



Annual Report 2020

Changing Lives Through **Business Growth**

Centre for Engineering and
Manufacturing Excellence



SATURDAY



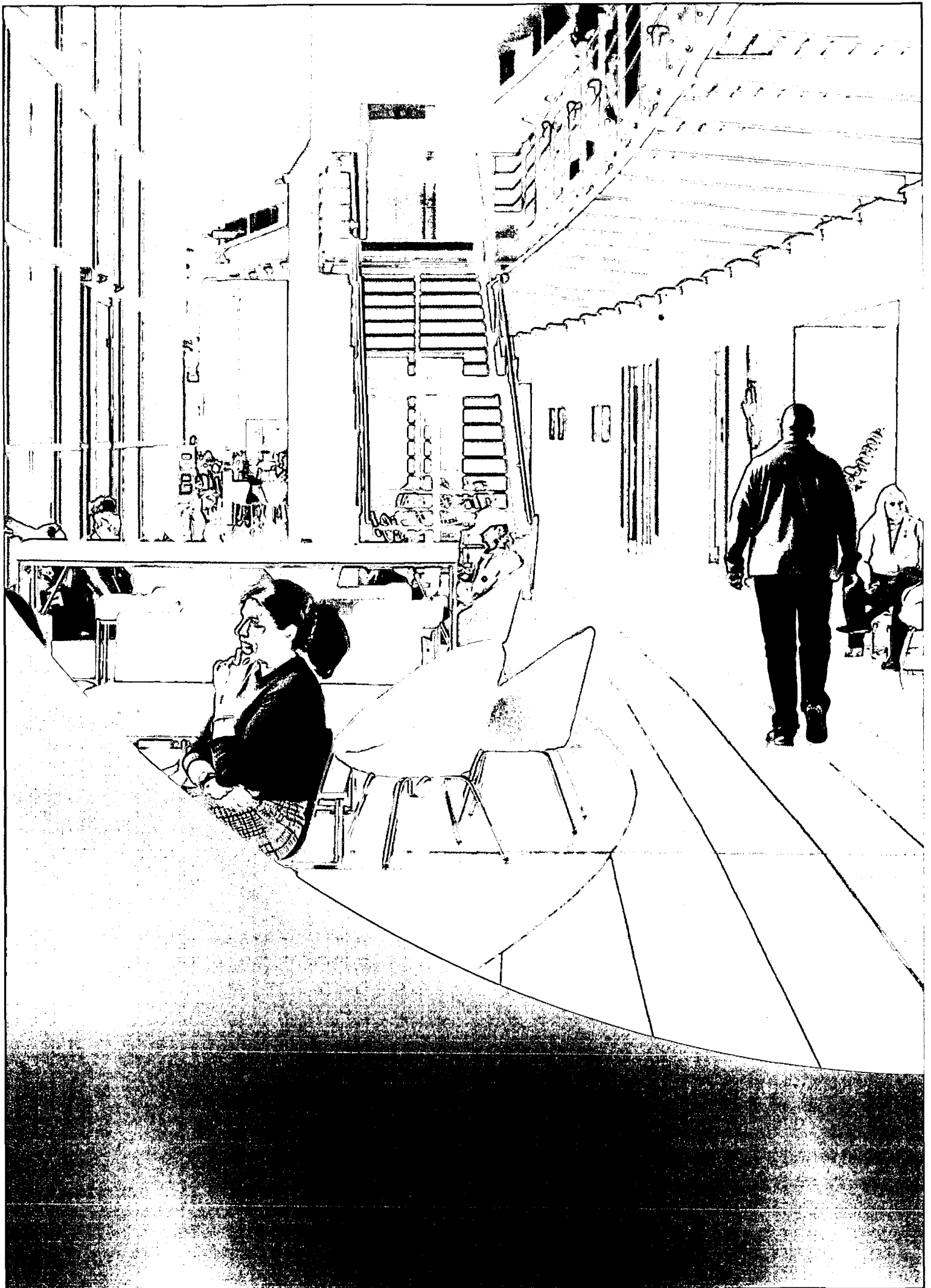
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Chairs Foreword

I write this note just over a year since the UK was hit by the Covid-19 Pandemic. I have to say that when I joined the CEME board as Chair in January of 2020, my thoughts on the year ahead were not quite how things turned out! It has been an extraordinary year in so many ways.

I am delighted to be able to look back on a remarkable year for CEME. Working closely with our customers with a constant focus on best practice Health and Safety measures and closely following UK government guidelines, we managed to keep the campus open and servicing our customers throughout.

Furthermore, we embarked on a wide-ranging and ambitious plan to offer support to organisations in the healthcare, emergency services and related critical industries wherever we could. It is particularly pleasing that we became the home to a gold command centre for a significant NHS trust, serving London and the wider South East. The CEME event space hosted major training programs for emergency worker training, including the London Fire and Rescue service, the NHS and many more.

The CEME team moved quickly to ensure a safe campus and working environment for our employees, customers and visitors and this remains a key consideration as the UK moves through the stages of lockdown. At the same time a customer support helpline was set up advising small business's both on and off campus, on a range of topics including accessing government grants and support for business, best practice in health and safety, through to areas such as finding new customers/markets and critical cash flow planning. The CEME board continued to meet regularly throughout the year and during the second half of 2020 we spent time developing a strategy for growth in the coming years. Core themes to our new strategic plan include to grow responsibly by developing new services and competencies to support our customers and our charitable aims and impact objectives. To inspire environmental change, with a dual focus on our own environmental performance and investment on the London campus, alongside developing services and space to support new environmental technology entrepreneurs to grow faster. During 2020, and despite the pandemic, Barking and Dagenham College of Further Education, opened the new Institute of Technology (IOT), a venture in which CEME is a partner. In 2021, as this exciting new project develops, we look forward to working closely with the team there and establishing a presence at CEME.

Elutec, a University Technology College, we established in partnership with University College London (UCL) and Ford, has recently secured funding from the Department for

Education, for some exciting new plans to grow and support young people in the area with an interest in technology and engineering at its Dagenham East location.

The recent government announcement of the first stage approval for a Thames Freeport, is another exciting development that CEME expects to support, and we are working with the partners to achieve that aim. CEME is also supporting the development of a 'Hydrogen Corridor' involving partners in Kent, Essex, and London - this project is being led by the Thames Estuary Growth Board and is another example of the many opportunities on our doorstep.

As I said at the outset of this foreword, my first year of The Centre for Engineering and Manufacturing Excellence, has certainly not been quite as I had envisaged. I reflect back with a sense of pride for what has been achieved, with gratitude to the board and wider CEME team for their achievements and with much excitement for what lay ahead.

Valerie Owen OBE | Chair, CEME

I reflect back
with a sense of pride
for what has been
achieved,
with gratitude...



Chief Executive's outlook

The opportunities to increase its social impact, deliver on its charitable objectives and build further on its financial performance are wide, varied and really exciting for CEME as I write.

The continued growth Eastwards of London and the ambitions of organisations such as the Thames Estuary Growth Board, are leading to numerous regeneration and economic growth projects and opportunities, perfectly aligned with CEME's purpose and ambitions.

The London Borough of Havering (LBH) has some exciting plans for economic development and CEME, as a significant anchor institution is working closely developing these in partnership. The new Beam Reach station, is due for completion in 2021/2, which will put the CEME campus a 20-minute commute to Fenchurch Street. This, on top of our bus terminus, will make CEME one of the best-connected business and skills campus in London.

Occupancy across the campus is at a record high, CEME is now host to over 100 organisations and our focus is on helping customers both on and off campus to grow faster, creating more opportunities, jobs, and economic prosperity. The need for CEME to continue to deliver positive outcomes and impact for the sectors and communities it serves, specifically the engineering and manufacturing sectors and the Thames Estuary residents, is as important now as it was when we started out in 2003. The levelling up agenda in the UK often makes the headlines, there is equally a levelling up in the London agenda. There has been great progress in East London, however, there remains levels of deprivation that need to be overcome, and CEME will play its part.

Flexible workspace is forecast to grow at rates between 25% and 50% per annum, as many employers move to a more blended approach to work and employment. CEME is perfectly placed, in terms of geography and experience to service customers looking for solutions. Furthermore, in times of economic slowdown the number of new business start-ups typically rise, we are already experiencing this. CEME, through its Launchpad Centre service and expertise, are brilliantly placed to support these customers.



CEME plan to launch some new services during 2021, linked to our impact ambitions and in response to customer demand. As I write, we are deep into planning to launch a technical apprenticeship evaluation and validation service. CEME are also developing a training and development product, aimed at supporting manufacturing institutions with the skills to fully exploit digital technologies across the broad spectrum of manufacturing operations and their supply chains.

“we must be positive that there is much to look forward to...”

2020 was a year that CEME delivered outstanding outcomes, and one that, in that context, I look back on with a sense of immense pride, at what the team at CEME achieved during times of great challenge and stress. They were magnificent and I was humbled by their attitude and achievements. Equally, I recognise that organisational performance is hardly significant when considering the Covid 19 pandemic, the enormity of the loss of life and the many challenges this has placed on society.

That said, we must press on. As the UK and the rest of the world adapts to live with Covid 19, we must be positive that there is much to look forward to. It is in the aftermath of the pandemic, Brexit, and the anticipated recession, that I see maximum opportunity for CEME and its customers, changing lives through business growth.

Bill Williams MBA, FIET, MCIM
Chief Executive, CEME

The Essence of CEME

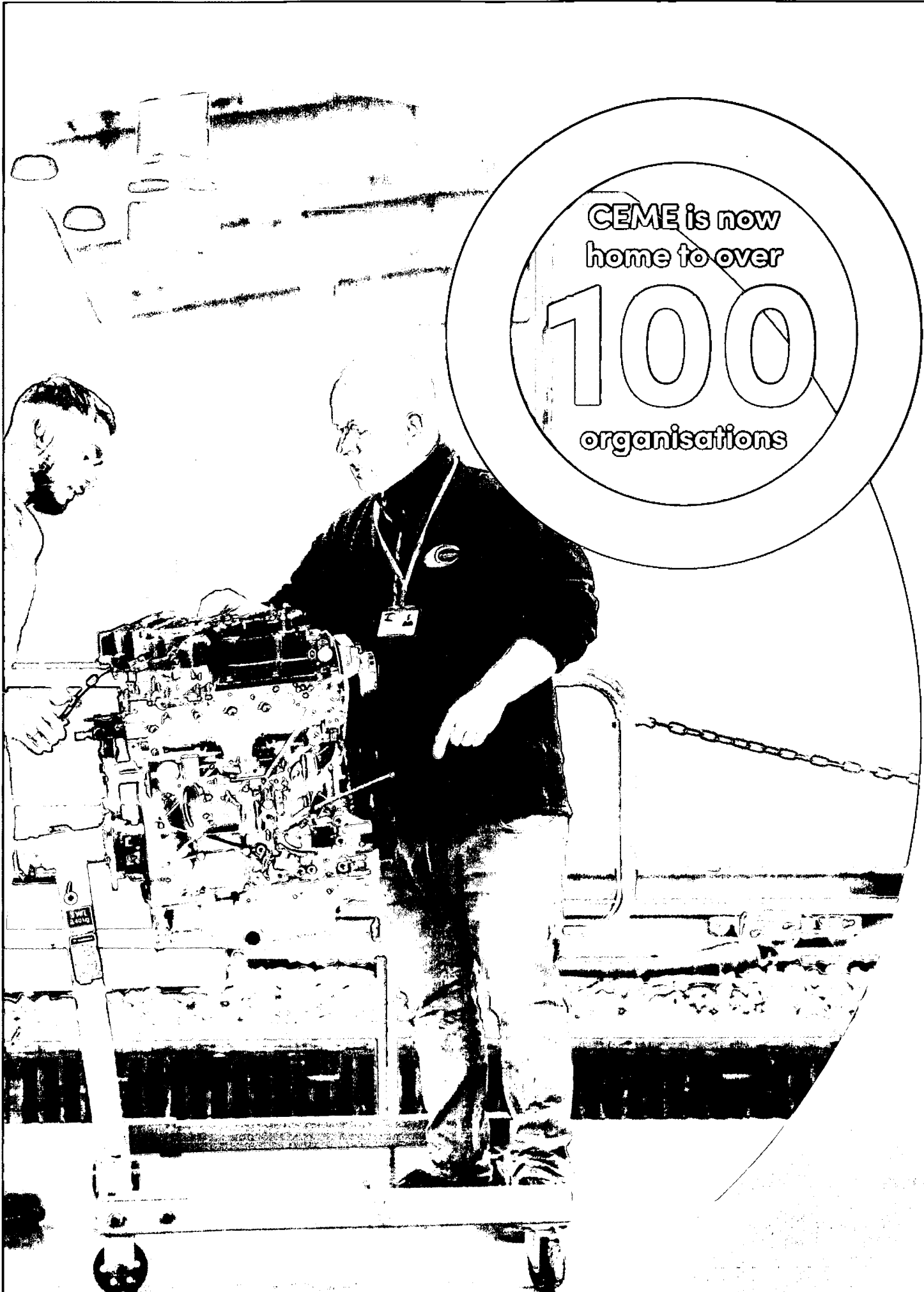
CEME exists to inspire business growth in areas of regeneration. We do this by developing successful commercial hubs through collaborative partnerships which leads to the creation of jobs, skills and business opportunities in the communities we serve.

We understand the value of the personal touch and how important this is at the beginning of a learning journey of personal and business growth. We deliver tailored business support, coaching and mentoring, as well as outreach programmes to engage young people in design and technology.

Our flagship project, the 19 acre purpose built site in Rainham, East London, has been instrumental in growing over 400 businesses and creating thousands of jobs.



Over
60 jobs
created by CEME
and its customers
in 2020



CEME is now
home to over

100

organisations



Together
we're better.

The CEME Model

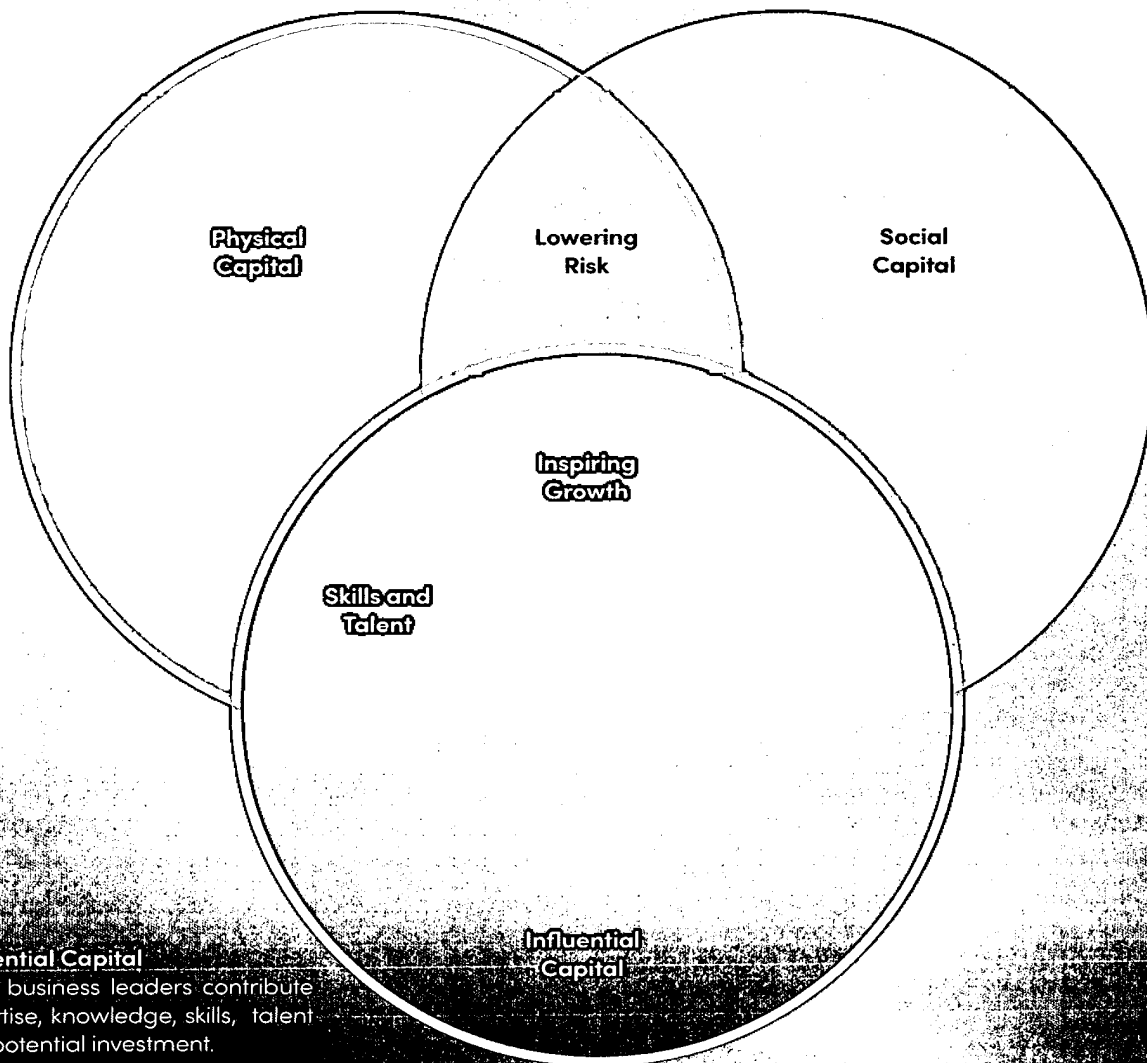
At CEME we understand that each local area within the UK has different skills and needs, so we work in partnership with local government, LEPs and private developers to find and pull together exactly the right mix of talent to unlock prosperity.

Physical Capital

Owners or investors create the spaces that provide access to support the delivery of inspiring environments where businesses and people can grow.

Social Capital

Local government offers insight and understanding into the needs and ambitions of the local community, as well as a talent pipeline through local educational institutions.



Influential Capital

Local business leaders contribute expertise, knowledge, skills, talent and potential investment.

Legal and Administrative Information



BOARD OF TRUSTEES

Name	Changes since last audited accounts	Organisation Represented
Valerie Ellen Le Vaillant (Chair)		
Mark Williams (Chief Executive Officer)		
Geoffrey Richman		Ford Motor Company
Judith Armit		
Keyvan Djamerani		
Wonne Kelly		Barking & Dagenham College
Findlay Macalpine		
Barak Maoz		
Neil Andrew Stubbings		London Borough of Havering
Alessandro Altanasto		Ford Motor Company
K.K. Dherani (Chief Finance Officer)	Appointed 29/03/2021 - Resigned 05/07/2021	
Wei Leng Pointen (Finance Director)	Appointed 19/12/2019 - Resigned 28/01/20	
Howard Bratler (Finance Director)	Appointed 08/12/2020 - Resigned 16/03/2021	

SECRETARY

K.K. Dherani (Chief Finance Officer)	Appointed 29/03/2021 - Resigned 05/07/2021
Wei Leng Pointen (Finance Director)	Appointed 19/12/2019 - Resigned 28/01/20
Howard Bratler (Finance Director)	Appointed 08/12/2020 - Resigned 16/03/2021

REGISTERED AND PRINCIPAL OFFICE

CEME Campus
Marsh Way
Rainham, Essex
RM13 8EU

BANKERS

Barclays Bank Plc
1 Churchill Place
London
E14 5HP

COMPANY NUMBER

04238862 (England and Wales)

CHARITY REGISTRATION NUMBER

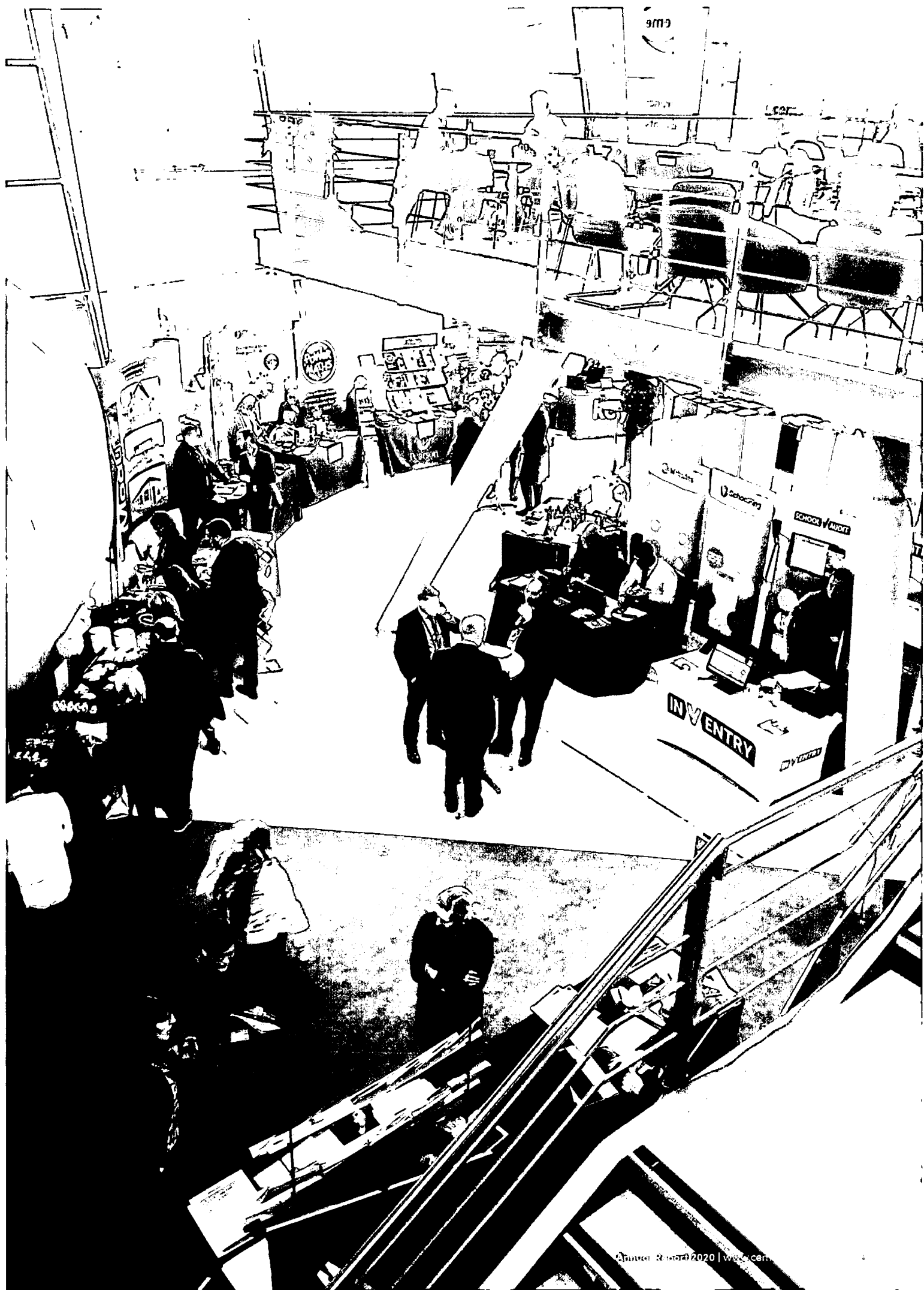
1133396 (England and Wales)

SOLICITORS

Forsters LLP
31 Hill Street
London
W1J 5LS

AUDITORS

Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW



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 2020 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 - Changing lives through business growth

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 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 though 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.

Three CEME Values

We developed our values working closely with customers, employees, and stakeholders. At CEME, we believe that a fundamental ingredient of achieving our vision of changing lives through business growth is underpinned by how we do things as much as what we do for our customers. Our attitude, behaviors and decisions should be always enacted through the lens of our values, that is our goal.

We believe that our customers, our suppliers and our employee's experience of CEME consistently improves because we are constantly guided by our values in our decision making. We continuously learn from our mistakes, we improve any imperfections, and we are committed to regular review and continuous improvement to meet the high standards we have in living our values.

Presentation - CEME is passionate about first impressions. The impact and importance of the CEME environment in cultivating success for our customers is paramount to us. We endeavor to be immaculate in the presentation of the CEME campus, our facilities and our staff always.

WHY Presentation? We are a 5 Star hotel for business and learners. When our customers are seeking to impress investors, recruit new employees, secure funding, win new customers, partners or suppliers they should feel proud and excited to invite them at CEME.

Exceeding Expectations - CEME aims to impress all our customers with the service they receive from our staff and partners. We will always try our best to be clear on what we promise to our customers and then give our best efforts to exceed our customers' expectations of that promise.

WHY Exceeding Expectations? We believe that no one comes to work to do a bad job! Frustration in business can often arise from a lack of clarity on what one person, or organisation, is doing for another. Taking time to be clear at the outset on your customer's expectations reduces misunderstandings, saving time and money. Then you work flat out to deliver ahead of those expectations.

Positive Attitude - At CEME we embrace enthusiasm, a can-do attitude, eagerness for improvement and constructive intent at all times. We strive to employ and work with optimistic colleagues, who use positive language and have a positive outlook.

WHY Positive Attitude?

It is a great way to live your life. We create a positive atmosphere at CEME by what we say and how we say it, we lift others, people love to be positive, we give them the opportunities and enthusiasm to do just that because it leads to happier people achieving even more, individually and collectively. Perhaps more importantly we believe this leads to more content and happier colleagues, customers and families.



Over
3,500
delegates were
welcomed at Events
space @ CEME at
over 400 learner
days

every project counts

every project counts

every project counts

**AWARD-WINNING
TENDERING**

END-TO-END COMPLIANT
TENDERING SERVICE
SAVING SCHOOLS AND
TRUSTS MILLIONS
AT NO DIRECT COST
DELIVERING GOVERNMENTS
SCHOOLS' BUYING IN
THE SOUTH WEST

schoolsbuyingclub.com

7ISBL SYSOL

OXFORD
UNIVERSITY PRESS

**Schools' Buying Club
Online**

10th 2020



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Businesses
grow
by more than
double the national
average at
CEME Campus

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.

CEME reported that, through an independent Social Return on Investment assessment, on average companies were growing faster on the CEME campus, growing at more than double the national average (3.1% versus Office of National Statistics (ONS) figure of 1%). During 2020 CEME was proud to support several critical industries in the Healthcare and Logistics sectors. Amid the grip of the pandemic CEME was hosting critical worker training events at scale (NHS Vaccine Delivery, Fire, and rescue service, plus many more) in conjunction with supporting many of its customers to continue trading their operations.

"CEME has done a remarkable job at keeping businesses operating and safe. Having the extra building to check everyone is wearing a mask is still all adjusting to wearing one, so I commend CEME. The safety of the building is commendable; The professionalism of the staff at CEME is commendable; the training of staff at CEME is commendable; the customer service at CEME is commendable. I am at peace knowing that all my staff are safe during this awful pandemic at CEME." Sheila Singh, Founder, London Business Academics - January 2021

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.

The outcome we strive for is companies growing faster, being more ambitious...

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 mentoring, 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. Despite the challenges of Covid 19 CEME still delivered a programme of business networking and support all delivered online. These services are aimed at helping business owners and managers grow faster subject to UK Government guidance a full programme of face-to-face meetings and events are planned from May 2021.

The Launchpad Centre is aimed at supporting startups 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 at the maximum. The Launchpad customers also benefit from a tailored business programme to support accelerated growth.

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.

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 well received by customers during the Covid 19 Pandemic 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 public benefit hosts a Hydrogen refueling station (HRS) on the campus, in partnership with ITM Power Trading Limited. This facility has been available to the public since 2016. In early 2021, following detailed discussions commenced in 2019 we expect to complete a significant upgrade and expansion of this facility to welcome an increased number of customers utilising this facility.

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 fueling 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

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 is planning to deliver programmes to local schoolchildren during 2021 after a year of no activity in 2020. 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 business's operating on the campus and too 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 2020 the Event Space at CEME welcomed over 3666 delegates purely for the purpose of education and training across 414 learner days.

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. During 2020 the FAP increased its intake numbers to over 30 new apprentices in the year split into both a higher and degree apprentice programme. Numbers are expected to increase again in 2021.

Technical Training

During the year CEME hosted a wide range of technical training in its workshops and practical classrooms including Integrated Manufacturing Skills, multi-skilling (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 will expand their footprint further 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.

CEME has a
dedicated **Event
space customer
offering...**





Over
230
businesses supported
at CEME Business
Support events

Over
20,000
people were
upskilled at CEME
during 2020

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 2020 the CEME Innovation Centre provided office space and business support for around 100 small businesses both onsite and virtual tenants. In keeping with previous years, several tenants expanded during the year, effectively outgrowing the Innovation Centre. Some of these customers moved within the CEME campus to larger premises. Two examples include Mitnija, an international Construction specialist who doubled their space and entered into a longer-term lease agreement. Excalibre Technologies also took on a workshop which was double the size of their previous space and long-term office space, both on a lease.

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. CEME will bring additional smaller units online in 2021 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 2020 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 2021 we aim to build on the collaboration around Hydrogen as a fuel source and develop new partnerships. The newly emerging Thames Freeport is a wonderful opportunity for CEME to deliver a success in the wider Thames Estuary in collaboration with partners.

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.

During 2020 the CEME Innovation Centre provided office space and **business support for around 100 small businesses**

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 SI62A of the Charities Act 2011.



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:

- ➔ One representative director nominated by Ford Motor Company.
- ➔ One representative director nominated by Havering College of Further and Higher Education and Barking and Dagenham College (BDC).
- ➔ 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 four 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 are satisfied that the Charity applies the principles of the code within its current Governance arrangements. In January 2021 all Trustees in appointment attended a half day briefing event on good governance, the subject of governance and skills and best practice is regularly discussed at CEME board meetings. A board self-evaluation exercise is planned for 2021.



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.

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.

The event space is considered an important regeneration offering as part of the wider CEME model and impact objectives.

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 £3,511,150 and the adjusted loss is £266,194 (the loss includes a depreciation charge of £893,225). Prior year revenue was £3,992,887 and adjusted loss of £572,545 (the loss includes a depreciation charge of £913,162).

As mentioned above, the event space business is run through a wholly owned trading subsidiary named CEME Enterprise Ltd. Revenues for the year of £312,720 with a profit of £372. Prior year revenue £600,551 with a loss of £59,786. The accommodation costs for the conference centre are in line with rates paid by major clients in other parts of the building. During 2020 the event space experienced a downturn due to UK government restrictions. The event space is considered an important regeneration offering as part of the wider CEME model and impact objectives.

Reserves Policy

Total funds held on 31 December 2020 amounted to £23,059,624.

Unrestricted Income Funds consist of tenant's income fewer 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 £14,987,306 on 31 December 2020, 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 2020. 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 £8,072,318 with net current liabilities of £390,662 (2019: £832,286); the cash component is £1,412,692. 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 £264k. 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 considering Covid-19 shows the free reserves position strengthening over the five year forecast period with free reserves approximately £1,300k by the end of the plan.



Report of the Trustees

Going Concern

CEME has delivered a strong financial performance and has enjoyed an encouraging start to 2021 with record levels of enquiries for business space and services on the campus. Furthermore, the Event space, which has remained open throughout the majority of 2020 has also an encouraging positive start to 2021. Cash position is much stronger than in previous years due to a strong trading performance in 2020 and supported by CBILS loan of £250K.

At the time of making this assessment occupancy across the campus is strong and the evidence of the last 6 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. Management expects the challenges of Covid 19 will continue to affect the 2021 financial performance however CEME performance in 2020 and anticipated occupancy in 2021 together with government ongoing support provides a reasonable assurance of stable performance and steady cash flows to meet working capital needs and servicing debt on a timely basis.

Cash position at the end of February 2021 was £1,126,193 against the budget of £894,316, whilst Covid 19 impact is indicating slowing down in the United Kingdom, the management continues to monitor its cash position under stringent scenarios to manage any significant risk in an unlikely event e.g. another surge of Covid 19 impact in the near future. 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.

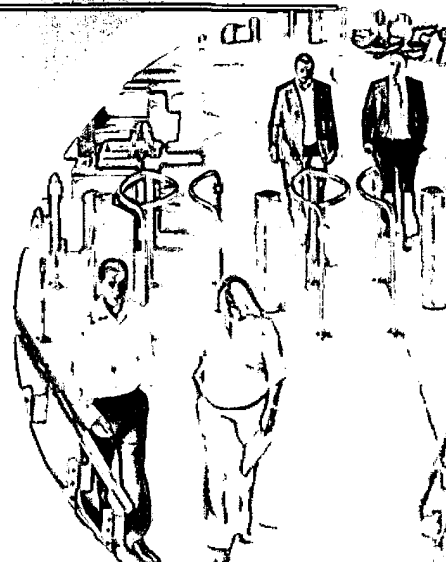
CEME has delivered
a strong financial
**performance and has
enjoyed an encouraging
start to 2021**

CEME has a cash reserves at the year-end of £1,413k (2019: £951k) 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 believes 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.



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:

- GEME's systems of financial control, risk management and compliance.
- The nature and scope of the external audit, and any matters raised, for the attention of Management.
- 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 GEME are designed to provide reasonable, but not absolute assurance against material misstatement or loss. They include:

- Five-year plan and cash flow forecast.
- Annual business plan, budget and cash flow forecast.
- Regular consideration by the Trustees of actual results compared with budgets, forecasts and trends.
- Cash flow and reserves levels.
- Segregation of duties.
- Identification of, and management of, risks.
- 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 GEME is exposed. GEME 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 GEME based on the following criteria: financial, strategic, reputational and operational. It also identifies detection methods, preventative and recovery controls.

GEME recognises the value and importance of effective risk management. GEME 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 organisation's resources including capital investment undergo a feasibility
- GEME'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.

GEME 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. GEME 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.



Risk	Management
Economic pressures, Competition and Major Client behaviour change	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 The ongoing evaluation of longer-term strategy that targets the diversification of income from new and additional clients.
Incidents that may impact/damage reputation or negatively impact operations including cyber security, fraud and major incidents	Proactive detection, monitoring investigating and reporting of adverse incidents or events. Use of risk register is employed, Continued programme to drive IT improvements and strengthen infrastructure and protection of data.
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 tenant's 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	Monitor the cash situation with the intention of saving cash. Seek to increase cash facilities i.e. grants, loans an government support. Work closely with customers to retain a sustainable business



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:

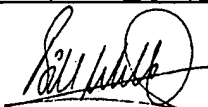
- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP (FRS102).
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable UK accounting standards have been followed, subject to any material departures 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...



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.


4th June 2021

**Signed on behalf of the Board
Mark Williams
Trustee**





Independent Auditors' Report

Opinion

We have audited the financial statements of the Centre for Engineering and Manufacturing Excellence for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, Group and Charity Balance Sheets, Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 2020 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.

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

We have nothing to report in this regard.

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 trustees' report, 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 light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' 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' directors' 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), health and safety legislation, taxation legislation, and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within income recognition, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit

Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Tim Redwood
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

29 July 2021



Consolidated Statement of Financial Activities

for the Year Ended 31 December 2020 (incorporating income and expenditure accounts)

	Notes	Unrestricted funds £	Restricted fund £	Total 2020 £	Total 2019 £
Income from					
Other trading activities	3	2,109,146	-	2,109,146	2,380,882
Investment income		242	-	242	767
Charitable activities					
Skills & education and business support accommodation and related services	4	1,354,132	-	1,354,132	1,611,238
Government grant		47,630	-	47,630	-
Total income		3,511,150	-	3,511,150	3,992,887
Expenditure on					
Raising funds	5	758,649	-	758,649	1,018,827
Charitable activities					
Skills & education accommodation and support services	6	2,564,149	454,056	3,018,205	3,529,448
Skills delivery and business support		-	490	490	17,157
Total cost of charitable activities		2,564,149	454,546	3,018,695	3,240,043
Total expenditure	8	3,322,798	454,546	3,777,344	4,565,432
Net income/(expenditure)		188,352	(454,546)	(266,194)	(572,545)
Transfer between funds		-	-	-	-
Net movement in funds		188,352	(454,546)	(266,194)	(572,545)

RECONCILIATION OF FUNDS

Total funds brought forward at 1 January	Total funds	7,883,966	15,441,852	23,325,818	23,898,363
carried forward at 31 December		8,072,318	14,987,306	23,059,624	23,325,818

Charity and Group Balance sheets

as at 31 December 2020

	Notes	Group		Charity	
		2020 £	2019 £	2020 £	2019 £
FIXED ASSETS		24,610,214	25,303,380	24,595,578	25,271,278
Tangible Fixed Assets	12	24,585,721	25,272,055	24,570,085	25,238,953
Intangible Assets		24,493	31,325	24,493	31,325
Investments	13	-	-	1,000	1,000
CURRENT ASSETS		1,759,939	1,315,939	2,017,378	1,569,964
Debtors	15	347,247	365,120	667,358	672,006
Cash at bank and in hand		1,412,692	950,819	1,350,020	897,958
CREDITORS:					
amounts falling due within one year	16	2,150,601	2,148,225	2,105,034	2,081,406
NET CURRENT (LIABILITIES)		(390,662)	(832,286)	(87,656)	(511,442)
TOTAL ASSETS LESS CURRENT LIABILITIES		24,219,552	24,471,094	24,507,922	24,759,836
CREDITORS:					
amounts falling due after more than one year	17	1,159,928	1,145,276	1,159,928	1,145,276
Net Assets		23,059,624	23,325,818	23,347,994	23,614,560
Funds of the Charity					
Unrestricted income funds	20	8,072,318	7,883,966	8,360,688	8,172,708
Restricted income funds	21	14,987,306	15,441,852	14,987,306	15,441,852
Funds of the Charity		23,059,624	23,325,818	23,347,994	23,614,560

The notes on pages 31 to 43 form part of these financial statements

The net result for the year reported within the financial activities of the parent charity was a deficit of £266,194 (2019: deficit £512,759).

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



4th June 2021

Mark Williams (CEO)
Trustee

Consolidated Cash Flow Statement

for the Year Ended 31 December 2020

	Notes	2020 £	2019 £
Cash flow from operating activities:			
Net cash (used in)/provided by operating activities	1	630,114	51,520
Purchase of property, plant and equipment		(200,522)	(407,564)
Net cash provided by (used in) investing activities		429,592	(356,044)
Cash flows from financing activities:			
Repayment of borrowing		(255,015)	(385,822)
Finance lease interest paid		(93,468)	(93,196)
Cash inflows from new borrowing		380,764	455,404
Net cash provided by financing activities		32,281	(23,614)
Change in cash and cash equivalents in reporting period		461,873	(379,658)
Cash and cash equivalents at the beginning of the reporting period		950,819	1,330,477
Cash and cash equivalents at the end of the reporting period		1,412,692	950,819
		2020 £	2019 £
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)		(266,194)	(572,545)
Adjustments for:			
Depreciation charges		893,225	913,162
Finance lease interest paid		93,468	93,196
Loss on the sale of fixed assets		463	57
Decrease in debtors		17,873	157,572
(Decrease) in creditors		(108,721)	(539,922)
Net cash provided by operating activities		630,114	51,520

Notes to the financial statements

for the year ended 31 December 2020

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 6EU.

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 following the global outbreak of Covid 19, 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 cast 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 in response to the ongoing Covid 19 pandemic in 2021. 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.

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.

Government grants are recognised on the performance model, when the charity has complied with any conditions attached to the grant and the grant will be received. The grant in connection to the job retention scheme has been recognised in the period to which the underlying furloughed staff costs was incurred. Included in income is an amount of £47,630 in respect of the Coronavirus Job Retention Scheme.

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.



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 £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 £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.

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.

3. Other Trading Activities

	2020 £	2019 £
Rent	1,528,967	1,487,764
Conference Centre	291,300	600,551
Support Services	288,879	292,567
	2,109,146	2,380,882

4. Skills & Education And Business Support Accommodation And Related Services

	2020 £	2019 £
Further Education and Apprentices	486,025	500,400
Space and Learning Support Business Incubation Centre	600,624	655,278
Cafeteria	124,835	296,982
Launchpad	79,086	95,649
Training Centre	63,562	62,929
	1,354,132	1,611,238

5. Raising Funds

	2020 £	2019 £
Conference Centre	354,492	575,800
Support costs	164,074	146,183
Space, IT and Shared Services Telephone and Franking recharges	195,431	251,817
Car Park cost	11,116	15,414
Governance costs	7,547	4,658.00
	25,989	24,955
	758,649	1,018,827

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 unrecoverable VAT is passed on to the funder.

6. Skills & Education Accommodation And Support Services

	2020 £	2019 £
Direct costs	1,846,556	2,407,968
Depreciation of building and founding asset infrastructure		
Support costs	669,019	669,028
Governance costs	435,801	388,283
	66,829	64,169
	3,018,205	3,529,448

7. Governance Costs

	2020 £	2019 £
Fees payable to the group's auditors for the audit of the group's annual accounts	26,750	26,100
Taxation fee payable in respect of the subsidiary	6,000	6,000
Trustee expenses, recruitment and insurance ¹	21,675	27,301
Board and committee support costs ²	38,393	29,723
	92,818	89,124

¹ Travel expenses incurred by Trustees in respect of CEME meetings amounted to £140 (2019: £933) during the year. The number of Trustees receiving expense reimbursement during the year was 1 (2019: 2). Trustee indemnity insurance cost £1,675 (2019: £1,002).

Notes To The Financial Statements Continued

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 £3,000 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, Mark Williams, was remunerated as follows: pay £151,325 (2019: £131,325), Bonus £43,746 (2019: £Nil), pension £8,536 (2019: £8,044), employers NI £16,119 (2019: £12,207) and other benefit of £3,000 (2019: £3,000).

The Finance Director, Howard Bratter, started on the 8th of Dec 2020 and left on the 16 March 2021, was remunerated in 2020 as follows: pay £5,885, pension £383, employers NI £711.

Fees of £13,000 plus VAT were paid to Wei Leng Pointen during the year in her role as Finance Director.

8. Total Expenditure

	Direct Cost	Support Costs		Governance Cost	Total 2020
		Management	Finance	HR	
	£	£	£	£	£
Raising funds	568,586	75,033	87,550	1,491	758,649
Skills & education accommodation and support services	2,515,575	199,299	232,543	3,959	3,018,205
Skills delivery and business support	490	-	-	-	490
	3,084,651	274,332	320,093	5,450	3,777,344
					2019
					£
Raising funds					1,018,827
Skills & education accommodation and support services					3,529,448
Skills delivery and business support					17,157
					4,565,432

9. Staff Numbers And Costs

By activity	2020 No.	2019 No.
	17	21
Operations	2	2
Governance	3	3
Support	22	26

The aggregate payroll costs of these persons were as follows:

	2020 £	2019 £
Wages and salaries	688,974	901,086
Social security costs	69,018	89,911
Other pension costs	71,250	51,157
	829,242	1,042,154

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

	2020 No.	2019 No.
£70,001-£80,000	1	1
£100,001-£110,000	-	1
£130,001-£140,000	-	1
£190,001-£200,000	1	-

Pension contributions made on behalf of employees earning in excess of £60,000 per annum were £12,761 (2019: £17,195). 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. During the year there were redundancy payments of £11,792 (2019: £5,775) there was no termination payment (2019: £5,000). No amounts were outstanding at year end.

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:

	2020 £	2019 £
For facilities rental and provision of core services by the Group:		
Ford Motor Company	87,125	91,260
London Borough of Havering	71,953	71,901
For goods and services provided by the Group:		
Ford Motor Company	6,684	7,535
London Borough of Havering	17,721	37,652
The balances (owed by) / due to the Group at 31 December were as follows:		
Ford Motor Company	400	(25,453)
London Borough of Havering	(411)	2,978

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 £258,000 made out of cost paid on behalf of CEME Enterprise totalling £225,013 plus rent and services provided by CEME Ltd totalling £32,987 excluding VAT, at year end the outstanding amount owed to CEME Ltd from CEME Enterprise Ltd was £391,726.

The Conference Centre includes £32,987 (2019: £188,995) of apportioned costs for facility and IT. The apportionment has been calculated on the basis of volume of space utilised.

11. Net Expenditure

	2020 £	2019 £
The net expenditure is stated after charging		
Fees payable to the charity's auditors for the audit of the charity's annual accounts	20,750	20,100
Fees payable to the charity's auditors for the audit of the charity's subsidiary pursuant to legislation	6,000	6,000
Total audit fees	26,750	26,100
Taxation fees for the subsidiary	6,000	6,000
Total fees payable	32,750	32,100

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Depreciation of tangible fixed assets	886,393	910,327	868,927	883,660
Amortisation of Intangible fixed assets	6,832	2,835	6,832	2,835
Rental costs relating to operating leases:				
Photocopy machines	1,200	1,200	1,200	1,200
(Loss) on disposal of fixed assets	(463)	(58)	(463)	(58)

12. Tangible Fixed Assets

	Group		
	Long Leasehold Buildings	Plant Equipment and Motor Vehicles	Total
Cost	£	£	£
1 January 2020	35,949,745	5,922,788	41,872,533
Additions	27,392	173,130	200,522
Disposals	-	(29,310)	(29,310)
31 December 2020	35,977,137	6,066,608	42,043,745
Depreciation			
1 January 2020	11,385,994	5,214,484	16,600,478
Charge in the year	708,616	177,777	886,393
Disposals	-	(28,847)	(28,847)
31 December 2020	12,094,610	5,363,414	17,458,024
Net book value			
31 December 2020	23,882,527	703,194	24,585,721
31 December 2019	24,563,751	708,304	25,272,055
	Charity		
	Long Leasehold Buildings	Plant Equipment and Motor Vehicles	Total
Cost	£	£	£
1 January 2020	35,949,745	5,746,383	41,696,128
Additions	27,392	173,130	200,522
Disposals	-	(29,310)	(29,310)
31 December 2020	35,977,137	5,890,203	41,867,341
Depreciation			
1 January 2020	11,385,994	5,071,181	16,457,175
Charge in the year	708,616	160,311	868,927
Disposals	-	(28,847)	(28,847)
31 December 2020	12,094,610	5,202,645	17,297,255
Net book value			
31 December 2020	23,882,527	687,558	24,570,085
31 December 2019	24,563,751	675,202	25,238,953

The net book value of plant and machinery includes £1,352,993 (2019: £1,368,098) in respect of assets held under finance leases. The depreciation charge on these assets was £145,204 (2019: £131,887). 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.

Intangible Fixed Assets (Group And Charity)

	Software £
Cost	
1 January 2020	34,160
Additions	-
Disposals	-
31 December 2020	<u>34,160</u>
Depreciation	
1 January 2020	2,835
Charge in the year	6,832
Disposals	-
31 December 2020	<u>9,667</u>
Net book value	
31 December 2020	<u>24,493</u>
31 December 2019	<u>31,325</u>

13. Investments

	<u>Group</u>	<u>Charity</u>
		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 £168,478 (2019: £512,759).

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 £281,370 at year end.

CEME Enterprise Limited	2020 £	2019 £
Total income	291,300	600,551
Government grant	21,420	
Cost of sales	(223,322)	(523,030)
Gross Profit	89,398	77,521
Administration costs	(89,053)	(137,480)
Interest receivable	27	173
Profit/(Loss) before taxation	372	(59,786)
	2020 £	2019 £
Fixed Assets		
Tangible Assets	15,636	33,102
Current Assets		
Debtors	72,615	56,695
Prepayment	5,000	6,000
Cash at bank and in hand	62,672	52,861
Creditors: amounts falling due within one year		
Creditors	443,293	430,400
Net Current Liabilities	(303,006)	(320,844)
Total Asset Less Current Liabilities		
Net Liabilities	(287,370)	(287,742)
Capital and Reserves	1000	1000
Share Capital	(288,370)	(288,742)
Retained Earnings	(287,370)	(287,742)

15. Debtors

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Due within one year:				
Trade debtors	246,498	258,002	173,883	207,307
Amounts owed by group undertakings	-	-	397,726	363,581
Other debtors and prepayments	100,749	107,118	95,749	101,118
	<u>347,247</u>	<u>365,120</u>	<u>667,358</u>	<u>672,006</u>

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

16. Creditors & LOAN: Amounts Falling Due Within One Year

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Trade creditors	296,074	399,516	287,807	387,523
Deferred Income	476,134	494,797	475,629	485,080
Obligations under finance lease and hire purchase contracts	370,507	381,602	370,507	381,602
CBI Loan	29,167	-	29,167	-
Other taxes and social security	181,736	116,865	158,422	83,146
Other creditors and accruals	796,983	755,445	783,502	744,055
	<u>2,150,601</u>	<u>2,148,225</u>	<u>2,105,034</u>	<u>2,081,406</u>

Movement on deferred income (Due within one year)

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Deferred income brought forward	494,797	501,540	485,080	500,110
Realised during the year	(178,7263)	(1,851,138)	(1,774,405)	(1,824,577)
Deferred during the year	178,6600	1,844,395	1,764,954	1,809,547
Deferred income carried forward	<u>476,134</u>	<u>494,797</u>	<u>475,629</u>	<u>485,080</u>

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

17. Creditors & LOAN: Amounts Falling Due After More Than One Year

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Deferred income	372,097	465,122	372,097	465,122
Obligations under finance leases and hire purchase agreements	566,998	680,154	566,998	680,154
CBI Loan	220,833	-	220,833	-
Total creditors falling due after more than 1 yr.	<u>1,159,928</u>	<u>1,145,276</u>	<u>1,159,928</u>	<u>1,145,276</u>

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

18. Commitments Under Operating And Finance Leases

	<u>Group</u>		<u>Charity</u>	
	<u>2020 £</u>	<u>2019 £</u>	<u>2020 £</u>	<u>2019 £</u>
Future minimum operating lease payments are as follows:				
Plant and machinery:				
Within one year	1,200	1,200	1,200	1,200
Between one and five years	2,400	3,600	2,400	3,600

	<u>Group</u>		<u>Charity</u>	
	<u>2020 £</u>	<u>2019 £</u>	<u>2020 £</u>	<u>2019 £</u>
Future minimum finance lease payments are as follows:				
Building, Furniture, Plant and machinery:				
Within one year	370,507	381,602	370,507	381,602
Between one and five years	566,998	680,154	566,998	680,154

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

	<u>2020 £</u>	<u>2019 £</u>	<u>2020 £</u>	<u>2019 £</u>
The future minimum lease rental income due from tenants operating leases are as follows:				
Not later than one year;	2,185,781	2,342,778	2,185,781	2,342,778
Later than one year and not later than five years	3,342,970	4,527,515	3,342,970	4,527,515
Later than five years	-	195,000	-	195,000

20. Statement Of Funds

	Balance 1 Jan 20	Income	Expenditure	Balance 31 Dec 20
Unrestricted Income Funds				
General funds	7,883,966	3,511,150	(3,322,798)	8,072,318
Restricted Income Funds	15,441,852	-	(454,546)	14,987,306
	<u>23,325,818</u>	<u>3,511,150</u>	<u>(3,777,344)</u>	<u>23,059,624</u>
2019 Comparative	Balance 1 Jan 20	Income	Expenditure	Balance 31 Dec 20
Unrestricted Income Funds				
General funds	8,001,857	3,992,887	(4,110,778)	7,883,966
Restricted Income Funds	15,896,506	-	(454,654)	15,441,852
	<u>23,898,363</u>	<u>3,992,887</u>	<u>(4,565,432)</u>	<u>23,325,818</u>

21. Statement Of Restricted Funds

	Balance 1 Jan 20 £	Expenditure £	Balance 31 Dec 20 £
Capital and revenue costs of the Gateway to Skills Centre ²	42,485	(1,135)	41,350
Capital and revenue costs of the Gateway for Business programme ³	16,823	(457)	16,366
SRB 5 Capital - Delivery plan ¹	3,633,403	(107,923)	3,525,480
SRB IT Capital ¹	710,332	(21,066)	689,266
DTI ¹	2,762,891	(81,984)	2,680,907
Innovative Clusters Fund ¹	592,531	(17,600)	574,931
LDA grant for erection of campus and acquisition of teaching equipment ¹	4,057,703	(117,084)	3,940,619
ERDF Objectives ¹¹	2,461,570	(73,116)	2,388,454
LSC Capital ¹	665,022	(19,753)	645,269
NTI Capital ¹	489,734	(14,428)	475,306
Department for Communities and Local Government HSSMI ⁴	9,358	-	9,358
	15,441,852	(454,546)	14,987,306

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	14,977,948	9,607,773	24,585,721
Intangible fixed assets	-	24,493	24,493
Current assets	9,358	1,750,581	1,759,939
Current liabilities	-	(2,150,601)	(2,150,601)
Creditors falling due after one year	-	(1,159,928)	(1,159,928)
At 31 Dec 2020	14,987,306	8,072,318	23,059,624

Analysis of net assets between funds

	Restricted Funds £	Unrestricted Funds £	Total Funds £
Tangible fixed assets	15,432,494	9,839,561	25,272,055
Intangible fixed assets	-	31,325	31,325
Current assets	9,358	1,306,581	1,315,939
Current liabilities	-	2,148,225)	(2,148,225)
Creditors falling due after one year	-	(1,145,276)	(1,145,276)
At 31 Dec 2019	15,441,852	7,883,966	23,325,818

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.

23. Comparative Sofa By Fund

		Unrestricted Funds £	Restricted Funds £	Total 2019 £
INCOME				
Income from generated funds				
Other trading activities	3	2,380,882	-	2,380,882
Investment income		767	-	767
Income from charitable activities				
Skills & education and business support accommodation and related services	4	1,611,238	-	1,611,238
Total income		3,992,887	-	3,992,887
 Expenditure on Raising funds	5	1,018,827	-	1,018,827
Charitable Activities				-
Skills & education accommodation and support services	6	3,091,951	437,497	3,529,44
Skills delivery and business support			17,157	17,157
Total expenditure	8	4,110,778	(454,654)	4,565,432
 Net expenditure		(117,891)	(454,654)	(572,545)
 RECONCILIATION OF FUNDS				
Total funds brought forward at 1 January		8,001,857	15,896,506	23,898,363
Total funds carried forward at 31 December		7,883,966	15,441,852	23,325,818

