

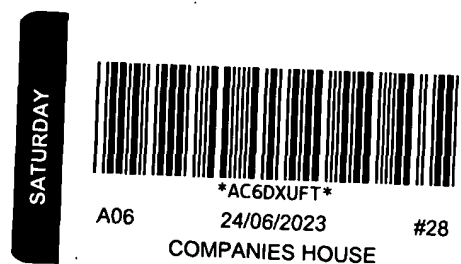
Company Registration Number: 04238862
Charity Registration Number: 1133396

Centre for Engineering and Manufacturing Excellence Limited

Annual Report and Accounts

for the year ended

31 December 2022



Centre for Engineering and Manufacturing Excellence Limited
Annual Report and Accounts

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Centre for Engineering and Manufacturing Excellence Limited Chairs Foreword

The CEME Board has built an excellent partnership with our new CEO Noorzaman Rashid who began work with us in April 2022. Following the footsteps of a successful CEO with a 15-year tenure was not an easy act to follow. However, the energy and pace Noorzaman has brought to CEME has enabled us to enjoy renewed relationships with important partners across the region, most notably the Thames Estuary Growth Board, Thames Freeport and Local London reinforcing our commitment to creating prosperity for everyone in the region.

The Board has met regularly throughout the year and held a particularly successful strategy day. This has led to the creation of a new 5-year strategy with 3 overarching priorities. The first is to focus on being a catalyst for economic regeneration. The very successful launch of our Business Growth Academy providing businesses with free marketing, legal and financial advice with free online training and in-person networking events is a very good example of how CEME has been supporting businesses to grow and prosper.

Our second new strategic priority is to act as an accelerator for greentech businesses, focused on innovative product development and manufacturing to reduce carbon emissions. A hugely successful summit on the contribution of hydrogen to the UK economy attended by over 250 participants led to CEME being nominated as the preferred site for a £29m project to create a hydrogen Living Lab focussed on research for HGV vehicles and river transport. We now need to rise to the challenge to materialise this opportunity over the lifetime of our new strategy.

CEME's third strategic priority is to champion inclusive business growth. As a result of this and our work in promoting future skills development for industry within the region CEME are increasingly being invited to contribute to skills strategies. The appointment of an Associate Director focussed on skills development has made a material difference to our reputation in this area and we are recognised as a preferred partner for grant funding and other funding streams available through the education sector and local authorities.

During 2022 CEME has reorganised the Events part of the business to ensure that value for money is delivered. This continues to be an area of challenge due to the down turn in the hospitality market, increased energy, food and labour costs as well as reduced footfall from 44,000 high per month to 29,000 post Covid. Appointment of Business Growth Director has accelerated sales and it is expected that CEME 1 will be close to capacity allowing management to look for opportunities to expand into CEME 2. The development of industrial workspaces on Courier Road adjacent to CEME is a potential opportunity for us to expand.

The root and branch review undertaken by HaysMacintyre in 2021/2022 is being implemented and that is beginning to deliver additional controls and efficiencies. I am delighted to report that CEME have successfully dealt with a 300% increase in energy costs during 2022 through careful management of our contracts and budgetary controls.

We successfully tendered for a new Solar PV array to all 3 buildings on our campus that will produce over 25% of all our energy on site. We selected a contractor and were in a position where we could submit a planning application, ready for installation in the summer of 2023. The current solar array is 20 years old and coming to the end of its life. Interestingly it was the largest solar array in London when it was first installed.

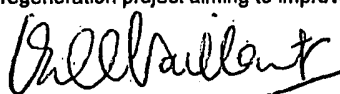
Another highlight during 2022 was our new strategic partnership with Quantum Group and Daikin, to establish a new Centre of Excellence for Renewables Training. The Centre will offer accredited training for utilities engineers, enabling them to upskill into Heat Pump, Solar, and sustainable water heating technologies, all of which are crucial to meet home retrofit works, and green construction methods for new builds.

On a personal note I'm delighted that CEME were able to sponsor an East London based female student through the Arkwright Engineering Scholarship, showcasing our support to develop tomorrow's engineers. In addition, we delivered fun and informative STEM and career sessions to over 500 school children through our Gateway to Skills STEM programme. Feedback from our school children showed that 64% of them would now consider a career in engineering and technology.

Under the leadership of our new chief executive Noorzaman Rashid and a strengthened Senior Leadership Team we are confident that despite the economic challenges facing us and similar businesses that we will have a good 2023.

CEME remains an ambitious regeneration project aiming to improve prosperity within the region.

Valerie Le Vaillant OBE
Chair, CEME

 08.06.23

Centre for Engineering and Manufacturing Excellence Limited

Chief Executive's outlook

Having taken on the leadership reins of CEME in April 2021 I was delighted to engage with key stakeholders across the far East of London, South Essex and the Thames Estuary. This part of the SE of England provides enormous business opportunities that can contribute to the countries GDP and CEME has a special role to play as a catalyst for economic regeneration, accelerator for Greentech and champion of inclusive business growth. These three strategic objectives align with the aspirations of all infrastructure organisations within the region committed to job creation and economic prosperity. What will set CEME apart is our closeness to our local communities and the way we will measure and deliver social value.

Our new strategy launched in 2023 has been warmly welcomed by local authorities, The GLA, Thames Freeport and the Thames Estuary Growth Board who we will be working with hand in glove to meet the skills needs of the region, increasing the flow of talent to business and industry.

We have a significant challenge in attracting £29m funding with the TEGB and Thames Freeport to help create the first Hydrogen Living Lab focussed on HGVs and river transport on the CEME Business Campus. This strategic initiative is expected to come to fruition by the end of our 5-year strategy. The creation of such a research centre will attract other micro manufacturing businesses focussed on Greentech and sustainability. Working with Local London we will contribute to creating a strategy for Greentech skills development supported by NOCN Group one of the largest apprenticeship and training providers in the country.

Over the next 3 years the historic food, meat and poultry markets currently in London will move to Barking Docks. Working with the City of London Corporation and The London Borough of Barking and Dagenham we will explore opportunities for training and development through our Business Growth Academy BGA to help market traders modernise by embracing e-commerce. CU London is growing as a Higher Educational Force within East London we expect to develop a programme of Master classes with them to support entrepreneur's and start up business owners through our BGA.

Emerging out of the pandemic in 2022 we ran into the cost of living crisis, which inevitably impacted small businesses and start-ups. CEME's excellent support and continuous encouragement to our resident tenants resulted in less than a handful of tenants leaving the CEME business Campus. The impact of the Ukraine war continues to play an underlying role and in particular its impact on energy prices. These issues will continue to impact our profitability in 2023.

We now refer the CEME Business Campus as "CEME 1" as we have aspirations to work with other local authorities in particular The London Borough of Havering to identify opportunities where we can recreate similar business campuses.

CEME have a new Strategic Leadership team , who are energised to work at pace to make a difference to people's lives through creating "prosperity"



8.6.23

Noorzaman Rashid
Chief Executive, CEME

Centre for Engineering and Manufacturing Excellence Limited
Legal And Administrative Information

BOARD OF TRUSTEES

<u>Name</u>	<u>Changes since last audited accounts</u>	<u>Organisation Represented</u>
Valerie Ellen Le Vaillant (Chair)		
Noorzaman Rashid (Chief Executive Officer)	Appointed 01/04/2022	
Chris Peter Rolls (Financial Director)	Appointed 01/05/2022 resigned 8/12/2022	
Geoffrey Richman		Ford Motor Company
Judith Armitt		
Keyvan Djamarani		
Yvonne Kelly	Resigned 28/02/2023	Barking & Dagenham College
Findlay Macalpine		
Barak Maoz		
Neil Andrew Stubbings		London Borough of Havering
Alessandro Attanasio		Ford Motor Company

SECRETARY

Chris Peter Rolls (Financial Director) Appointed 01/05/2022 resigned 8/12/2022

REGISTERED AND PRINCIPAL OFFICE

CEME Campus
Marsh Way
Rainham, Essex
RM13 8EU

COMPANY NUMBER

04238862 (England and Wales)

CHARITY REGISTRATION NUMBER

1133396 (England and Wales)

AUDITORS

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

BANKERS

Barclays Bank Plc
1 Churchill Place
London
E14 5HP

SOLICITORS

Forsters LLP
31 Hill Street
London
W1J 5LS

Centre for Engineering and Manufacturing Excellence Limited

Report of the Trustees

The Trustees of the Centre for Engineering and Manufacturing Excellence Limited (hereafter known as CEME Ltd.) are the charity's Trustees under charity law and the directors of the charitable company. The Trustees of CEME Ltd. present their Annual Report for the year ended 31 December 2022 under the Charities Act 2011 and the Companies Act 2006, including the Directors' Report together with the audited financial statements for the year.

Charitable Objects

The objects for which the company is established ("the objects") are the promotion for the public benefit of urban or rural regeneration in selected areas of social and economic deprivation in the Boroughs of Tower Hamlets, Hackney, Newham, Greenwich, Bexley, Barking & Dagenham, Havering, Thurrock, Waltham Forest, Redbridge, Lewisham, Enfield, Haringey and Dartford (together the "boroughs").

Review of Strategic Aims and Key Objective

The CEME Vision is a world where engineering, technology, design and manufacturing businesses improve life and wellbeing

CEME is committed to creating prosperity in the sectors and communities it serves, through the creation of an environment where business growth is accelerated, creating new employment opportunities, facilitating training and development activities to help improve the changes that local residents develop the skills, aptitude and attitude needed to secure and thrive in those new jobs.

The CEME Mission is to "deliver prosperity in regeneration areas by creating business growth partnerships, partnerships and opportunities in manufacturing, engineering and technology."

CEME are embedded in, and proud to support the UK manufacturing, engineering and technology sectors. CEME look for opportunities to create economic prosperity and growth in areas that may be overlooked, or worse still avoided, because the challenge to create economic growth appears to be unlikely to achieve. CEME believes that regeneration through economic growth is possible when stakeholders come together to create inspiring projects.

We achieve amazing outcomes through forming effective partnerships with key stakeholders from industry and the public sector to create inspiring projects that serve the communities within their locality. We work with partner organisations to deliver a service that, through experience, we know supports increased business success and growth for our customers.

We provide customers with offices, lab space, machine workshops, prototyping facilities, business and funding skills, apprenticeships and more.

CEME's promise is to always do its best to live our values in providing our customers with an inspirational environment for learning and business growth, we know it works, and our customers businesses grow faster as a result.

CEME Values

Inspiring. Inclusive. Innovative. Open and Honest.

CEME is more than an inspirational environment for business and learning – it's a dynamic contributor to business growth helping businesses based at CEME to grow faster than the national average. The creation of our Business Growth Academy is a perfect example of how through learning, collaboration and networking we add value for entrepreneurs, start-ups and innovative businesses.

Our mission is to inspire inclusive business growth, contributing to economic prosperity.

By working with organisations such as the Thames Estuary Growth Board, we are in an optimal position to help our business community benefit from regional regeneration and the economic infrastructure delivered by the Thames Freeport and the evolving hydrogen energy ecosystem. CEME business campus has been chosen as the preferred site for a £29m development for a Hydrogen Living Lab enabling us to act as a catalyst for economic regeneration, skills development and job creation. We look forward to working with partners to realise this opportunity.

Our values reset in 2022 define our ambitions and aspirations to act as a catalyst for economic regeneration, accelerator for Greentech and very importantly to champion inclusive business growth. We have adopted new values to help drive behaviours, attitude and position CEME to be more engaging with our communities and local stakeholder organisations with similar aspirations.

We will be Inspiring helping people to achieve more

We will be Inclusive involving everyone regardless of who they are

We will be Innovative, exploring thinking that will change the world and how we live.

We will be Open and Honest, displaying the highest levels of integrity in all that we do.

Centre for Engineering and Manufacturing Excellence Limited

Report of the Trustees

Overview

CEME continues to deliver a positive economic impact in East London and the wider Thames Estuary area since its opening in 2003. CEME brings together employers, educators, skills, and training organisations in a unique and effective way – delivering faster business growth with upskilling and training of local residents. The outcome we strive for is companies growing faster, being more ambitious, finding, and developing local talent. Companies grow faster; on and off the campus and local residents participate in this growth, as employees, as business owners and as customers and suppliers of CEME.

*Skillnet have been running the Ford Motor Company Apprenticeship Programme from CEME for 10 years, utilising a number of the engineering workshop and classroom facilities to deliver Apprentice training. CEME provides an ideal space to introduce technical engineering education in a safe and clean working environment that places a significant emphasis on the Health, Safety and wellbeing of its tenants.

From its East London Campus CEME hosts a range of public and private organisations delivering:

- Commercial business training
- Small business support and development
- Training and education in business and related studies
- Apprenticeships and related education in engineering and technology sectors
- Training for the public sector
- A technology start-up innovation centre
- A world class event space operation
- Supporting inward investment missions to the region

Public Benefit

CEME's Board of Trustees regularly monitor and review the success of the organisation in achieving its aim to create faster enterprise growth leading to increased levels of employment in the communities it serves. The Trustees confirm that they adhere, observe and monitor the guidance as published by the Charity Commission under section 4 of the Charities Act 2011 when reviewing the charity's aims and objectives and in planning future activities. The Trustees confirm, in the light of the guidance, that these aims; fully meet the applicable public benefit tests and that the activities of the charity, described in this report under four specific aims, are undertaken in pursuit of those aims.

The Trustees review the activities set out within the RR2 activities under the Promotion of Urban and Rural Regeneration for public benefit in areas of social and economic deprivation. The Charity Commission as a charitable purpose recognised this.

What CEME does

On its East London campus CEME offers good quality, high specification accommodation for training solutions providers. In addition to technical classrooms and facilities, CEME provides its customers with extensive engineering and technical workshops and labs equipped with a range of engineering and product design, test and development equipment.

CEME also operates an Innovation centre and a Launchpad start up centre on the campus, providing high quality office and workshop space to support early stage growth and start-up businesses. CEME aims to provide these customers with a one-stop shop for business support services and advice, all aimed at accelerating growth. East London Tech Circle and CeMEET are examples of the popular networking events that have grown in popularity.

The Launchpad Centre is aimed at supporting start ups and very early stage growth organisations. This offer includes co-working, hot desk, fixed desk and small office spaces to let for customers. Our aim is to remove barriers to encourage more start-ups to exploit opportunities to the fullest extent. The Launchpad customers also benefit from a tailored business programme to support accelerated growth.

CEME has a dedicated Event space customer offering, from simple rooms for two or more people, to executive board rooms and the futuristic POD theatre where organisations can host a wide range of meetings and events. The flexibility of space offering has been attractive in past years and continues to attract new and existing clients as they can easily flex up and down in terms of space on the campus, using event space as on tap additional space to office accommodation. The event space offer is carefully "woven into" the CEME offer – bringing local business owners onto the campus and in the process helping raise their own aspirations for business growth. The Launchpad Centre also offers a range of tailored products and services to a wide range of public and private clients.

CEME, as part of a public benefit initiative, hosts a Hydrogen refuelling station (HRS) on the campus, in partnership with ITM Power Trading Limited. This facility has been available to the public since 2016. In early 2022, we expect to complete a significant upgrade and expansion of this facility to welcome an increased number of customers utilising this facility. This marks the increased utilisation of this "greener fuel" in the UK.

The HRS and CEME's partnership with ITM Plc is an excellent example of high value manufacturing collaboration in the UK. The presence of an HRS production and fuelling facility on the CEME campus also serves as a significant technology demonstrator in the East of London drawing interest and visits from a wide range of interested parties.

Centre for Engineering and Manufacturing Excellence Limited

Report of the Trustees

This mix of private and public sector activities serves to create an outstanding offer for the local community. CEME works with local education institutions, schools, Further Education in Colleges and Universities in a variety of ways all aimed at improving the opportunities and aspirations of the local communities CEME serves. The Gateway to Skills programme will return to the benefit of local schoolchildren from April 2022 after an absence of two years due to the pandemic. CEME established Elutec, a University Technical College (UTC) in partnership with University College London (UCL) and Ford in 2014 and we welcome students onto the campus for work experience and placements every year. In addition to the 100 plus businesses operating on the campus, a diverse mix of business delegates regularly attend training and seminars in the Event Space.

CEME further delivers programmes to help its customers to recruit, retain and develop talent; providing pathways for local employers to develop and support a well-trained workforce, generating business growth and ultimately job and wealth creation for the local area.

Achievements and Performance

Aim 1: Provide education, training and re-training opportunities and work experience

Education

The London School of Academics (LSA), an award-winning provider of teacher training education that continues to flourish at CEME. LSA growth plans have now developed such that plans are underway to acquire a University status. LSA is particularly active in providing teaching career training leading to high quality employment opportunities for course participants, many of whom come to the programmes unemployed.

In 2021 the Event Space at CEME welcomed around 5,000 delegates purely for the purpose of education and training across 600 learner days.

In 2022, we expect to work more closely with Barking and Dagenham college. The college have committed to helping us deliver our Gateway to Skills programme. They have also again committed to having a base at CEME to promote the Institute of Technology programme to local businesses in collaboration with CEME.

The event space is an ultra-modern events and meetings venue offering innovative and flexible solutions for meetings requirements from a high-tech conference auditorium, the CEME POD theatre to small meeting/training rooms, conference, exhibition and outdoor space.

Apprenticeships

CEME is home to the Ford Motor Company engineering apprentice programme (FAP), which enjoyed another very successful year. In 2022, the intake is expected to increase to create more opportunities to young people.

Technical Training

During the year CEME hosted a wide range of technical training in its workshops and practical classrooms including Integrated Manufacturing Skills, multiskilling (electrical for mechanical and mechanical for electrical), electronics modules, welding, programmable logic control programming and testing and engineering health and safety.

CEME is proud to be the home of Fast Line Training Services who deliver technical skills and training courses for the rail sector. In 2021 Fast line expanded their footprint further in order to deliver additional practical training courses in the CEME workshops.

Aim 2: Help unemployed people find employment

CEME continues to host assessment centres for the recruitment of a variety of employment opportunities including apprentices, entry level technical and safety training/certification for sectors such as the construction and rail, newly qualified teachers, medical staff and a host of other employment activities.

Aim 3: Provide support to businesses where it leads to training and employment opportunities for unemployed people.

The CEME Innovation Centre provides office and workshop space and related services to SMEs on flexible terms that enable them to take up accommodation without the risk of prohibitive lease payments should they suffer a financial downturn. In addition, a wide range of business support services is provided to support accelerated growth.

During 2022 the CEME Innovation Centre provided office space and business support for over 100 small businesses. The Innovation Centre has had an average occupancy of over 80% during the year. In keeping with previous years, several tenants expanded during the year, effectively outgrowing the Innovation Centre. Launchpad building is geared towards fledgling businesses and offer from virtual office to hot desking to small offices based on the requirements of the business. This building boasted an average occupancy of over 85% during the year.

Centre for Engineering and Manufacturing Excellence Limited

Report of the Trustees

Aim 4: Provide land and buildings on favourable terms to businesses in order to create training and employment opportunities for unemployed people

The CEME Innovation Centre provides a valuable resource to local businesses and entrepreneurs. The centre provides high quality accommodation and support services on a simple 'the price you see is the price you pay' model offering to start-up businesses with an affordable and low risk accommodation solution. This attractive offering is evidently meeting a need and continued to enjoy occupancy levels in excess of 90% over the year. We will bring additional smaller units online in 2023 to meet a growing customer demand.

For businesses, which are too small to afford an office in a business centre, CEME offers a 'virtual tenancy'. This service enables a business to have a front desk services at the Innovation Centre and use its meeting rooms. The Innovation Centre supports many local micro-businesses with this service throughout the year.

LOOKING AHEAD at CEME

During 2022 CEME developed a new strategy for growth. The underpinning pillars of the strategy meant to grow responsibly, with a focus on new activities that deliver a positive impact and sustainable performance without compromising being an environmental exemplar. This is how we operate the campus and the buildings when forming the new partnerships. In 2023 we are planning to bid for funding to start a hydrogen-focussed innovation centre on Campus in partnership with the University of Kent and ITM Motive. The newly emerging Thames Freeport is a wonderful opportunity for CEME to deliver a success in the wider Thames Estuary in collaboration with partners.

In April 2022, our Gateway to Skills programme will resume which will see over 1,000 early secondary students come to CEME to learn about STEM (Science, Technology, Engineering, Mathematics) and to encourage these students to consider careers within these subjects.

At CEME we work in partnership with regional and local government, local and national or international employers and private developers to understand the local economic landscape and regeneration aims and needs. Using the influential capital of commerce, the social capital of local government and the physical capital of supportive places our aim is to pull together partnerships to deliver ambitious projects to meet the specific ambitions of a community.

The CEME model does not rely on external funding or support to deliver on its vision and charitable aims.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Charities SORP FRS102.

Centre for Engineering and Manufacturing Excellence Limited (trading as CEME) is constituted as a company limited by guarantee (registration number 04238862) and is governed by its Memorandum and Articles of Association. CEME was registered as a charity (registration number 1133396) in December 2009.

CEME Enterprise Limited is a registered company number 7115923 incorporated on 5 January 2010 and is a wholly owned subsidiary of CEME.

The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Centre for Engineering and Manufacturing Excellence Limited

Report of the Trustees

Board of Trustees

The Board of Trustees, who are also directors of the charity for the purposes of the Companies Act, have overall responsibility for the direction, management and control of the charity. As discussed below, some of these activities are delegated to sub-committees of the Board. Overall, operational management of CEME is delegated to the Executive Officers.

The Board is subject to a maximum of 12 and a minimum of 8 directors. Under the articles of association, the composition of the board is as follows:

- Three directors appointed by members of CEME:
 - o One representative director nominated by Ford Motor Company
 - o One representative director nominated by Havering College of Further and Higher Education and Barking and Dagenham College (BDC)
- o One representative director nominated by the London Borough of Havering
- Additional directors appointed by the board, with specific expertise
 - One senior independent non-executive Director to provide business and commercial expertise
 - Additional non-executive directors as required to provide expert advice on subject areas of relevance to CEME such as skills and education, business development, regeneration initiatives, and manufacturing, engineering and technology to the Board
 - One non-executive director to act as Chairman
 - Two executive directors, being the Chief Executive Officer and Chief Financial Officer

The directors appointed by members are senior executives in those organisations. Ford is represented by a senior executive of Ford Britain. The colleges by the College Principal & CEO and the London Borough of Havering by its Director of Neighbourhoods.

A director may hold that office for an initial period of three years, this is renewable on a mutually agreed basis.

Typically, the board meets six to eight times per year. New directors are inducted through a formal induction process, which includes a comprehensive briefing with the Chief Executive Officer and a site visit in addition to a number of other initiatives. The Trustees review and monitor the financial performance of the Charity, foreseeable significant events and risks are analysed and their possible financial impact is investigated with corrective action taken as necessary.

Throughout the year, the Trustees continued to monitor the effectiveness and overall terms of reference for the sub committees, to ensure they are following best practice in the sector.

The Board appoints members of the Audit Committee, Nominations Committee and the Remuneration Committee. The Audit Committee, which usually meets three times a year and the Remuneration Committee are made up of Trustees with relevant skills and experience. The Remuneration Committee supports the Board in reviewing and setting the remuneration of the executive directors. The remuneration procedure is discharged by the chair. The Nomination Committee reviews candidates for the appointment to the Board making recommendation to the board on the appointments.

CEME's approach to remuneration is designed to ensure we attract and retain the talented and motivated people we need to achieve our vision and deliver our strategic goals. It is applied consistently across the organisation. We aim to pay fair and competitively in the not for profit sector within the context of affordability and considering the complexity of each role. CEME links pay to performance and provides salary progression for those who deliver exceptional performance. The level of remuneration is benchmarked to organisations in the area of similar size type and complexity. External independent consultants carry out, on a regular basis, the benchmarking. The Chief Executive and the board as appropriate then agree the remuneration.

The Trustees are aware of the Charity Governance Code published in 2017, which sets out the principles and recommended practice for good governance within the sector. The Trustees regularly discuss best practice at CEME Board Meetings and are satisfied that the Charity applies the principles of the code within its current Governance arrangements. A board self-evaluation exercise is planned for early 2022.

Related Parties

CEME operates a wholly owned subsidiary CEME Enterprise Limited, this is a commercial organisation that conducts the Conference Centre business and hence is a related party to the charity (CEME Ltd).

CEME is under the common control of Ford Motor Company, London Borough of Havering, Havering College of Further Education, Barking and Dagenham College. The companies Article of Association as amended in October 2019 state that each of the above is a member of CEME. As a member of CEME they have the right to appoint a director to CEME board which are noted in the section above. The Greater London Assembly rents to CEME the land on which CEME Centre of Excellence is sited on a 125-year lease at a peppercorn rent. It also leases the Innovation Centre on a 125-year lease at a peppercorn rent. The ultimate freeholder is the Ford Motor Company.

Centre for Engineering and Manufacturing Excellence Limited

Report of the Trustees

FINANCIAL REVIEW

Trading Performance

CEME's principal income is derived from fees charged to users of the facility. CEME provides a fully provisioned teaching environment for providers of education and skills and tailored office space and support services to businesses. This income is augmented by revenues from a trading subsidiary that runs a conference centre at CEME. These revenues are disclosed as "Income" on the Consolidated Statement of Financial Activities.

CEME operates a number of buildings on its park, the main building that accommodates the providers for skills and education and office space as well as the conference centre. Other buildings include a wholly devoted Innovation centre. CEME's revenue for the year was £4,156,654 and the adjusted loss is £527,995 (the loss includes a depreciation charge of £911,680). Prior year revenue was £3,912,270 and adjusted loss of £253,819 (the loss includes a depreciation charge of £896,321).

As mentioned above, the event space business is run through a wholly owned trading subsidiary named CEME Enterprise Ltd. Revenues for the year of £303,293 with a loss of £73,857. Prior year revenue £413,183 with a profit of £84,863. The accommodation costs for the conference centre are in line with rates paid by major clients in other parts of the building. The event space is considered an important regeneration offering as part of the wider CEME model and impact objectives.

Reserves Policy

Total funds held at 31 December 2022 amounted to £22,296,561.

Unrestricted Income Funds consist of tenant's income less operating results incurred to date.

Restricted Income Funds consist of grants received for restricted purposes (full list of the grants is contained in note 21 of the accounts) and amounted to £14,078,214 at 31 December 2022. Capital grants are used to fund building works and the acquisition of new teaching equipment.

The Trustees have reviewed their reserves policy during the course of the year and set the reserves policy that requires:

- Reserves to be maintained at a level, which ensures that the organisation's core activity could continue during a period of two months following a time when revenue falls to zero.

- Maintain a proportion of reserves in a readily realisable form.

The calculation of the required level of reserves is an integral part of the organisation's planning, budget and forecast cycle.

The Trustees believe it is necessary to hold reserves of two months' unrestricted expenditure equating to £600K at 31 Dec 2022. The Trustees regularly monitor the cash position and resources available to CEME to achieve its operational goals and are satisfied that current cash flows and the agreed overdraft facility is sufficient to provide adequate working capital. At the balance sheet date, the group held unrestricted funds totalling £8,218,347 with net current liabilities of £307,420 (2021: £215,715); the cash component is £1,582,524. Free reserves are calculated as unrestricted funds less tangible fixed assets and loans to procure fixed assets and tenant's deposits. At the Balance Sheet date, CEME had free reserves of £479k. CEME has prepared a five year forecast with detailed operating plans including cashflows and is satisfied that with the cash reserves and its bank overdraft facility that it has appropriate reserves. The five year forecast taking into account Covid -19 shows the free reserves position strengthening over the five year forecast period with free reserves approximately £900k by the end of the plan.

Going Concern

CEME has delivered a strong financial performance and has enjoyed an encouraging start to 2023 with record levels of tenant occupancy on the campus. The Event space, which has undergone a restructure in 2022 remains a major part of the offering at CEME. Under the control of the Business Development Director there is an encouraging positive start to 2023. Cash position remains strong and is forecast throughout 2023.

At the time of making this assessment occupancy across the campus is strong and the evidence of the last twelve months have suggested that CEME is ideally placed for customers seeking high quality business space in the vicinity of East London, accessible by car and offering a secure and safe Covid 19 prepared environment. The anticipated occupancy in 2023 provides a reasonable assurance of stable performance and steady cashflows to meet working capital needs and servicing debt on a timely basis.

Cash position at the end of February 2023 was £925,573. This reduction was primarily due to payment of outstanding rent (including previous years) for the Launchpad in February 2023 as a part of acquiring a long term lease from the GLA for this building. Our immediate planning process, including financial projections, has taken into consideration the current economic climate and uncertainty and its potential impact on the various levels of income and planned expenditure.

CEME has a cash balances at the year-end of £1,583k (2021 £1,494k) and it has an overdraft facility of £400K that has been in place since May 2015 and which has never been utilised due to its strong cash position and continued demand of its accommodation and related services.

Management believe that CEME has adequate financial resources and are well placed to manage these significant business risks.

The directors, having considered cash flows, income streams and operations believe that CEME has adequate resources to continue in operational existence for the foreseeable future.

The accounts have therefore been prepared on the basis that the charity is a going concern.

Centre for Engineering and Manufacturing Excellence Limited

Report of the Trustees

Risk Management and Internal Control

The Trustees have overall responsibility for ensuring that the organisation operates an appropriate system of controls, financial and otherwise, to manage the strategic and operational risks the Charity is, and could be, exposed to. Processes in place regarding risk management and internal controls include the following:

The Audit Committee is responsible for monitoring the effectiveness of the internal controls and reports to the Board the results of such monitoring. This is achieved through:

- o CEME's systems of financial control, risk management and compliance
- o the nature and scope of the external audit, and any matters raised, for the attention of Management.
- o the need for the internal audit, any changes to audit plans to take account of emerging risks and new areas of business as appropriate.

The systems of control operated within CEME are designed to provide reasonable, but not absolute assurance against material misstatement or loss. They include:

- o Five-year plan and cash flow forecast
- o Annual business plan, budget and cash flow forecast
- o Regular consideration by the Trustees of actual results compared with budgets, forecasts and trends,
- o Cash flow and reserves levels
- o Segregation of duties
- o Identification of, and management of, risks
- o Regular review of financial procedures.

The Trustees, in partnership with the Executive Committee (EXCO), play a key role in the identification, evaluation and monitoring of major risks to which CEME is exposed. CEME has robust risk management and monitoring processes in place to assist in the strategic and operational management of the organisation. The risks are monitored through a risk register that is updated and reviewed on a regular basis. The risk register looks at risks and assesses the impact on CEME based on the following criteria financial, strategic, reputational and operational. It also identifies detection methods, preventative and recovery controls.

CEME recognises the value and importance of effective risk management. CEME practices a culture of risk management that permeates all levels and operational functions of the organisation. To support this, additional components of the risk management framework include:

The requirement for all staff and managers to prepare comprehensive project related risk assessment and management documentation for all new initiatives, which mandates an assessment of risk.

New development opportunities requiring investment of the organisations resources including capital investment undergo a feasibility analysis, including an assessment of risk.

CEME's Trustees have established a target for the levels of reserves held, to mitigate the impact on the organisation of the risks that do materialise.

CEME is committed to its risk management processes, and Senior Managers and Trustees are continuing to develop and refine risk management and control processes, which are both, appropriate to the organisation and whose effect can be measured. The table below provides key risks and the actions that are undertaken to manage the risks. CEME also maintains a full risk register that identifies the risks, detection controls, prevention controls and recovery controls. This is formally reviewed on a regular basis.

Centre for Engineering and Manufacturing Excellence Limited

Report of the Trustees

Risk	Management
Economic pressures, Competition and Major Client behaviour change	<p>Annual budgeting and ongoing management reporting, plus monitoring of financial performance. Review of existing pipeline plus targeted additional spend on sales and marketing as deemed necessary</p> <p>The ongoing evaluation of longer-term strategy that targets the diversification of income from new and additional clients.</p>
Incidents that may impact/damage reputation or negatively impact operations including cyber security, fraud and major incidents	<p>Proactive detection, monitoring investigating and reporting of adverse incidents or events. Use of risk register is employed,</p> <p>Continued programme to drive IT improvements and strengthen infrastructure and protection of data.</p>
Substantial reduction in key conference centre client business leading to reduced profitability	Monitoring of current conference facility booking levels against monthly forecast and budgets. Review of current pipeline and increased marketing spend as required.
CEME strategy and activities not fully focused to meet Charity Commission RR2 criteria	Monitor and record public benefit activities and keep the level of regeneration activities above any required level.
Impact of Brexit - due to uncertainty following the exit from European Union	Monitor the activity levels of rental pipeline. Monitor the impact on the tenants business compared to previous periods.
Economic Downturn - due to the national and international influences	Monitor the economic indicators especially the rental market especially in comparing to competitors.
Impact of Covid 19	<p>Monitor the cash situation with the intention of saving cash.</p> <p>Seek to increase cash facilities i.e. grants, loans and government support.</p> <p>Work closely with customers to retain a sustainable business</p>

Centre for Engineering and Manufacturing Excellence Limited

Statement of trustees' responsibilities

The Trustees (who are also directors of the Centre for Engineering and Manufacturing Excellence for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year.


Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 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. Disclosure of Information to Auditors Insofar as each of the trustees of the charitable company at the date of approval of this report is aware there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each trustee has taken all of the steps that he/she should have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Signed on behalf of the Board



Valerie Le Vaillant
Trustee

Date 08.06.2023

Centre for Engineering and Manufacturing Excellence Limited

Independent Auditors' Report

Opinion

We have audited the financial statements of the Centre for Engineering and Manufacturing Excellence for the year ended 31 December 2022 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is 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).

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2022 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Centre for Engineering and Manufacturing Excellence Limited

Independent Auditors' Report

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- The information given in the report of the trustees (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the trustees (which incorporates the strategic report and the directors' report).

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

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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:

Based on our understanding of the charitable company and the environment in which it operates, we identified the principal risks of non-compliance with laws and regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011, and considered other factors such as GDPR, health and safety legislation, tax legislation and employment legislation.

Centre for Engineering and Manufacturing Excellence Limited

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management override of controls and completeness and cut off income. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

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 auditor's report.

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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Weaver
Senior Statutory Auditor
For and on behalf of
Haysmacintyre LLP
Statutory Auditor

10 Queens Street Place London EC4R 1AG

Date 22 June 2023

Centre for Engineering and Manufacturing Excellence Limited
Consolidated Statement of Financial Activities
for the Year Ended 31 December 2022 (incorporating income and expenditure accounts)

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Income from					
Other trading activities	3	2,454,044	-	2,454,044	2,319,399
Investment income		21	-	21	51
Charitable activities					
Skills & education and business support accommodation and related services	4	1,695,623	-	1,695,623	1,592,820
Segro funding		6,967	-	6,967	-
Total Income		4,156,655	-	4,156,655	3,912,270
Expenditure on					
Raising funds	5	936,005	-	936,005	866,466
Charitable activities					
Skills & education accommodation and support services	6	3,275,348	447,089	3,722,437	3,299,133
Skills delivery and business support		-	7,457	7,457	490
Total cost of charitable activities		3,275,348	454,546	3,729,894	3,299,623
Total expenditure	8	4,211,353	454,546	4,665,899	4,166,089
Net income/ (expenditure)		(54,698)	(454,546)	(509,244)	(253,819)
Net movement in funds		(54,698)	(454,546)	(509,244)	(253,819)
RECONCILIATION OF FUNDS					
Total funds brought forward at 1 January		8,273,045	14,532,760	22,805,805	23,059,624
Total funds carried forward at 31 December		8,218,347	14,078,214	22,296,561	22,805,805

Centre for Engineering and Manufacturing Excellence Limited
Charity and Group Balance sheets
as at 31 December 2022

	Notes	Group 2022 £	2021 £	Charity 2022 £	2021 £
FIXED ASSETS		23,242,080	24,006,999	23,219,282	23,974,425
Tangible Fixed Assets	12	23,231,251	23,989,338	23,207,453	23,955,764
Intangible Assets		10,829	17,661	10,829	17,661
Investments	13	-	-	1,000	1,000
CURRENT ASSETS		1,905,807	1,805,438	2,163,860	2,006,238
Debtors	15	323,283	311,928	768,341	543,911
Cash at bank and in hand		1,582,524	1,493,510	1,397,519	1,462,327
CREDITORS: amounts falling due within one year	16	2,213,227	2,021,153	2,171,118	1,985,872
NET CURRENT (LIABILITIES)		(307,420)	(215,715)	(7,258)	20,366
TOTAL ASSETS LESS CURRENT LIABILITIES		22,934,660	23,791,284	23,212,024	23,994,791
CREDITORS: amounts falling due after more than one year	17	638,099	985,479	638,099	985,479
Net Assets		22,296,561	22,805,805	22,573,925	23,009,312
Funds of the Charity					
Unrestricted income funds	20	8,218,347	8,273,045	8,495,711	8,476,552
Restricted income funds	21	14,078,214	14,532,760	14,078,214	14,532,760
Funds of the Charity		22,296,561	22,805,805	22,573,925	23,009,312

The notes on pages 21 to 33 form part of these financial statement.

Company Registration Number : 04238862

The net result for the year reported within the financial activities of the parent charity was a deficit of £454,137 (2021: deficit £338,682).

Approved and authorised for issue on behalf of the Board and signed on their behalf by:



Valerie Le Vaillant
Trustee

08.06.2023

Centre for Engineering and Manufacturing Excellence Limited
Consolidated Cash Flow Statement
for the Year Ended 31 December 2022

	Notes	2022 £	2021 £
Cash flow from operating activities:			
Net cash (used in)/provided by operating activities	1	575,970	597,437
Cash flow from investing activities			
Purchase of property, plant and equipment		(146,761)	(293,106)
Net cash provided by (used in) investing activities		429,209	304,331
Cash flows from financing activities:			
Repayment of borrowing		(361,437)	(399,277)
Finance lease Interest paid		(52,590)	(74,202)
Cash inflows from new borrowing		73,833	249,965
Net cash provided by financing activities		(340,194)	(223,514)
Change in cash and cash equivalents in reporting period		89,015	80,817
Cash and cash equivalents at the beginning of the reporting period		1,493,509	1,412,692
Cash and cash equivalents at the end of the reporting period		1,582,524	1,493,509
		2022 £	2021 £
Note 1: Reconciliation of net (expenditure) to net cash flow from operating activities			
Net (expenditure) for the reporting period (as per the statement of financial activities)		(509,244)	(253,819)
Adjustments for:			
Depreciation and amortisation charges		911,680	896,321
Finance lease Interest paid		52,590	74,202
Decrease in debtors		(11,355)	35,319
(Decrease)/ Increase in creditors		132,299	(154,586)
Net cash provided by operating activities		575,970	597,437

Centre for Engineering and Manufacturing Excellence Limited
Notes to the financial statements
for the year ended 31 December 2022

1. CHARITY INFORMATION

CEME is a company limited by guarantee (registered number 04238862) which is incorporated and domiciled in England. It is also registered as a charity with the Charity Commission (registered number 1133396). The address of the registered office is CEME Campus, Marsh Way, Rainham, Essex RM13 8EU.

2. ACCOUNTING POLICIES

Basic of accounting

The accounts (financial statements) have been prepared under the historical cost convention in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

CEME Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The Financial statements of CEME Limited and its subsidiary company are consolidated, on a line-by-line basis, to produce the Group financial statements. The consolidated entity is referred to as 'the Group'.

In accordance with section 408 of the Companies Act 2006, no individual statement of financial Activities has been presented for the parent company, Centre for Engineering and Manufacturing Excellence Limited.

Preparation of Accounts on a Going concern basis

After making appropriate inquiries, the trustees have a reasonable expectation that CEME has adequate resources (strong cash balances) to continue its operational existence for the foreseeable future in the case of any decline in demands. We believe that there are no material uncertainties that casts doubt over CEME's ability to continue in operation. The accounts have therefore been prepared on the basis that CEME satisfies the going concern assumption.

We have set out in the Trustees Report a review of financial performance, the charity's reserves position and the management actions. We believe that we have adequate financial resources and are well placed to manage these economic risks. Our immediate planning process, including financial projections, has taken into consideration the current economic climate and uncertainty and its potential impact on the various sources of income and planned expenditure.

The directors, having considered cash flows, income streams and operations believe that CEME has adequate resources to continue in operational existence for the foreseeable future.

The accounts have therefore been prepared on the basis that the charity is a going concern basis.

Functional and Presentation currency

The functional currency of CEME Limited and its subsidiary is considered to be pounds (£) sterling because that is the currency of the primary economic environment in which the charity/group operates. The consolidated financial statements are also presented in pounds sterling.

Centre for Engineering and Manufacturing Excellence Limited

NOTES TO THE FINANCIAL STATEMENTS continued

Income

Income for Skills & Education business support, Accommodation and Related Services represents amounts invoiced, net of Value Added Tax, for the provision of training facilities, business incubation facilities and related supportive activities.

Income from operating leases is recognised in the period to which the rental income and support services relates and to the extent to which the company becomes entitled to the income under a tenancy lease agreement.

Where income for goods and services provided is received in advance of the goods or services being provided by the Centre for Engineering and Manufacturing Excellence Ltd the amount prepaid is credited to Deferred Income.

On receipt, donated professional services are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services of equivalent economic benefit in the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Amortisation of Capital Grants: Where fixed assets are acquired with the aid of specific grants, they are capitalised and depreciated in accordance with the stated depreciation policy, with the related grant being released from Restricted Reserves to Unrestricted Reserves over the expected useful life of the related fixed assets.

Significant Judgements and Estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The areas in the financial statements where estimations have been made include:

- Tangible Assets – the useful economic life of assets used in calculating depreciation

- Amortisation of Capital Grants: Where fixed assets are acquired with the aid of specific grants, they are capitalised and depreciated in accordance with the stated depreciation policy, with the related grant being released from Restricted Reserves to Unrestricted Reserves over the expected useful life of the related fixed assets.

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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Financial instruments

CEME Limited has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash and bank and in hand, together with trade and other debtors excluding prepayments. Financial liabilities held at amortised cost comprise overdrafts, trade and other creditors.

Centre for Engineering and Manufacturing Excellence Limited

NOTES TO THE FINANCIAL STATEMENTS continued

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category.

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of resources. The majority of overheads have been apportioned on the basis of headcount because that is the main driver of costs in the charity.

CEME initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between raising funds and the charitable activities undertaken (see note 8) in the year.

Governance costs are costs associated with the strategic as opposed to day to day management of the charity's activities.

TANGIBLE ASSETS AND DEPRECIATION

Fixed assets are stated at historical cost or valuation less depreciation.

Donated assets valued at £2,500 or over are recognised at market value as determined by an independent valuation when title is passed to CEME.

Purchased assets with a cost of £1,500 or over are recognised at historical cost when purchased.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

- Long Leasehold buildings and improvements thereto over 50 years
- Plant, Machinery and equipment over 4 to 10 years
- Office Furniture over 4 years

INTANGIBLE ASSETS AND DEPRECIATION

Intangible fixed assets are non-monetary fixed assets that do not have physical substance but are identifiable and are controlled by the Charity through custody or legal rights. An intangible asset is recognised when it is separable or arises from contractual or other legal rights and if it is probable that its expected future economic benefits will flow to the Charity, and if its cost or value can be measured reliably. Intangible fixed assets costing more than £1,500 are capitalised.

Intangible assets are measured initially at cost and subsequently at cost less impairment and less any accumulated amortisation. The residual value of intangible fixed assets is nil when calculating the charge for amortisation unless reliable evidence exists to the contrary. Amortisation of intangible fixed assets is charged as an expense to the relevant statement of financial activities (SoFA) category reflecting the use of the asset.

Intangible assets are amortised on a straight-line basis over their useful economic lives. If the useful life cannot be estimated reliably it is presumed to be no more than five years. Amortisation commences when an intangible asset is available for use.

Intangible assets represents software costs which is amortised at 20% per annum.

Intangible assets are only reviewed for impairment if there are indicators that the asset may be impaired.

Centre for Engineering and Manufacturing Excellence Limited
NOTES TO THE FINANCIAL STATEMENTS continued

INVESTMENTS

Investments in subsidiary companies of Centre for Engineering and Manufacturing Excellence Limited, are stated at cost.

FUND ACCOUNTING

Due to the constraints of law and donor imposed restrictions the charity segregates its funds between restricted funds and unrestricted funds. Unrestricted funds represent the accumulated surplus on income and expenditure and are available for use at the discretion of the Board in pursuing the general charitable objectives of the charity (see Report of the Trustees). Designated funds are funds that have been set aside out of unrestricted funds by the Board for a specific purpose, with the balance constituting the charity's General Reserves. There are no designated funds at present.

Where funds are received under contracts to run government funded programmes they are classified as restricted. When the service is provided, if any surplus arises this becomes unrestricted with agreement from the fund provider. Restricted funds represent income received where the donor has imposed restrictions as to how the monies shall be spend. The nature and purpose of the restricted funds are also set out in Note 21 to the financial statements.

LEASES

Where assets are financed by agreements that give rights approximating to ownership ('finance leases and hire purchase contracts'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum finance payments payable during the finance term. The corresponding finance commitments are shown as obligations to the provider of finance.

Finance payments are treated as consisting of capital and interest elements, and the interest is charged to the Statement of Financial Activities on a straight line basis.

All other leases are 'operating leases' and the annual rentals are charged to the Statement of Financial Activities on a straight line basis over the lease term. There are no operating leases at present.

PENSIONS CONTRIBUTIONS

The company operates a defined contribution scheme. The pension costs charged in the financial statements represent the contributions payable by the charitable company during the year.

Centre for Engineering and Manufacturing Excellence Limited
Notes to the financial statements

	2022 £	2021 £
3. Other Trading Activities		
Rent	1,923,576	1,651,234
Conference Centre	303,293	413,183
Support Services	227,175	254,982
	<u>2,454,044</u>	<u>2,319,399</u>

CHARITABLE ACTIVITIES

4. SKILLS & EDUCATION AND BUSINESS SUPPORT ACCOMMODATION AND RELATED SERVICES

	2022 £	2021 £
Further Education and Apprentices		
Space and Learning Support	544,452	557,210
Business Incubation Centre	745,538	715,938
Cafeteria	189,146	136,310
Launchpad	151,282	127,566
Training Centre	65,205	55,796
	<u>1,695,623</u>	<u>1,592,820</u>

5. RAISING FUNDS

	2022 £	2021 £
Conference Centre	463,048	394,301
Support costs	152,158	159,408
Space, IT and Shared Services	262,598	256,764
Telephone and Franking recharges	9,889	16,208
Car park cost	21,082	10,709
Governance costs	27,230	29,076
	<u>936,005</u>	<u>866,466</u>

Taxation - CEME is registered as a charity and as such is entitled to the exemptions under sections 466 to 493 Corporation Tax Act 2010. The company can claim all VAT incurred except where incurred on running costs of government funded programmes. These programmes are run on a reimbursement basis and therefore the cost of the irrecoverable VAT is covered by the grant funding.

6. SKILLS & EDUCATION ACCOMMODATION AND SUPPORT SERVICES

	2022 £	2021 £
Direct costs	2,581,615	2,131,896
Depreciation of building and founding asset infrastructure	663,217	669,061
Support costs	407,586	423,410
Governance costs	70,019	74,766
	<u>3,722,437</u>	<u>3,299,133</u>

7. GOVERNANCE COSTS

	2022 £	2021 £
Fees payable to the group's auditors for the audit of the group's annual accounts	27,000	27,500
Fees payable to the group's auditors for other work	7,000	6,100
Taxation fee payable in respect of the subsidiary	1,375	1,375
Trustee expenses, recruitment and insurance ¹	17,010	29,814
Board and committee support costs ²	44,864	39,052
	<u>97,249</u>	<u>103,841</u>

¹ Travel expenses incurred by Trustees in respect of CEME meetings amounted to £1,981 (2021: £827) during the year. The number of Trustees receiving expense reimbursement during the year was 2 (2021: 2). Trustee indemnity insurance cost £1,444 (2021: £2,261).

Centre for Engineering and Manufacturing Excellence Limited
Notes to the financial statements

Key Management Personnel

2 The key management personnel of the charity comprise the trustees, the Chief Executive and the Finance Director. Executive Directors were remunerated for acting in that role under the authority of CEME's memorandum and articles of association.

These costs reflect the pay and non pay costs of the CEO and Finance Director relating to preparation for and attendance at trustee meetings, and the pay and non pay costs of Non Executive Directors.

Valerie Le Vaillant was paid £15,000 for her services as a Chair. A non executive director, Dr Keyvan Djamrari, was paid £3,600 for performing that role. Payments to non-executive directors are made under the authority of CEME's memorandum and articles of association.

The Chief Executive, Noorzaman Rashid, started on 1st of April 2022 was remunerated as follows: pay £101,449, pension £6,594, employers NI £5,718 and other benefit £2,250. Mark William (CEO) resigned on the 13th of Jan 2022 was remunerated as follows: pay £4,682 (2021: £151,325), Bonus accrued £nil (2021 : £18,822), pension £8,893 (2021: £8,893), employers NI £418 (2021: £21,268) and other benefit of £107 (2021: £3,000).

The Finance Director, Chris Peter Rolls, started on the 1st of May 2022 and left on the 8th of Dec 2022, was remunerated as follows: pay £54,646, pension £3,552, employers NI £5,408.

8. TOTAL EXPENDITURE

	Direct Cost	Support Costs			Governance Cost	Total 2022
		Management	Finance	HR		£
Raising funds	756,617	68,385	78,033	5,740	27,230	936,005
Skills & education accommodation and support services	3,244,832	183,184	209,027	15,375	70,019	3,722,437
Skills delivery and business support	7,457	-	-	-	-	7,457
	<u>4,008,906</u>	<u>251,569</u>	<u>287,060</u>	<u>21,115</u>	<u>97,249</u>	<u>4,665,899</u>

	2021
	£
Raising funds	866,466
Skills & education accommodation and support services	3,299,133
Skills delivery and business support	490
	<u>4,166,089</u>

9. STAFF NUMBERS AND COSTS

The average monthly number of persons (including executive directors) employed by the company during the year was:

By activity	2022	2021
	No.	No.
Operations	20	19
Governance	1	2
Support	3	3
	<u>24</u>	<u>24</u>

	2022	2021
	£	£
The aggregate payroll costs of these persons were as follows:		
Wages and salaries	842,751	804,443
Social security costs	92,839	82,361
Other pension costs	47,580	56,043
	<u>983,170</u>	<u>942,847</u>

Those receiving employee benefits (excluding employer pension contribution) in the following ranges were:

	2022	2021
	No.	No.
£60,001-£70,000		
£60,001-£70,000	2	1
£70,001-£80,000	2	-
£80,001-£90,000	1	-
£120,001- £130,000	1	-
£150,001-£160,000	-	1

Pensions contributions made on behalf of employees earning in excess of £60,000 per annum were £24,257 (2021: £12,890).

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund.

Centre for Engineering and Manufacturing Excellence Limited
Notes to the financial statements

10. RELATED PARTY TRANSACTIONS

In the opinion of the directors the following were related parties of CEME: Ford Motor Company, Havering College of Further and Higher Education, Barking and Dagenham College, London Borough of Havering, and the London Development Agency. CEME transacted with the related parties during the year as follows:

	2022 Group £	2021 Group £
Regeneration programme funding:		
London Development Agency	-	-
For facilities rental and provision of core services by the Group:		
Ford Motor Company	93,249	105,489
London Borough of Havering	81,808	62,821
Barking and Dagenham College	-	-
For goods and services provided by the Group:		
Ford Motor Company	46,760	6,027
London Borough of Havering	38,115	6,134
Barking and Dagenham College	-	-
For goods and services provided to the Group:		
Ford Motor Company	-	-
The balances (owed by) / due to the Group at 31 December were as follows:		
Ford Motor Company	1,352	(9,939)
Barking and Dagenham College	-	-
London Borough of Havering	3,479	(16,894)
Havering College	-	-

The nature of the relationships with related parties was as follows:

 London Borough of Havering

Right of approval to changes in CEME's strategic plan and corporate governance structure:

 London Development Agency

During the year CEME Ltd has recharged CEME Enterprise Ltd (Subsidiary) cost of £355,553 (2021 : £340,601) made out of costs paid on behalf of CEME Enterprise totalling £321,777 (2021 : £307,089) plus rent and services provided by CEME Ltd totalling £33,776 (2021 : £33,512) excluding VAT, at year end the outstanding amount owed to CEME Ltd from CEME Enterprise Ltd was £501,549 (2021 : £280,738).

The Conference Centre includes £33,776 (2021 : £33,512) of apportioned costs for facility and IT. The apportionment has been calculated on the basis of volume of space utilised.

There were no related party transactions in 2022 or in 2021. Key management personnel (KMP) and Trustees expenses remuneration is disclosed in notes 11 and 11 respectively

11. NET EXPENDITURE

	2022 £	2021 £
The net expenditure is stated after charging		
Fees payable to the charity's auditors for the audit of the charity's annual accounts	20,000	21,400
Fees payable to the charity's auditors for the audit of the charity's subsidiary pursuant to legislation	7,000	6,100
Total audit fees	27,000	27,500
Taxation fees for the subsidiary	1,375	1,375
Total fees payable	28,375	28,875

	Group	Group	Charity	Charity
	2022 £	2021 £	2022 £	2021 £
Depreciation of tangible fixed assets	904,848	13,545	891,602	-
Amortisation of Intangible fixed assets	6,832	9,667	6,832	9,667
Rental costs relating to operating leases:				
Photocopy machines	-	-	-	-
(Loss) on disposal of fixed assets	-	-	-	-

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12. TANGIBLE FIXED ASSETS

	Group		
	Long Leasehold Buildings £	Plant, Equipment and Motor Vehicles £	Total £
Cost			
1 January 2022	36,138,410	6,198,441	42,336,851
Additions	-	146,761	146,761
Disposals	-	-	-
31 December 2022	<u>36,138,410</u>	<u>6,345,202</u>	<u>42,483,612</u>
Depreciation			
1 January 2022	12,805,684	5,541,829	18,347,513
Charge in the year	712,146	192,702	904,848
Disposals	-	-	-
31 December 2022	<u>13,517,830</u>	<u>5,734,531</u>	<u>19,252,361</u>
Net book value			
31 December 2022	<u>22,620,580</u>	<u>610,671</u>	<u>23,231,251</u>
31 December 2021	<u>23,332,726</u>	<u>656,612</u>	<u>23,989,338</u>

	CHARITY		
	Long Leasehold Buildings £	Plant, Equipment and Motor Vehicles £	Total £
Cost			
1 January 2022	36,138,410	5,990,553	42,128,963
Additions	0	143,291	143,291
Disposals	-	-	-
31 December 2022	<u>36,138,410</u>	<u>6,133,844</u>	<u>42,272,254</u>
Depreciation			
1 January 2022	12,805,684	5,367,515	18,173,199
Charge in the year	712,146	179,456	891,602
Disposals	-	-	-
31 December 2022	<u>13,517,830</u>	<u>5,546,971</u>	<u>19,064,801</u>
Net book value			
31 December 2022	<u>22,620,580</u>	<u>586,873</u>	<u>23,207,453</u>
31 December 2021	<u>23,332,726</u>	<u>623,038</u>	<u>23,955,764</u>

The net book value of plant and machinery includes £1,341,374 (2021 : £1,442,757) in respect of assets held under finance leases. The depreciation charge on these assets was £184,034 (2021: £153,315).

The long leasehold buildings are constructed on land leased by the Ford Motor Company Limited to The London Development Agency (see also Note 12) and sub-let by the London Development Agency to the Centre for Engineering and Manufacturing Excellence Ltd (CEME). The lease and the sub-lease expire in the year 2127.

In addition to use by CEME and its subsidiary company to operate activities such as the conference centre, and the Gateway to Skills Centre, the property assets are let out under operating lease agreements and short term rentals.

Centre for Engineering and Manufacturing Excellence Limited
Notes to the financial statements

INTANGIBLE FIXED ASSETS (Group and Charity)	Software £
Cost	
1 January 2022	34,160
Additions	-
Disposals	-
31 December 2022	<u>34,160</u>
Depreciation	
1 January 2022	16,499
Charge in the year	6,832
Disposals	-
31 December 2022	<u>23,331</u>
Net book value	
31 December 2022	<u>10,829</u>
31 December 2021	<u>17,661</u>

13. INVESTMENTS

	Group £	Charity Shares in group undertakings and participating interests £
Investment in subsidiaries	-	1,000
CEME owns 100% of the issued shares of CEME Enterprise Ltd.		

14. TRADING SUBSIDIARIES

Net expenditure of CEME before consolidation of the trading subsidiaries was £454,133 (2021 : £338,682).

The results for CEME Enterprise Limited (company number 07115923) are shown below. CEME Enterprise runs the conference centre at CEME. Net liabilities of the company were £276,364 (2021 : £202,507) at year end.

<u>CEME Enterprise Limited</u>	2022 £	2021 £
Total income	303,293	413,183
Government grant	-	-
Cost of sales	<u>(269,534)</u>	<u>(211,708)</u>
Gross Profit	33,759	201,475
Administration costs	<u>(107,616)</u>	<u>(116,619)</u>
Interest receivable	-	7
Profit/(Loss) before taxation	<u>(73,857)</u>	<u>84,863</u>
	2022 £	2021 £
Fixed Assets		
Tangible Assets	23,798	33,574
Current Assets		
Debtors	58,491	40,561
Prepayment	-	-
Cash at bank and in hand	185,005	31,183
Creditors: amounts falling due within one year		
Creditors	543,658	307,825
Net Current Liabilities	<u>(300,162)</u>	<u>(236,081)</u>
Total Asset Less Current Liabilities		
Net Liabilities	<u>(276,364)</u>	<u>(202,507)</u>
Capital and Reserves		
Share Capital	1,000	1,000
Retained Earnings	<u>(277,364)</u>	<u>(203,507)</u>
	<u>(276,364)</u>	<u>(202,507)</u>

Centre for Engineering and Manufacturing Excellence Limited
Notes to the financial statements

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
15. DEBTORS				
Due within one year:				
Trade debtors	183,175	217,072	124,684	168,317
Amounts owed by group undertakings	-	-	501,549	280,738
Other debtors and prepayments	140,108	94,856	140,108	94,856
	<u>323,283</u>	<u>311,928</u>	<u>766,341</u>	<u>543,911</u>

CEME Ltd has secured an overdraft facility of £400,000 with Barclays bank. This is secured on net debtors.

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
16. CREDITORS & LOAN : amounts falling due within one year				
Trade creditors	531,953	384,870	511,468	374,964
Deferred Income	384,803	363,079	384,803	363,079
Obligations under finance lease and hire purchase contracts	192,207	268,651	192,207	268,651
CBILoan	106,332	63,137	106,332	63,137
Other taxes and social security	101,821	68,082	90,041	52,033
Other creditors and accruals	896,111	873,334	886,267	864,008
	<u>2,213,227</u>	<u>2,021,153</u>	<u>2,171,118</u>	<u>1,985,872</u>

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Movement on deferred income (Due with in one year)				
Deferred income brought forward	363,079	363,584	363,079	363,079
Realised during the year	(1,371,477)	(1,735,340)	(1,371,477)	(1,725,107)
Deferred during the year	1,393,201	1,622,285	1,393,201	1,612,557
Deferred income carried forward	<u>384,803</u>	<u>250,529</u>	<u>384,803</u>	<u>250,529</u>

Deferred income relates to rental income received in advance of the period to which it relates.

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
17. CREDITORS & LOAN : amounts falling due after more than one year				
Deferred income	186,049	279,073	186,049	279,073
Obligations under finance leases and hire purchase agreements	147,429	290,411	147,429	290,411
CBILoan	304,621	415,995	304,621	415,995
Total creditors falling due after more than 1 yr	<u>638,099</u>	<u>985,479</u>	<u>638,099</u>	<u>985,479</u>

CBILoan terms are 5 years with the first payment during Jul 2021 (12month after the first drawdown), and a margin of 3%. The first 12 months are repayment and interest free.

CBILoan 2 terms are 5 years with the first payment during Jul 2022 (12month after the first drawdown), and a margin of 3%. The first 12 months are repayment and interest free.

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Notes to the financial statements

18. COMMITMENTS UNDER OPERATING AND FINANCE LEASES	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Future minimum operating lease payments are as follows:				
Plant and machinery:				
-Within one year	1,044	1,200	1,044	1,200
-Between one and five years	5,220	-	5,220	-
Future minimum finance lease payments are as follows:				
	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Building, Furniture, Plant and machinery:				
-Within one year	192,207	268,651	192,207	268,651
-Between one and five years	147,429	290,411	147,429	290,411

The London Development Agency rent the land on which the CEME centre of excellence is sited on a 125 year lease to CEME at a peppercorn rent. This lease excludes the Innovation Centre and expires in more than five years.

The London Development Agency rent the Innovation Centre land on a 125 year lease to CEME at a peppercorn rent. This lease expires in more than five years.

19. RENTAL OPERATING LEASES	2022	2021	2022	2021
	£	£	£	£
The future minimum lease rental income due from tenants operating leases are as follows:				
-not later than one year;	2,680,416	2,533,575	2,680,416	2,533,575
-later than one year and not later than five years	2,118,693	2,599,409	2,118,693	2,599,409
-later than five years;	-	-	-	-

20. STATEMENT OF FUNDS

	Balance 1 Jan 22	Income	Expenditure	Balance 31 Dec 22
Unrestricted Income Funds				
General funds	8,273,045	4,156,655	(4,211,353)	8,218,347
Restricted Income Funds	14,532,760	-	(454,546)	14,078,214
Total	<u>22,805,805</u>	<u>4,156,655</u>	<u>(4,665,899)</u>	<u>22,296,561</u>
2020 Comparative				
	Balance 1 Jan 21	Income	Expenditure	Balance 31 Dec 21
Unrestricted Income Funds				
General funds	8,072,318	3,912,270	(3,711,543)	8,273,045
Restricted Income Funds	14,987,306	-	(454,546)	14,532,760
	<u>23,059,624</u>	<u>3,912,270</u>	<u>(4,166,089)</u>	<u>22,805,805</u>

Centre for Engineering and Manufacturing Excellence Limited
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21. STATEMENT OF RESTRICTED FUNDS

	Balance 1 Jan 22	Expenditure	Balance 31 Dec 22
Capital and revenue costs of the Gateway to Skills Centre ²	40,216	(1,136)	39,080
Capital and revenue costs of the Gateway for Business programme ³	15,909	(456)	15,453
SRB 5 Capital - Delivery plan ¹	3,417,557	(107,923)	3,309,634
SRB IT Capital ¹	668,199	(21,066)	647,133
DTI ¹	2,598,924	(81,983)	2,516,941
Innovative Clusters Fund ¹	557,330	(17,600)	539,730
LDA grant for erection of campus and acquisition of teaching equipment ¹	3,823,535	(117,084)	3,706,451
ERDF Objectives11 ¹	2,315,338	(73,116)	2,242,222
LSC Capital ¹	625,516	(19,753)	605,763
NTI Capital ¹	460,878	(14,429)	446,449
Department for Communities and Local Government HSSMI ⁴	9,358	-	9,358
	<u>14,532,760</u>	<u>(454,546)</u>	<u>14,078,214</u>

1 These grants were contributions to the capital building and infrastructure setup costs of the CEME campus.

2 These grants were provided to equip the Gateway to Skills Education centre.

3 This grant was provided to equip the Gateway for Business small business support programme.

4 This grant provides funding for the High Speed Sustainable Manufacturing Institute. HSSMI is a division of CEME with a purpose of conducting leading edge manufacturing research with an aim of improving efficiency of manufacturers and supply chain companies. The remainder of £9,358 will be paid to HSSMI once CEME receives a funding request.

Analysis of net assets between funds	Restricted Funds	Unrestricted Funds	Total Funds
Tangible fixed assets	14,068,856	9,162,395	23,231,251
Intangible fixed assets	-	10,829	10,829
Current assets	9,358	1,896,449	1,905,807
Current liabilities	-	(2,213,227)	(2,213,227)
Creditors falling due after one year	-	(638,099)	(638,099)
At 31 Dec 2021	<u>14,078,214</u>	<u>8,218,347</u>	<u>22,296,561</u>

Comparative 2021

Analysis of net assets between funds	Restricted Funds	Unrestricted Funds	Total Funds
Tangible fixed assets	14,523,402	9,465,936	23,989,338
Intangible fixed assets	-	17,661	17,661
Current assets	9,358	1,796,080	1,805,438
Current liabilities	-	(2,021,153)	(2,021,153)
Creditors falling due after one year	-	(985,479)	(985,479)
At 31 Dec 2020	<u>14,532,760</u>	<u>8,273,045</u>	<u>22,805,805</u>

22. CONTROL

CEME is under the common control of Ford Motor Company, Havering College of Further and Higher Education, Barking and Dagenham College and London Borough of Havering. The company's Articles of Association dated 2 January 2010 state that each of the above is a member of CEME.

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23. COMPARATIVE SOFA BY FUND		Unrestricted Funds £	Restricted Funds £	Total 2021 £
INCOME				
Income from generated funds				
Other trading activities	3	2,319,399	-	2,319,399
Investment income		51	-	51
Income from charitable activities				
Skills & education and business support accommodation and related services	4	1,592,820	-	1,592,820
Total income		3,912,270	-	3,912,270
Expenditure on Raising funds	5	866,466	-	866,466
Charitable Activities				
Skills & education accommodation and support services	6	2,845,077	454,056	3,299,133
Skills delivery and business support		-	490	490
Total expenditure	8	3,711,543	454,546	4,166,089
Net (expenditure)		200,727	(454,546)	(253,819)
RECONCILIATION OF FUNDS				
Total funds brought forward at 1 January		8,072,318	14,987,306	23,059,624
Total funds carried forward at 31 December		8,273,045	14,532,760	22,805,805