Achieve Training (Staffordshire) Limited

Annual Report & Financial Statements

Year Ended 31st March 2021

Registration number 01620339

Contents

Board Members, Advisors and Bankers

Chair	Nicola Winn
Directors	Maqsood Ahmad Alice Belcher (resigned 24 September 2020) Daniel Canavan David Hunter (appointed 9 November 2020) Paul Newell Barry Pitts Elizabeth Shenton Sarah Tudor
Secretary	Paul Medford (appointed on 5th November 2020) Mark Thrasher (resigned on 5th November 2020)
Registered Office	Kingsley The Brampton Newcastle-under-Lyme Staffordshire ST5 0QW
Auditor	BDO LLP 3 Hardman Street Manchester M3 3AT
Principal Solicitors	Anthony Collins LLP 134 Edmund Street Birmingham B3 2ES
Principal Bankers	Barclays Bank Plc PO Box 3333 15 Colmore Row Birmingham B3 2WN

Report of the Directors

The directors present their report together with the audited financial statements for the year ended 31 March 2021.

Principal activity

The principal activities of the company during the period are the provision of training for the workplace, helping people to gain employment and activities which assist in regeneration for areas of social and economic deprivation and providers of property services to deliver home and community improvements with social outcomes for people and businesses.

Achieve Training (Staffordshire) Limited (Achieve) is a wholly owned subsidiary of Aspire Housing, a leading housing provider, place shaper and property developer in Staffordshire and Cheshire. Aspire Housing owns and manages over 9,000 homes, with 20,000 customers, and employs over 420 people across North Staffordshire. With an annual turnover of £50m, Aspire reinvests its profits in regenerating communities, which is evident through its ambitious plans to build 1,400 new homes by 2026.

Legal Structure

On 7 January 2021 the company changed its name from Project Management (Staffordshire) Limited to Achieve Training (Staffordshire) Limited.

Directors

The directors who served throughout the period to the date of approval of the financial statements are as follows:

- Nicola Winn
- Maqsood Ahmad
- Alice Belcher (resigned 24 September 2020)
- Daniel Canavan
- David Hunter (appointed 9 November 2020)
- Paul Newell
- Barry Pitts
- Elizabeth Shenton
- Sarah Tudor

During the year, professional indemnity insurance for the benefit of the directors was in place.

Donations

During the year the company contributed £Nil (2020: £790,626) to charities. There were no political donations.

Going concern

When approving the financial statements, the Board is required to make an assessment of the company's ability to continue as a going concern. In doing this the Board needs to consider all available information about the future, which is at least, but not limited to, twelve months from the date when the financial statements are approved and signed.

Report of the Directors (continued)

Going concern (continued)

As part of the preparation of the budget for 2021-22 a financial business plan was developed to look at future income streams and associated costs. This process of review and challenge gave the company the opportunity to review its forward plans and assess its future over the next couple of years. Plans to generate a profit, increasing over time, and maintaining a minimum cash balance of £200,000 underpin the review and the conclusion.

In addition, the company has in place a formal inter-company loan agreement with £2 million of undrawn facilities which provide adequate resources to support the business and its development, along with the company's day to day operations. The company's financial plan shows that it is able to service these debt facilities.

On this basis, and following the review undertaken, the Board has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the annual report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements. Further information on the review is set out in note 2.

Financial risk management objectives and principles

The company uses various financial instruments, including loans and cash, and other items such as trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The existence of these financial instruments exposes the company to some financial risks. The main risks arising from the company's financial instruments are considered by the directors to be liquidity risk and credit risk. The board reviews and agrees policies for managing these risks.

Statement of directors' responsibilities

The directors are responsible for preparing the Report of the Directors, Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable United Kingdom Accounting Standards have been followed; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Report of the Directors (continued)

External auditor

A resolution to re-appoint BDO LLP as auditor of the Group, including Achieve Training, will be proposed at the Aspire Housing Board Meeting on 21 September 2021.

Small company provisions

This report has been prepared in accordance with the provisions applicable to the companies entitled to the small companies exemption.

This report was approved and authorised for issue by the Board of Directors on 22 July 2021 and signed on its behalf by

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Paul Medford
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Paul Medford

Secretary

Strategic Report

Objectives and strategy

A new Achieve Training Strategy was approved by Board in November 2020, and this is closely aligned to the group's People First Corporate Strategy 2019-24.

The Achieve Training Strategy sets the direction of travel for the next 4 years to rebuild financial stability and resilience, combined with longer term sustainable growth and increased profits through more effective and efficient working, and be recognised as the very best independent learning provider of our kind in the region. This will be achieved through the following:

- Focusing on learners in North Staffordshire, helping even more learners to develop strong work ethics, skills, and career ambitions to become highly skilled and motivated employees of the future.
- Providing a broad range of high-quality training that meets the needs of learners and businesses.
- Better understanding and responding to the current and future needs of clients and local employers. We will use resources effectively and deliver value for money by being more productive, efficient, and effective with a digital-first approach.
- Costs will continue to be fully analysed and effectively managed throughout the organisation.
- Our learning facilities will be transformed to better meet the changing needs of our learners and colleagues. As we simplify our offer, we will also consolidate our facilities to reduce operating costs and reinvest in the very best resources and latest technology, creating modern and flexible spaces to learn and collaborate.

Business and financial review

The disruption from the coronavirus pandemic has hit Achieve's operating model hard and adversely impacted on its finances; more so than on Aspire Housing. These disruptions included:

- restricting apprenticeship starts to just 124 during the year, compared to 431 in 2019-20, as employers have not been recruiting to apprenticeships during the lockdowns. Business Administration, Accountancy, and Manufacturing starts have been hardest hit and many completions were delayed, which impacted on income with less funding drawdown from ESFA each month;
- social distancing requirements preventing some employers from providing on-the-job work experience opportunities for learners – especially at Homeworks. This has reduced the pipeline of new starts and has delayed 14% of completions and reduced progressions into apprentices and jobs to 60.2%;
- Homeworks has receiving significantly less referrals for contractual work during the pandemic lockdowns, with only emergency works, void clearance and health and safety compliance work continuing uninterrupted. Remobilisation has presented its difficulties, as restrictions have remained in place. As a result, income was down;
- furloughing some staff who were unable to provide training when classroom and on-the-job activities were suspended. The support received through the Government Coronavirus Job Retention Scheme totaled £139,000; and
- moving to learning online was positive for most but did not suit the learning-styles of learners who needed one-on-one intervention and thrived on proactive support – this is something Achieve Training is known for and does well at.

Strategic Report (continued)

Business and financial review (continued)

As a result, 2020-21 proved to be a difficult financial year for Achieve with the results showing a loss of £551,729. Overall turnover fell by 6.5% to £7.97m, which also impacted the ability to make a profit.

The impact of COVID-19 is likely to have a continued impact on the financial performance for 2021-22, but the business has been resetting itself to manage its way out of the current position.

However, Achieve Training still made a significant social impact on the lives of the young people it supports and on the communities of North Staffordshire.

- It was successful in retaining a total of 702 apprentices in-learning.
- 512 young people participated in our pre-apprenticeship employability programmes, including study programmes and traineeships, and 69% of the Study Programme students progressed to positive destinations.
- During 2020-21 the training division of Achieve Training has supported over 1,200 companies locally with advice, guidance and training for their workplace skills needs during the year.
- Achieve continues to provide property and estate services on a both contractual and non-contractual basis via Homeworks. These services include gardening, decorating, environmental improvements and estate caretaking to people in North Staffordshire. These teams enable learners to engage with local neighbourhoods and to prepare for employment. Capacity for learners on these teams has been reduced greatly throughout the year due to the restrictions. Achieve apprentices have once again completed a range of artwork commissions during the year, including several high-profile works of public art.
- The Employment and Skills Team has supported 310 unemployed adults as it continues delivering several contracts through the European Social Fund Programme and working in partnership with Aspire Housing.

Throughout the year the Board has received regular reports on performance and risks to be able to assess the impact of the pandemic on customers, learners, staff, and the business. In the past few months reporting has returned to normal as the lifting of restrictions progresses and the remaining restrictions are not impacting on the company’s operations. Based on the reports given and the work done, the Board has determined that adopting a going concern basis for the financial statements is correct at the time of approval.

Risks and uncertainties

Achieve Training’s operating environment has changed rapidly over the last few years, and it is now operating in a world that is increasingly risky and competitive, where income is much less certain, and its traditional learning pathway is no longer fit for purpose. This is due to the following factors.

- Funding is now more complex, more competitive to obtain, less consistent, short-term, traditional funding sources are ending, bidding is now commonplace, employers have a bigger say, and it is increasingly focused on higher level skills & standards, which means Achieve Training’s traditional and reliable income stream is reducing.

Strategic Report (continued)

Risks and uncertainties (continued)

- As employers have taken a more significant role in funding and determining standards, their need for learners with higher-level skills has grown. As a result, the new apprenticeship standards are pitched at a higher level, many require Level 2 Maths & English, meaning learners must pass exams and obtain a qualification. There is also a growth in graduate apprentices and the new T-Levels are equivalent to A-Levels. Achieve Training's traditional learning pathway and operating model is focused on lower-level skills, which has meant opportunities for study programme learners to progress to an apprenticeship has reduced.

- The independent training sector has seen significant regulatory changes, coupled with stronger intervention and audit. This has meant Achieve have been subject to more regulatory audits, which are disruptive and has resulted in financial claw back. However, it is positive that the Education and Skills Funding Agency (ESFA) concluded their latest funding audit in June 2020. There were several key areas to address that have been actioned, including a reduction of subcontracted learning provision. A detailed review of the financial controls has been completed including an in-depth internal audit. All subsequent actions have since been completed and signed off.

- Homeworks had previously received the full contract value from Stoke on Trent City Council, with flexibility on the referrals made, to ensure enough work was received. However, over the last two years Stoke on Trent City Council has reduced their referrals to Homeworks to the essential. We had received assurances from the Council that they would once again refer work to the full contract value, however, the pandemic lockdowns meant this did not happen. A lack of referrals remains an on-going risk.

These risks may prevent Achieve Training from delivering its objectives, which is why they are considered and reviewed regularly by the Executive team, the Audit Committee, and the Board. The risks are recorded and assessed in terms of their impact and probability. The Board of Achieve receives quarterly risk management reports.

The strategic risks to the successful delivery of Achieve's strategic objectives are considered below.

Key risk	Management Actions
Achieve Training fails to deliver on new corporate strategy and business plan objectives resulting in financial stress or reputational failure	• Improved accuracy and timeliness of data led by APTEM learner management system • Continue to scan the education and employment sector for new opportunities and financial support • Regular contract meetings with clients to maximise income from existing contracts • Started the process of closing down lower performing sectors and contractors • Efficiency reviews / new contracts / consolidation
Failure to win, retain and deliver existing contract obligations results in loss of income and opportunities for learners	• Restructure of Homeworks underway. Additional management capacity added for stakeholder management and business development • Review of Homework services to be undertaken to identify group savings/efficiencies and service/productivity improvements

Strategic Report (continued)

Risks and uncertainties (continued)

Key risk	Management Actions
Lack of adequate learner numbers leads to failure of business viability	• implement additional curriculum strands (apprenticeship and 16-19's) to attract additional learners. • continuing recruitment activities inc. virtual and social media options • Implement Achieve Strategy Action Plan

This report was approved and authorised for issue by the Board of Directors on 22 July 2021 and signed on its behalf by

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Paul Medford

Secretary

Independent Auditor's report to the members of Achieve Training (Staffordshire) Limited

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss 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.

We have audited the financial statements of Achieve Training (Staffordshire) Limited for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity 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' and UK GAAP (United Kingdom Generally Accepted Accounting Practice).

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

Independence

We remain independent of the company 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Independent Auditor's report to the members of Achieve Training (Staffordshire) Limited (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Report of the Directors.

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 accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors 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 Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's report to the members of Achieve Training (Staffordshire) Limited (continued)

Responsibilities of Directors (continued)

In preparing the financial statements, the Directors are responsible for assessing the 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 Directors either intend to liquidate the 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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding and accumulated knowledge of the company and the sector in which it operated we considered the risks of acts by the company which were contrary to applicable laws and regulations, including fraud, and whether such actions or non-compliance might have a material effect on the financial statements. These included but are not limited to those that relate to the form and content of the financial statements, such as company accounting policies, UK GAAP, the Companies Act 2006, relevant tax legislation and Health and Safety.

We determined that the principal risks were related to posting inappropriate journal entries, management bias in accounting estimates and revenue cut off.

Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or including specific keywords;
- Testing a sample of revenue transactions within a specified cut off window pre and post year end to determine if they have been recorded in the correct period;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;

Independent Auditor's report to the members of Achieve Training (Staffordshire) Limited (continued)

Extent to which the audit was capable of detecting irregularities, including fraud (continued)

- Review of minutes of Board meetings throughout the period; and
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
HELEN KNOWLES
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Helen Knowles (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester
United Kingdom

16 August 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Comprehensive Income

for the year ended 31 March 2021

	Note	**2021**	2020
		£	£
Turnover	**4**	**7,965,508**	8,520,600
Cost of sales		**(6,566,420)**	(7,436,656)
Gross profit		**1,399,088**	1,083,944
Administrative expenses		**(1,979,956)**	(1,832,564)
Other operating income		**-**	-
Operating (loss)	**6**	**(580,868)**	(748,620)
Interest receivable and similar income	**9**	**226**	2,043
Interest payable and similar charges		**-**	-
(Loss) before taxation		**(580,642)**	(746,577)
Taxation on loss	**10**	**28,913**	282,360
(Loss) for the financial year		**(551,729)**	(464,217)
Other comprehensive income		**-**	-
(Loss) total comprehensive income for the year		**(551,729)**	(464,217)

Historical cost surpluses and deficits are the same as those shown in the statement of comprehensive income. The results stated above are derived from continuing activities.

The notes on page 18 to 32 form part of these financial statements.

Statement of Financial Position

as at 31 March 2021

Registration number 11256769		**2021**	2020
	Note	**£**	£
Fixed assets			
Intangible fixed assets	**11**	**34,210**	68,454
Tangible fixed assets	**12**	**354,168**	444,269
		388,378	512,723
Current assets			
Debtors – receivable within one year	**13**	**1,281,830**	1,650,431
Cash and cash equivalents		**328,572**	276,599
		1,610,402	1,927,030
Creditors: amounts falling due within one year	**14**	**(1,505,829)**	(1,395,073)
Net current assets		**104,573**	531,957
Total assets less current liabilities		**492,951**	1,044,680
Deferred tax provision		**-**	-
Total net assets		**492,951**	1,044,680
Capital and reserves			
Called up share capital	**17**	**1,000**	1,000
Profit and loss account		**491,951**	1,043,680
Total shareholders' funds		**492,951**	1,044,680

The financial statements were approved and authorised for issue by the Board at a meeting held on 22 July 2021 and signed on its behalf by:

DocuSigned by:
Nicola Winn
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Nicola Winn
Chair

The notes on page 18 to 32 form part of these financial statements.

Statement of Changes in Equity

for the year ended 31 March 2021

	Share capital	Profit and loss account	Total equity
	£	£	£
Balance at 31 March 2019	1,000	2,298,523	2,299,523
(Loss) for the year	-	(464,217)	(464,217)
Gift aid distribution	-	(790,626)	(790,626)
Balance at 31 March 2020	1,000	1,043,680	1,044,680
(Loss) for the year	**-**	**(551,729)**	**(551,729)**
Gift aid distribution	**-**	**-**	**-**
Balance at 31 March 2021	**1,000**	**491,951**	**492,951**

The notes on page 18 to 32 form part of these financial statements.

Notes to the Financial Statements

1. Legal Status

The company is a private company limited by shares, incorporated in England and Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the directors' report.

2. Accounting Policies

The financial statements have been prepared in accordance with FRS 102 Section 1A Small Entities.

The accounts are prepared under the historical cost basis.

The preparation of financial statements in compliance with FRS 102 Section 1A Small Entities requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies.

Disclosure exemptions

In preparing the separate financial statements of the company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- the ultimate parent company for the group is Aspire Housing Limited and their accounts contain the cashflow for the group of companies, including the company, and therefore the company has used the exemption not to produce its own individual cashflow statement.

The following principal accounting policies have been applied:

Going concern

The company's business activities, its current financial position and factors likely to affect its future development and in particular for year ended 31st March 2021, the implications of COVID-19, have been set out in the Strategic Report and risks facing the company. The company was impacted by COVID-19 from March 2020 onwards as it has been unable to provide some of its services during lockdown. A revised budget taking this into account and making assumptions for how quickly activities will return and at what level was approved by the Board and modelled into the future. In addition, Achieve's parent company, Aspire Housing, has made available an on-lending facility to support the cash flow for the company under a legal agreement.

As part of the preparation of the budget for 2021-22 a financial business plan was developed to look at future income streams and associated costs. This process of review and challenge gave the company the opportunity to review its forward plans and assess its future over the next couple of years. Plans to generate a profit, increasing over time, and maintaining a minimum cash balance of £200,000 underpin the review and the conclusion.

On this basis, the Board has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

2. Accounting Policies (continued)

Turnover and revenue recognition

Turnover comprises income for training and other services included at the invoiced value (excluding VAT) of goods and services supplied in the year.

ESFA contract income is recognised in full in the Statement of Comprehensive Income in the year for which it is receivable and any clawback in respect of the period is deducted from income and recognised as a liability. The income is measured in line with best estimates for the period of what is receivable and depends on the particular income stream involved. Any under achievement on the ESFA contracts is adjusted for and reflected in the level of income recognised in the Statement of Comprehensive Income.

The final ESFA contract income is normally determined with the conclusion of the year end reconciliation process with the funding body following the contract year end (31 July), and the results of any funding audits.

Where part of the income is deferred, the deferred element is recognised as deferred income within creditors. Where part of the income is accrued, the accrued element is recognised as accrued income within debtors.

Revenue is recognised at the point the company has fulfilled its obligations in accordance with contractual terms. Any clawback of contract income in respect of the period is deducted from income and is recognised as a liability whilst other income is recognised at the point of receipt.

The total turnover of the company for the year has been derived from its principal activities wholly undertaken in the UK.

Current and deferred taxation

The tax charge/credit for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively. The charge/credit for taxation is based on surpluses/losses arising on certain activities which are liable to tax.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date where transactions or events have occurred at that date resulting in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the Statement of Financial Position date.

2. Accounting Policies (continued)

Value Added Tax

The company charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the company and not recoverable from HM Revenue and Customs. Recoverable VAT arises from partially exempt activities and is credited to the Statement of Comprehensive Income. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

Pensions

The company operates a defined contribution plan for all employees under which the company pays fixed contributions into the Social Housing Pension (SHPS) auto enrolment scheme and has no legal or constructive obligation to pay further amounts. Obligations for contributions to the defined contribution pension plan are shown as an operating expense in the surplus for the year during which the services are rendered by employees.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

Termination benefits

Termination benefits are recognised as an expense when the company is demonstrably committed, without realistic possibility of withdrawal to a formal detailed plan to terminate employment.

Goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of the company's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated by applying the straight-line method to its estimated useful life which is assessed as being 10 years.

The estimate of the useful economic life of goodwill is based on a variety of factors such as the long-term strategic benefit of the entities acquired, the cash earning potential of the businesses and the expected useful life of the cash generating units to which the goodwill is attributed.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

2. Accounting Policies (continued)

Depreciation of tangible fixed assets

Land is not depreciated.

Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Description	Economic useful life (years)
Leasehold improvements	5
Furniture, fixtures and fittings	7
Plant and equipment	7
Motor vehicles	5
Computer equipment	3

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

Financial instruments

Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all its liabilities.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method, less any impairment losses. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Cash and cash equivalents in the company's Statement of Financial Position consists of cash at bank, in hand, deposits and short-term investments with an original maturity of three months or less.

Leased assets

All leases are treated as operating leases. Rentals receivable or payable under the agreements are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

3. Significant Judgements and Estimates

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

Goodwill

The estimate of the useful economic life of goodwill is based on a variety of factors such as the long-term strategic benefit of the entities acquired, the cash earning potential of the businesses and the expected useful life of the cash generating units to which the goodwill is attributed. Goodwill within the company is assessed as having a useful life of a maximum of ten years linked to the life of the investment.

Tangible fixed assets

Other tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The estimates of useful life for the different component types and assets are detailed above. They are estimated on sector averages and the opinion of experienced asset practitioners. A review each year seeks to ensure that the useful economic lives and remaining terms are applied consistently.

4. Turnover

The turnover for the year has been derived from the company's principal activity and is wholly undertaken in the UK. Revenue is recognised at the point the company has fulfilled its obligations in accordance with contractual terms.

5. Surplus on sale of other fixed assets

	2021	2020
	£	£
Disposal proceeds	**8,900**	-
Cost of disposals	**(7,657)**	-
	1,243	-

6. Operating (Loss)

This is arrived at after charging / (crediting)

	2021	2020
	£	£
Depreciation of tangible fixed assets	**131,521**	102,522
Amortisation of intangible assets	**34,245**	34,245
Operating lease charges:		
land and building	**104,354**	182,497
vehicles	**187,910**	188,239
plant and equipment	**29,920**	39,080
Auditor remuneration (excluding VAT):		
audit of financial statements	**7,700**	7,400
fees for tax computations	**2,100**	2,000

7. Employees

	2021	2020
	£	£
Staff costs consist of:		
Wages and salaries	**3,669,402**	3,724,325
Social security costs	**326,373**	333,525
Cost of defined contribution scheme	**134,373**	154,721
	4,130,148	4,212,571

Of the above costs £17,636 (2020: £36,454) was recharged to group companies for staff working in other areas. In addition to the staff costs above there were recharges from group companies of £113,547 (2020: £67,240) for staff working on Achieve's operations.

A defined contribution pension scheme is operated by the company. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the company to the fund and amounted to £134,373 (2020: £154,751). Contributions amounting to £22,275 (2020: £22,513) were payable to the fund and are included in creditors.

7. Employees (continued)

The average number of employees (including Executive Management Team) expressed as full-time equivalents (calculated based on a standard working week of 35 hours) during the year was as follows:

	2021	2020
	No.	No.
Operations	**134**	128
Resources – Central Administration	**25**	26
	159	154

The full-time equivalent number of staff who received remuneration from £60,000 upwards (including those who received settlement payments for loss of office) were as follows:

	2021	2020
	No.	No.
£60,001 to £70,000	**1**	-

8. Directors' and Senior Executive Remuneration

Non-executive directors received £39,168 (2020: £40,425) remuneration from the company in respect of their services as directors of the company.

Key management personnel are directors and senior managers and their costs are included in the numbers above in note 7.

9. Interest Receivable and Similar Income

	2021	2020
	£	£
Interest receivable and similar income	**226**	2,043
	226	2,043

10. Taxation

	2021	2020
	£	£
UK corporation tax		
Current tax on (loss) / profit for the year	**-**	-
Adjustment in respect of prior periods	**-**	(150,218)
Total current tax	**-**	(150,218)
Deferred tax		
Origination and reversal of timing differences	**(50,938)**	(132,142)
Adjustments in respect of prior periods	**22,025**	-
Changes to tax rates	**-**	-
	(28,913)	(132,142)
Taxation refundable on ordinary activities	**(28,913)**	(282,360)

The tax assessed for the year differs to the standard rate of corporation tax in the UK applied to surplus/(deficit) before tax. The differences are explained below:

	2021	2020
	£'000	£'000
Loss before tax	**(580,642)**	(746,577)
Loss at the standard rate of corporation tax in the UK of 19% (2020: 19%)	**(110,322)**	(141,850)
Effects of		
Expenses not deductible for tax purposes	**6,429**	6,245
Depreciation in excess of capital allowances	**14,273**	15,308
Tax losses carried forward	**89,620**	120,297
Other short-term timing differences	**-**	-
Adjustment to tax charge in respect of previous periods	**-**	(150,218)
Deferred tax recognised	**(28,913)**	(132,142)
Total tax credit for the period	**(28,913)**	(282,360)

11. Intangible Fixed Assets

	Goodwill
	£
Cost	
At 1 April 2020	342,543
At 31 March 2021	342,543
Amortisation	
At 1 April 2020	(274,089)
Charge for the year	(34,244)
At 31 March 2021	(308,333)
Net book value	
At 31 March 2021	**34,210**
At 31 March 2020	68,454

Goodwill arose on a hive up of trade from Acorn Personnel Limited, a former subsidiary of the parent Project Management (Staffordshire) Limited (PM). Reserves were distributed to PM by way of a dividend and the remaining investment transferred to goodwill which is amortised over the useful economic life estimated as 10 years. This estimate is based on a variety of factors such as the long-term strategic benefit of the entities acquired, the cash earning potential of the businesses and the expected useful life of the cash generating units to which the goodwill is attributed.

12. Tangible Fixed Assets

	Leasehold property	Fixtures, fitting and furniture	Plant and equipment	Motor vehicles	Computer equipment	Total
	£	£	£	£	£	£
Cost						
At 1 April 2020	127,457	4,230	257,082	172,969	139,866	701,604
Additions	16,320	-	27,352	-	5,405	49,077
Disposals	-	-	-	(26,458)	(4,041)	(30,499)
At 31 March 2021	**143,777**	**4,230**	**284,434**	**146,511**	**141,230**	**720,182**
Depreciation						
At 1 April 2020	(53,317)	(1,698)	(73,640)	(95,298)	(33,382)	(257,335)
Charge for year	(26,050)	(605)	(38,653)	(20,421)	(45,792)	(131,521)
Eliminated on disposals	-	-	-	18,801	4,041	22,842
At 31 March 2021	**(79,367)**	**(2,303)**	**(112,293)**	**(96,918)**	**(75,133)**	**(366,014)**
Net Book Value						
At 31 March 2021	**64,410**	**1,927**	**172,141**	**49,593**	**66,097**	**354,168**
At 31 March 2020	74,140	2,532	183,442	77,671	106,484	444,269

13. Debtors

	2021	2020
	£	£
Due within one year		
Trade debtors	**288,782**	372,929
Amounts owed by group undertakings	**260,875**	394,944
Other debtors	**2,542**	19,019
Prepayments and accrued income	**609,587**	772,408
Deferred tax asset	**120,044**	91,131
	1,281,830	1,650,431

Amounts owed by group undertakings are repayable on demand and do not attract interest.

14. Creditors: Amounts Falling Due Within One Year

	2021	2020
	£	£
Trade creditors	**74,301**	56,245
Amounts owed to group undertakings	**991,880**	501,673
Taxation and social security	**125,505**	142,362
Corporation tax	**-**	-
Other creditors	**162,984**	436,459
Accruals and deferred income	**151,159**	258,334
	1,505,829	1,395,073

Amounts owed to group undertakings are repayable on demand and do not attract interest.

15. Financial Instruments

The company's financial instruments may be analysed as follows:

	2021	2020
	£	£
Financial assets		
Financial assets measured at historic cost		
Trade debtors	**288,782**	372,929
Other receivables	**993,048**	1,186,371
Cash and cash equivalents	**328,572**	276,599
Total financial assets	**1,610,402**	1,835,899
Financial liabilities		
Financial liabilities measured at historical cost		
Trade creditors	**(74,301)**	(56,245)
Other creditors	**(1,431,528)**	(1,338,828)
Total financial liabilities	**(1,505,829)**	(1,395,073)

16. Deferred Tax

	2021	2020
	£	£
Deferred tax (assets) / liabilities		
Accelerated capital allowances	**53,135**	64,686
Unused tax losses	**(173,179)**	(155,817)
Other short-term timing differences	**-**	-
	(120,044)	(91,131)

16. Deferred Tax (continued)

The net reversal of deferred tax assets and liabilities expected in 2021 is £1,403. This is expected to arise because depreciation is anticipated to be higher than the available capital allowances. As the future deferred tax balances, if any, will be dependent on future changes in fair values of assets and liabilities, it is not possible to estimate any further future reversals. The utilisation of tax losses is dependent on future profits.

17. Share Capital

	Authorised			
	2021	2020	**2021**	2020
	No	No	**£**	£
Ordinary shares of £1 each	**10,000**	10,000	**10,000**	10,000

	Allotted and called up			
	2021	2020	**2021**	**2020**
	No	No	**£**	**£**
Ordinary shares of £1 each	**1,000**	1,000	**1,000**	**1,000**

18. Contingent Liabilities

There are no contingent liabilities for the company in the year.

19. Operating Leases

The company had minimum lease payments under non-cancellable operating leases as set out below:

	2021	2020
Amounts payable as lessee	**£**	£
Land and Buildings		
Not later than one year	**2,884**	10,440
Later than one year and not later than five years	**-**	2,883
	2,884	13,323
Plant, Equipment and Vehicles		
Not later than one year	**203,682**	82,186
Later than one year and not later than five years	**540,147**	87,422
	743,829	169,608
Total	**746,713**	182,931

20. Related Party Transactions

The company provides training and other services to its parent Aspire Housing and fellow subsidiaries. The company also receives charges from its parent. During the year Achieve Training (Staffordshire) Limited had the following intra-group transactions with the following entities: Aspire Housing Limited and The Realise Foundation. The quantum and basis of those charges is set out below:

		2021	2020
Entity	**Allocation basis**	**£**	£
Aspire Housing Limited	Apportionment of management costs	**(346,000)**	(469,000)
	Directly attributable works	**2,227,776**	2,195,588
	Gift Aid	**-**	(790,625)
The Realise Foundation	Directly attributable works	**53,193**	128,685
		1,934,969	1,064,648

None of the directors had any related party transactions that require disclosure.

21. Ultimate Controlling Party

The immediate parent, and ultimate controlling party, undertaking at the Statement of Financial Position date is Aspire Housing Limited which is registered as a charitable community benefit society under the Co-operative and Community Benefit Societies Act 2014 with registered number 31218R, and as a Registered Provider with the Regulator of Social Housing with registered number L4238. Copies of the group accounts can be obtained from the registered office of Aspire Housing at Kingsley, The Brampton, Newcastle-under-Lyme, Staffordshire ST5 0QW.

Achieve Training (Staffordshire) Limited
Kingsley, The Brampton, Newcastle-Under Lyme,
Staffordshire ST5 0QW

Registration number 01620339