
| | <u>3,073,019</u> | |
| For the year ended 31 July 2017 | | |
| Unrestricted funds | | 2,628,123 |
| | | <u>2,628,123</u> |

9 Support costs

| | Support costs £ | Governance costs £ | 2018 £ | 2017 £ | Basis of allocation |
|---|--------------------|-----------------------|------------------|----------------|---------------------|
| Engineering | 485,770 | - | 485,770 | 157,849 | |
| Business training | - | - | - | 131,911 | |
| Cycle maintenance | 560,888 | - | 560,888 | 190,121 | |
| Subcontractors | - | - | - | 276,602 | |
| Staff and similar costs | - | - | - | 25,782 | Governance |
| Other costs | - | 8,200 | 8,200 | 9,876 | Governance |
| | <u>1,046,658</u> | <u>8,200</u> | <u>1,054,858</u> | <u>792,141</u> | |
| Analysed between Charitable activities | <u>1,046,658</u> | <u>8,200</u> | <u>1,054,858</u> | <u>792,141</u> | |

Governance costs includes payments to the auditors of £8,200 (2017- £8,200) for audit fees.

ATG TRAINING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year. (2017 - none).

11 Employees

Number of employees

The average monthly number employees during the year was:

| 2018 Number | 2017 Number |
|----------------|----------------|
| 26 | 38 |

Employment costs

| | 2018 £ | 2017 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 1,018,607 | 1,357,334 |
| Social security costs | 94,405 | 133,115 |
| Other pension costs | 27,245 | 54,345 |
| | <u>1,140,257</u> | <u>1,544,794</u> |

The number of employees whose annual remuneration was £60,000 or more were:

| | 2018 Number | 2017 Number |
|-------------------|----------------|----------------|
| 70,000 - 79,999 | 1 | 1 |
| 110,000 - 119,999 | 1 | 1 |

Remuneration of key management personnel

The remuneration of key management personnel in the year totalled £120,338 (2017: £121,367).

ATG TRAINING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018

12 Tangible fixed assets

| | Short leasehold £ | Improvements to property £ | Plant and Machinery £ | Office equipment £ | Total £ |
|------------------------------------|----------------------|-------------------------------|--------------------------|-----------------------|-------------|
| Cost | | | | | |
| At 1 August 2017 | 12,242 | 939,760 | 825,088 | 496,123 | 2,273,213 |
| Disposals | (12,242) | (939,760) | - | (496,123) | (1,448,125) |
| At 31 July 2018 | - | - | 825,088 | - | 825,088 |
| Depreciation and impairment | | | | | |
| At 1 August 2017 | 9,244 | 571,270 | 757,240 | 459,299 | 1,797,053 |
| Depreciation charged in the year | - | - | 20,830 | - | 20,830 |
| Eliminated in respect of disposals | (9,244) | (571,270) | - | (459,299) | (1,039,813) |
| At 31 July 2018 | - | - | 778,070 | - | 778,070 |
| Carrying amount | | | | | |
| At 31 July 2018 | - | - | 47,018 | - | 47,018 |
| At 31 July 2017 | 2,998 | 368,490 | 67,849 | 36,823 | 476,160 |

13 Financial instruments

| | 2018 £ | 2017 £ |
|---|-----------|-----------|
| Carrying amount of financial assets | | |
| Debt instruments measured at amortised cost | 30,851 | 83,523 |
| Carrying amount of financial liabilities | | |
| Measured at amortised cost | 1,677,224 | 743,315 |

14 Debtors

| | 2018 £ | 2017 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Trade debtors | 26,326 | 79,277 |
| Other debtors | 11,060 | 4,246 |
| Prepayments and accrued income | 77,755 | 213,653 |
| | 115,141 | 297,176 |

ATG TRAINING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018

15 Creditors: amounts falling due within one year

| | Notes | 2018 £ | 2017 as restated £ |
|------------------------------------|-------|------------------|--------------------------|
| Other taxation and social security | | 20,735 | 34,957 |
| Deferred income | 16 | 33,687 | 36,358 |
| Trade creditors | | 432,210 | 187,832 |
| Other creditors | | 916,359 | 489,746 |
| Accruals | | 328,655 | 65,737 |
| | | <u>1,731,646</u> | <u>814,630</u> |

Included within other creditors is a provision for dilapidations of £nil (2017: £200,000).

16 Deferred income

| | 2018 £ | 2017 £ |
|---|---------------|---------------|
| Deferred income in relation to courses occurring in 2017/2018 | <u>33,687</u> | <u>36,358</u> |

17 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2018 £ | 2017 £ |
|----------------------------|-----------|------------------|
| Within one year | - | 224,295 |
| Between two and five years | - | 820,718 |
| In over five years | - | 195,000 |
| | <u>-</u> | <u>1,240,013</u> |

18 Events after the reporting date

Activate Learning provided funds to ATG Ltd. to settle the outstanding debt to Activate Enterprise of £523,331 in full. This results in no outstanding debt owed to Activate Enterprise and outstanding loan to Activate Learning is increased to £907,359.

ATG TRAINING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018

19 Related party transactions

On 1 June 2016, Activate Learning became the sole member of ATG Training.

Activate Learning is an education group growing to meet opportunities in the education market.

Registered address: Oxpens Road, Oxford, OX1 1SA

The consolidated accounts for the group can be obtained via: www.activatelearning.ac.uk

During the year ATG Training made sales to Activate Learning of £28,469 (2017: £128,805). ATG Training also made purchases from Activate Learning of £nil (2017: £22,524) and purchases from Activate Enterprise, a subsidiary of Activate Learning, of £71,676 (2017: £39,881).

As at 31 July 2018, Activate Learning owed ATG Training £nil (2017: £16,738) and ATG Training owed Activate Learning £nil (2017: £7,275) and Activate Enterprise £523,331 (2017: £39,881) in relation to purchases made.

Included within other creditors in creditors amounts falling due within one year is a loan from Activate Learning to ATG Training of £384,028 (2017: £213,000).

20 Ultimate Controlling Party

The charitable company was under the control of its trustees during the period, who are appointed by Activate Learning.

| 21 Cash generated from operations | 2018 £ | 2017 £ |
|---|------------------|---------------|
| Deficit for the year | (1,521,253) | (409,102) |
| Adjustments for: | | |
| Investment income recognised in statement of financial activities | - | (3) |
| Depreciation and impairment of tangible fixed assets | 20,830 | 100,591 |
| Movements in working capital: | | |
| Decrease in debtors | 182,035 | 52,545 |
| Increase in creditors | 919,687 | 320,505 |
| (Decrease) in deferred income | (2,671) | (717) |
| Cash (absorbed by)/generated from operations | (401,372) | 63,819 |