

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LIMITED

England & Wales · Charity number 507714

Details

Status Registered

Legal form Charitable company

Company number [01372963](#)

Registered 1978-06-29

Register [View on the Charity Commission register](#)

Contact

Address S E T A
16-17 Sedling Road
Wear Industrial Estate
Washington
NE38 9BZ

Phone 01914162860

Email robin.lockwood@seta.co.uk

Website www.seta.co.uk

Activities

Objects: TO ADVANCE THE THEORETICAL AND PRACTICAL EDUCATION AND TRAINING OF PERSONS ENGAGED OR INTENDING TO BE ENGAGED IN THE ENGINEERING INDUSTRY AS DEFINED IN LEGISLATION ENACTED UNDER THE INDUSTRIAL TRAINING ACT 1964 OR ANY ACT AMENDING OR REPLACING THE SAME. SUBJECT TO THE FOREGOING OBJECT, TO EXTEND SUCH PROVISION OR ASSISTANCE TO THE TRAINING OR EDUCATION OF MEMBERS OF THE PUBLIC GENERALLY.

Activities: The provision of engineering training for apprentices and adults in the north eastern region of England.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training
- **Who:** Children/young People, The General Public/mankind

Geography

- Durham
- Gateshead
- Middlesbrough
- Newcastle Upon Tyne City
- North Tyneside
- Northumberland
- South Tyneside
- Sunderland

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£2,681,755	£2,213,868	£2,086,810	35
2024-08-31	£2,217,385	£2,052,555	£1,603,456	32
2023-08-31	£2,087,974	£1,901,779	£1,407,399	32
2022-08-31	£1,762,749	£1,532,021	£1,221,204	26
2021-08-31	£1,325,607	£1,131,540	£990,476	23

Trustees

Name	Role	Appointed
Andrew Ramsey		2021-01-08
David Bartell		2016-04-22
IAN SCURFIELD		
Keith Robson		2024-02-09
Michael James Hutchinson		2025-03-21

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LIMITED

England & Wales - Charity number 507714

Accounts

Company registration number 01372963 (England and Wales)

Charity registration number 507714 (England and Wales)

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

A handwritten signature in black ink, appearing to be 'W. Z. ...', written in a cursive style.

13-3-26

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

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SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Financial review

Overall, the Association is showing revenue from charitable activities of £2,634,113 compared to revenue of £2,127,855 in the previous financial year, an increase of 23.7%. Net income for the year was £483,354 compared to a net income of £196,057 in 2024 an increase of £287,297.

The growth strategy put in place during previous financial years to increase employer involvement and apprentice numbers, is continuing to deliver positive results, with the highest number ever of apprentice learners on programme.

Seta's investments increased in value overall during the year to £337,031 from £317,289. The market value of retained investments increased by £19,742.

Reserves policy and Going Concern

The trustees aim to maintain minimum accessible reserves in unrestricted funds at a level which equates to approximately three months of unrestricted charitable expenditure.

The balance held as unrestricted funds at 31 August 2025 was £2,018,841 of which £1,408,769 are regarded as free reserves after allowing for funds tied up in tangible fixed assets. Restricted reserves at 31 August 2025 are £67,969. Actual 3 month cash payments totalled £549,000.

The Trustees considers that reserves at this level will ensure that, in the event of a significant drop in revenue, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised. In addition, the Charity is preparing for continued growth, where larger or additional training facilities will be required, at significant cost to the organisation. This level of reserves has been maintained throughout the year.

The Trust reported net revenue of £483,354 in the year. The Trustees expect that the current financial year will also generate a significant surplus. On that basis they consider the charity is a going concern.

In the event that Seta was unable to recruit any apprentices in the current year, there would be DIE/ESFA continuation funding for the >300 apprentices currently on programme. This would run down over three years, by which time adjustments would be made to outgoing costs or alternative revenue streams secured. There is a very low risk that this event will occur.

In the event that Seta was unable to deliver commercial training, reserves would be adequate to cover all costs until they were able to be reduced to match income.

Bearing the above in mind, and considering that Seta has £1,408,769 of readily accessible reserves, the Trustees consider the charity is a going concern.

Investment powers and policy

During the 24/25 financial year the investment portfolio was managed by Brewin Dolphin. The portfolio value is noted above. An annual review of this investment portfolio and performance is carried out by Seta trustees.

The Trustees have the power to invest in such assets as they see fit. Seta's investment advisors have been instructed to invest to maximise the total return on investment funds within the constraints of a medium risk portfolio. An investment policy is in place. Whilst the investment brief is broadly defined, Seta trustees are happy that the nature of investments is appropriate from an ethical standpoint.



SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

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

Mr D Bartell

Mr I Scurfield

Mr A Ramsey

Mr K Robson

Mr M Hutchinson

(Appointed 21 March 2025)

The day-to-day management of the Charity has been delegated to Mr Robin Lockwood as the Chief Executive Officer.

Induction and Training of Trustees

The induction process follows the ICSA good practice Charity Trustees' Guide with an induction programme for any newly appointed trustee, which includes an initial meeting with the Chair and the trustees, followed by a series of short meetings with the Chief Executive to further discuss roles and responsibilities and clarify charity policy matters. Further training will be provided as required and in keeping with the Good Practice Guide.

Pay Policy for senior staff

Seta trustees review the salary of all staff on an annual basis including individual rewards packages of senior managers. To ensure retention of all staff, Seta trustees aim to ensure that the organisation is competitive with commensurate organisations with all its salary and reward packages.

Trustees

None of the trustees received remuneration or other benefit from their work with the charity. Any connection with the charity must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. In the current year no such related party transactions were reported.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

Statement of trustees' responsibilities

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

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

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

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

Opinion

We have audited the financial statements of Sunderland Engineering Training Association Ltd (the 'charity') for the year ended 31 August 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2025 and of its 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 charity 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 trustees' 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 charity'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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Nicholas Cunningham MSc BSc FCCA (Senior Statutory Auditor)

For and on behalf of Robson Laidler Accountants Limited, Statutory Auditor

Accountants

Fernwood House

Fernwood Road

Jesmond

Newcastle upon Tyne

Tyne and Wear

NE2 1TJ

England

Date: 1-4-2026.

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2025

Prior financial year	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Income and endowments from:				
Donations and legacies	3	8,000	70,089	78,089
Charitable activities	4	2,127,855	-	2,127,855
Other trading activities		1,629	-	1,629
Investments	5	9,312	-	9,312
Other income	6	500	-	500
Total income		2,147,296	70,089	2,217,385
Expenditure on:				
Raising funds	7	2,808	-	2,808
Charitable activities	8	2,031,057	18,690	2,049,747
Total expenditure		2,033,865	18,690	2,052,555
Net gains/(losses) on investments		31,227	-	31,227
Net movement in funds	10	144,658	51,399	196,057
Reconciliation of funds:				
Fund balances at 1 September 2023		1,407,399	-	1,407,399
Fund balances at 31 August 2024		1,552,057	51,399	1,603,456

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2025

	Notes	2025		2024	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	23		527,129		309,385
Investing activities					
Purchase of tangible fixed assets		(76,897)		(50,562)	
Proceeds from disposal of tangible fixed assets		480		500	
Purchase of investments		(62,606)		(91,489)	
Proceeds from disposal of investments		56,303		91,166	
Investment income received		10,987		9,312	
Net cash used in investing activities			(71,733)		(41,073)
Net cash generated from financing activities			-		-
Net increase in cash and cash equivalents			455,396		268,312
Cash and cash equivalents at beginning of year			498,793		230,481
Cash and cash equivalents at end of year			954,189		498,793
Relating to:					
Cash at bank and in hand			944,652		487,141
Short term deposits included in current asset investments			9,537		11,652

The notes on pages 13 to 22 form part of these financial statements.

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

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

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

Freehold land and buildings	2% straight line
Plant and equipment	25% reducing balance / 33% straight line
Fixtures and fittings	10% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

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

1.9 Cash and cash equivalents

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

1.10 Employee benefits

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

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

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

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

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

7 Expenditure on raising funds

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Investment management	3,072	2,808

8 Expenditure on charitable activities

	Training 2025 £	Training 2024 £
Direct costs		
Staff costs	813,196	833,411
Depreciation and impairment	67,794	84,083
Materials and consumables	84,900	72,886
Bought in services	76,985	73,113
Safety clothing and cleaning	36,416	47,079
Training courses and expenses	240,118	175,502
	1,319,409	1,286,074
Share of support and governance costs (see note 9)		
Support	882,223	754,973
Governance	9,164	8,700
	2,210,796	2,049,747
Analysis by fund		
Unrestricted funds	2,192,106	2,031,057
Restricted funds	18,690	18,690
	2,210,796	2,049,747

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

12 Employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
Lecturers and training providers	21	19
Management and admin staff	14	13
Total	35	32

Employment costs

	2025 £	2024 £
Wages and salaries	1,195,157	1,118,991
Social security costs	124,415	113,673
Other pension costs	84,681	80,997
	1,404,253	1,313,661

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2025 Number	2024 Number
£110,001 - £120,000	1	1

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2025 £	2024 £
Aggregate compensation	129,992	126,618

13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

17 Creditors: amounts falling due within one year

	2025 £	2024 £
Other taxation and social security	31,785	26,895
Trade creditors	41,032	32,752
Other creditors	22,083	21,669
Accruals and deferred income	247,124	56,959
	<u>342,024</u>	<u>138,275</u>

18 Retirement benefit schemes

Defined contribution schemes	2025 £	2024 £
Charge to profit or loss in respect of defined contribution schemes	84,681	80,997
	<u>84,681</u>	<u>80,997</u>

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

19 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 September 2024 £	Incoming resources £	Resources expended £	At 31 August 2025 £
Capital grant fund	51,399	35,260	(18,690)	67,969
	<u>51,399</u>	<u>35,260</u>	<u>(18,690)</u>	<u>67,969</u>
Previous year:				
	At 1 September 2023 £	Incoming resources £	Resources expended £	At 31 August 2024 £
Capital grant fund	-	70,089	(18,690)	51,399
	<u>-</u>	<u>70,089</u>	<u>(18,690)</u>	<u>51,399</u>

Capital grant fund

Funding received towards the cost of fixed assets. The fund is being released in line with the associated depreciation on an annual basis.

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

23 Cash generated from operations	2025	2024
	£	£
Surplus for the year	483,354	196,057
Adjustments for:		
Investment income recognised in statement of financial activities	(10,987)	(9,312)
Gain on disposal of tangible fixed assets	(480)	(500)
Gain on disposal of investments	(15,467)	(31,227)
Depreciation and impairment of tangible fixed assets	97,910	112,978
Movements in working capital:		
(Increase)/decrease in debtors	(230,864)	158,411
Increase/(decrease) in creditors	203,663	(46,933)
(Decrease) in deferred income	-	(70,089)
Cash generated from operations	<u>527,129</u>	<u>309,385</u>

24 Analysis of changes in net funds

The charity had no material debt during the year.

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LIMITED

England & Wales - Charity number 507714

Accounts

Charity registration number 507714 (England and Wales)

Company registration number 01372963

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr D Bartell Mr I Scurfield Mr A Ramsey Mr K Robson Mr M Hutchinson	(Appointed 9 February 2024) (Appointed 21 March 2025)
Secretary	Mr R Lockwood	
Chief executive officer	Mr R Lockwood	
Charity number (England and Wales)	507714	
Company number	01372963	
Registered office	17 Sedling Road Wear Industrial Estate Washington Tyne & Wear NE38 9BZ	
Auditor	Robson Laidler Accountants Limited Fernwood House Fernwood Road Jesmond Newcastle upon Tyne Tyne and Wear England NE2 1TJ	
Bankers	LloydsBank PLC 54 Fawcett Street Sunderland Tyne and Wear SR1 1SF	
Accountants	JC Accountants Limited 19 Norfolk Street Sunderland Tyne and Wear SR1 1EA	
Investment advisors	Brewin Dolphin Limited 12 Smithfield Street London EC1A 9BD	

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

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SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2024

The trustees present their annual report and financial statements for the year ended 31 August 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

Objectives and activities

The company was established as a Registered Charity with the objective of benefiting the public by providing education and training for persons engaged in, or intending to be engaged in the engineering, manufacturing, process, and related industries.

Sunderland Engineering Training Association Limited (Seta) is a long-established Group Training Association, operating from its own Training Centre in Washington, Tyne and Wear. It has been a major Apprentice Training Organisation in the region for more than 50 years.

The main activities over the year have been the delivery of a range of Institute for Apprenticeships and Technical Education (IfATE) approved apprenticeship programmes. These have been selected and delivered in response to the requirements of apprentice employers. Apprenticeship Standards require the delivery of off-the-job training, which is carried out in the Seta workshops in year one of the programme. This is followed by further development training at employers' premises. The principal source of funding for this is through the apprenticeship levy, via the Education and Skills Funding Agency (ESFA), with which Seta is a primary contract holder.

Seta assists employers with the Apprentice recruitment process by receiving applications, providing an aptitude testing service, screening for suitable applicants and subsequently by providing short lists of potential Apprentices.

In addition to apprenticeship training delivery, Seta provides a wide range of short courses for employers and the public wishing to up-skill or cross-skill their staff. Some of these courses lead to the achievement of nationally recognised qualifications. These courses are mostly funded by employers.

Up to 31st December 2023 Seta was a partner in the ESF funded "North East Workforce Skills" programme in collaboration with Sunderland University and a number of other independent training providers. This project delivers upskilling and cross skill training to workers currently in employment. From 1st April 2024 Seta was a partner in the follow-on UKSPF Skills and Inclusion programme, providing training to eligible businesses in the Sunderland region.

Fundraising

The charity does not raise any funds from the general public.

Public benefit

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake in order to further the charitable purposes for the public benefit. These activities are summarised below.

Achievements and performance

During the year Seta performed well in the delivery of training and learners enjoyed a good level of success which is consistently higher than national averages.

Seta has been audited by a number of external organisations, including its customers, and qualification awarding bodies. All have been completed to the satisfaction of the organisations concerned. Seta operates an ISO9001:2015 accredited quality management system.

Seta last had an Ofsted inspection on 23rd to 26th May 2023. Seta received a 'Good' rating in all categories.

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Financial review

Overall, the Association is showing revenue from charitable activities of £2,127,855 compared to revenue of £2,049,657 in the previous financial year, an increase of 3.8%. Net income for the year was £196,057 compared to a net income of £186,195 in 2023 an increase of £9,862.

The growth strategy put in place during previous financial years to increase employer involvement and apprentice numbers, is continuing to deliver positive results, with the highest number ever of apprentice learners on programme.

Seta's investments increased in value overall during the year to £317,289 from £281,994. The market value of retained investments increased by £35,295.

Reserves policy

The trustees aim to maintain minimum accessible reserves in unrestricted funds at a level which equates to approximately three months of unrestricted charitable expenditure.

The total funds held as at 31 August 2024 amounted to £1,603,456 (2023 : £1,407,399) , of which £51,399 (2023 : £Nil) are restricted funds and £1,552,057 (2023 : £1,407,399) are unrestricted funds. Free reserves after allowing for funds tied up in tangible fixed assets are £853,002 (2023 : £645,928) There are no restricted reserves. Actual 3 month cash payments totalled £513,000.

The Trustees considers that reserves at this level will ensure that, in the event of a significant drop in revenue, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised. In addition, the Charity is preparing for continued growth, where larger or additional training facilities will be required, at significant cost to the organisation. This level of reserves has been maintained throughout the year.

Investment powers and policy

During the 23/24 financial year the investment portfolio was managed by Brewin Dolphin. The portfolio value is noted above. An annual review of this investment portfolio and performance is carried out by Seta trustees.

The Trustees have the power to invest in such assets as they see fit. Seta's investment advisors have been instructed to invest to maximise the total return on investment funds within the constraints of a medium risk portfolio. An investment policy is in place. Whilst the investment brief is broadly defined, Seta trustees are happy that the nature of investments is appropriate from an ethical standpoint

Risk management strategy

The Trustees have assessed the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Seta trustees regularly review risks and uncertainties, and these are classified as part of the SWOT / PESTLE analysis which remains part of Seta business improvement plan. To ensure early mitigation of risks Seta trustees continually monitor and review financial status and forward forecasts on a quarterly basis. The principal risks faced by the Trust lie in both the performance of investments, and the issue of securing the continuity of funding from the education and skills funding agency (ESFA) for delivery of apprentice training.

Other risks which remain under regular review are Changes to Ofsted Education Inspection Framework (EIF); Changes to DfE/ESFA funding levels; competition from local colleges and technical training providers; political influences.

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Plans for future periods

The level of trading surplus is an indication that management strategies are paying off. It is expected that the new financial year (24/25) will show further growth. Apprentice recruitment numbers for September '24 were once again good with, the organisation's highest ever intake, increasing the total number of learners on programme to over 350, and therefore generating increased revenue.

Commercial training sales have improved, in part, thanks to the ESF funded "Northeast Workforce Skills" programme and the follow-on government funded UKSPF programme. This allows Seta and other partners to deliver up-skilling and cross-skilling courses to eligible companies at no cost to them. The Workforce Skills programme ran until December 2023 and the EKSPF programme commenced April 2024, and is ongoing.

Seta continues to respond to market needs both in the delivery of apprenticeship programmes and commercial training courses. We review new apprenticeship "standards" published by IfATE, for suitability and, where there is a good fit, develop capacity and capability to deliver these to apprentices and employers.

Although Seta primarily delivers training in the engineering and manufacturing sector, it looks for opportunities to enter the market in complementary sectors, for example it currently delivers a number of business and administration related programmes.

Seta will continue to make investment in training facilities as required to allow high quality training to be delivered.

The charity has more than sufficient funds to fund its activities for at least 12 months from the date of signing the accounts.

Structure, governance and management

The Charity is a company limited by guarantee and is governed by a memorandum and articles of association. The Directors of the Company are also Trustees of the Charity. Eligibility for membership of the Charity and membership of the Board of Trustees is governed by the memorandum and articles of association. There are no restrictions in the governing document on the operation of the charity or on its investment powers other than those imposed by Charity law.

The organisation is governed by a Board of Directors, which consists of nominated members. The Board is responsible for the management and control of the Charity and overall direction of its work.

Directors are mostly officers from member companies. The Directors have the power to co-opt new Directors up to the maximum of 7 board members as set out in the Memorandum and Articles of Association.

Trustees are appointed via invite request to apprentice employer organisations or specific board nominations. Seta trustees have expressed an aim to expand the board to its maximum of 7 board members and that process continues through open invites to apprentice employer companies and board invites to nominated individuals.

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

Mr D Bartell

Mr I Scurfield

Mr A Ramsey

Mr S Cellend

Mr K Robson

Mr M Hutchinson

(Resigned 16 February 2024)

(Appointed 9 February 2024)

(Appointed 21 March 2025)

The day-to-day management of the Charity has been delegated to Mr Robin Lockwood as the Chief Executive Officer.

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Induction and Training of Trustees

The induction process follows the ICSA good practice Charity Trustees' Guide with an induction programme for any newly appointed trustee, which includes an initial meeting with the Chair and the trustees, followed by a series of short meetings with the Chief Executive to further discuss roles and responsibilities and clarify charity policy matters. Further training will be provided as required and in keeping with the Good Practice Guide.

Pay Policy for senior staff

Seta trustees review the salary of all staff on an annual basis including individual rewards packages of senior managers. To ensure retention of all staff, Seta trustees aim to ensure that the organisation is competitive with commensurate organisations with all its salary and reward packages.

Trustees

None of the trustees received remuneration or other benefit from their work with the charity. Any connection with the charity must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. In the current year no such related party transactions were reported.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

Statement of trustees' responsibilities

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

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

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

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

In accordance with the company's articles, a resolution proposing that Robson Laidler Accountants Limited be reappointed as auditor of the company will be put at a General Meeting.

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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



.....
Mr D Bartell
Trustee

Date: 15/5/25

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

Opinion

We have audited the financial statements of Sunderland Engineering Training Association Ltd (the 'charity') for the year ended 31 August 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2024 and of its 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 charity 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 trustees' 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 charity'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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its 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 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The risk of material misstatement due to error or fraud has been assessed in conjunction with how internal controls may mitigate any such risk. These controls are reviewed as part of the audit by performing systems walkthroughs to ensure they are operating effectively. Analytical review and substantive testing is also performed on all material balances and therefore any instances of non-compliance should be identified or considered as insignificant. In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team;

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework, in which the charity operates and how the charity complies with that legal and regulatory framework
- inquired with management and those charged with governance about their own identification and assessment of the risks of irregularities, including any know actual, suspected or alleged instances of fraud
- discussed with management and those charged with governance any non-compliance with laws and regulations and how fraud might occur including assessments of how and where the financial statements may be susceptible to fraud.

The risk of management override of controls was also considered an area of potential misstatement due to fraud. Audit procedures performed included testing of manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Nicholas Cunningham MSc BSc ACCA (Senior Statutory Auditor)

For and on behalf of Robson Laidler Accountants Limited, Statutory Auditor

Accountants

Fernwood House

Fernwood Road

Jesmond

Newcastle upon Tyne

Tyne and Wear

NE2 1TJ

England

Date: 22-5-2025

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £
Income and endowments from:					
Donations and legacies	3	8,000	70,089	78,089	17,172
Charitable activities	4	2,127,855	-	2,127,855	2,049,657
Other trading activities		1,629	-	1,629	764
Investments	5	9,312	-	9,312	6,381
Other income	6	500	-	500	14,000
Total income		<u>2,147,296</u>	<u>70,089</u>	<u>2,217,385</u>	<u>2,087,974</u>
Expenditure on:					
Raising funds	7	2,808	-	2,808	2,648
Charitable activities	8	2,031,057	18,690	2,049,747	1,899,000
Other expenditure		-	-	-	(1,378)
Total expenditure		<u>2,033,865</u>	<u>18,690</u>	<u>2,052,555</u>	<u>1,900,270</u>
Net gains/(losses) on investments		31,227	-	31,227	(1,509)
Net income and movement in funds		<u>144,658</u>	<u>51,399</u>	<u>196,057</u>	<u>186,195</u>
Reconciliation of funds:					
Fund balances at 1 September 2023		<u>1,407,399</u>	<u>-</u>	<u>1,407,399</u>	<u>1,221,204</u>
Fund balances at 31 August 2024		<u>1,552,057</u>	<u>51,399</u>	<u>1,603,456</u>	<u>1,407,399</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

BALANCE SHEET

AS AT 31 AUGUST 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	14		699,055		761,471
Investments	15		317,289		281,994
			<u>1,016,344</u>		<u>1,043,465</u>
Current assets					
Debtors	16	238,246		396,657	
Cash at bank and in hand		487,141		222,574	
		<u>725,387</u>		<u>619,231</u>	
Creditors: amounts falling due within one year	17	<u>(138,275)</u>		<u>(203,898)</u>	
Net current assets			<u>587,112</u>		<u>415,333</u>
Total assets less current liabilities			<u>1,603,456</u>		<u>1,458,798</u>
Creditors: amounts falling due after more than one year	18		-		(51,399)
Net assets			<u>1,603,456</u>		<u>1,407,399</u>
The funds of the charity					
Restricted income funds	21		51,399		-
Unrestricted funds	22		1,552,057		1,407,399
			<u>1,603,456</u>		<u>1,407,399</u>

The financial statements were approved by the trustees on 15 May 2025



Mr D Bartell
Trustee

Company registration number 01372963 (England and Wales)

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from operations	26		309,385		163,075
Investing activities					
Purchase of tangible fixed assets		(50,562)		(283,947)	
Proceeds from disposal of tangible fixed assets		500		14,500	
Purchase of investments		(91,489)		(30,252)	
Proceeds from disposal of investments		91,166		20,743	
Investment income received		9,312		6,381	
Net cash used in investing activities			(41,073)		(272,575)
Net cash generated from financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			268,312		(109,500)
Cash and cash equivalents at beginning of year			230,481		339,981
Cash and cash equivalents at end of year			498,793		230,481
Relating to:					
Cash at bank and in hand			487,141		222,574
Short term deposits included in current asset investments			11,652		7,907

The notes on pages 12 to 22 form part of these financial statements.

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

Charity information

Sunderland Engineering Training Association Ltd is a private company limited by guarantee incorporated in England and Wales. The registered office is 17 Sedling Road, Wear Industrial Estate, Washington, Tyne & Wear, NE38 9BZ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)". The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

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

1.4 Income

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

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income from trading activities is used to raise funds for the charity. Income is received in exchange for supply of goods and services and is recognised on delivery of such activities.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies (Continued)

1.6 Tangible fixed assets

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

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

Freehold land and buildings	2% straight line
Plant and equipment	25% reducing balance / 33% straight line
Fixtures and fittings	10% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

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

1.9 Cash and cash equivalents

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

1.10 Employee benefits

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

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

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

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

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

3 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Grants	8,000	70,089	78,089	17,172	-	17,172

4 Income from charitable activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Training		
Apprentice training	1,853,219	1,545,243
Commercial training	274,636	501,446
Aptitude testing fees	-	2,968
	<u>2,127,855</u>	<u>2,049,657</u>

5 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from listed investments	5,882	5,785
Interest receivable	3,430	596
	<u>9,312</u>	<u>6,381</u>

6 Other income

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Net gain on disposal of tangible fixed assets	500	14,000

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

7 Expenditure on raising funds

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Investment management	2,808	2,648

8 Expenditure on charitable activities

	Training 2024 £	Training 2023 £
Direct costs		
Staff costs	833,411	703,626
Depreciation and impairment	84,083	48,436
Materials and consumables	72,886	79,566
Bought in services	73,113	79,799
Safety clothing and cleaning	47,079	39,738
Training courses and expenses	175,502	174,626
	<u>1,286,074</u>	<u>1,125,791</u>
Share of support and governance costs (see note 9)		
Support	754,973	766,009
Governance	8,700	7,200
	<u>2,049,747</u>	<u>1,899,000</u>
Analysis by fund		
Unrestricted funds	2,031,057	1,899,000
Restricted funds	18,690	-
	<u>2,049,747</u>	<u>1,899,000</u>

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

9 Support costs allocated to activities

	2024 £	2023 £
Staff costs	480,250	484,774
Depreciation	28,895	27,437
Staff travel	14,650	19,150
Staff health insurance	-	6,577
Office costs	160,566	161,788
Software and IT	21,160	15,179
Advertising	27,539	11,047
Sundry expenses	5,762	6,168
Finance costs	513	259
Professional fees	15,638	33,630
Governance costs	8,700	7,200
	<u>763,673</u>	<u>773,209</u>

Analysed between:

Training	<u>763,673</u>	<u>773,209</u>
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	2024 £	2023 £
Governance costs comprise:		
Audit fees	8,700	7,200
	<u>8,700</u>	<u>7,200</u>

10 Net movement in funds

	2024 £	2023 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	8,700	7,200
Depreciation of owned tangible fixed assets	112,978	75,873
Profit on disposal of tangible fixed assets	(500)	(14,000)
	<u>121,178</u>	<u>69,073</u>

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

12 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Lecturers and training providers	19	18
Management and admin staff	13	13
Total	<u>32</u>	<u>31</u>

Employment costs

	2024 £	2023 £
Wages and salaries	1,118,991	1,013,001
Social security costs	113,673	95,783
Other pension costs	80,997	79,616
	<u>1,313,661</u>	<u>1,188,400</u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2024 Number	2023 Number
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-
	<u>1</u>	<u>1</u>

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2024 £	2023 £
Aggregate compensation	<u>126,618</u>	<u>108,823</u>

13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

14 Tangible fixed assets

	Freehold land and buildings	Plant and equipment	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 September 2023	600,586	1,001,156	306,740	1,908,482
Additions	-	19,004	31,558	50,562
At 31 August 2024	600,586	1,020,160	338,298	1,959,044
Depreciation and impairment				
At 1 September 2023	267,355	709,580	170,076	1,147,011
Depreciation charged in the year	13,062	85,070	14,846	112,978
At 31 August 2024	280,417	794,650	184,922	1,259,989
Carrying amount				
At 31 August 2024	320,169	225,510	153,376	699,055
At 31 August 2023	333,231	291,576	136,664	761,471

15 Fixed asset investments

	Listed investments
	£
Cost or valuation	
At 1 September 2023	281,994
Additions	91,489
Valuation changes	31,227
Cash movement	3,745
Disposals	(91,166)
At 31 August 2024	317,289
Carrying amount	
At 31 August 2024	317,289
At 31 August 2023	281,994

16 Debtors

	2024	2023
	£	£
Amounts falling due within one year:		
Trade debtors	212,707	218,404
Prepayments and accrued income	25,539	178,253
	238,246	396,657

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

17 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Other taxation and social security		26,895	26,561
Government grants	19	-	18,690
Trade creditors		32,752	71,903
Other creditors		21,669	26,172
Accruals and deferred income		56,959	60,572
		<u>138,275</u>	<u>203,898</u>

18 Creditors: amounts falling due after more than one year

	Notes	2024 £	2023 £
Government grants	19	-	51,399
		<u>-</u>	<u>51,399</u>

19 Government grants

Deferred income is included in the financial statements as follows:

	2024 £	2023 £
Deferred income is included within:		
Current liabilities	-	18,690
Non-current liabilities	-	51,399
	<u>-</u>	<u>70,089</u>
Movements in the year:		
Deferred income at 1 September 2023	70,089	-
Released from previous periods	(70,089)	(4,672)
Resources deferred in the year	-	74,761
	<u>-</u>	<u>70,089</u>
Deferred income at 31 August 2024	<u>-</u>	<u>70,089</u>

20 Retirement benefit schemes

	2024 £	2023 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	80,997	79,616
	<u>80,997</u>	<u>79,616</u>

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

21 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 September 2023	Incoming resources	Resources expended	At 31 August 2024
	£	£	£	£
Capital grant fund	-	70,089	(18,690)	51,399
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Capital grant fund

Funding received towards the cost of fixed assets. The fund is being released in line with the associated depreciation on an annual basis.

22 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 September 2023	Incoming resources	Resources expended	Gains and losses	At 31 August 2024
	£	£	£	£	£
General funds	1,407,399	2,147,296	(2,033,865)	31,227	1,552,057
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Previous year:	At 1 September 2022	Incoming resources	Resources expended	Gains and losses	At 31 August 2023
	£	£	£	£	£
General funds	1,221,204	2,087,974	(1,900,270)	(1,509)	1,407,399
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

23 Analysis of net assets between funds

	Unrestricted funds 2024	Restricted funds 2024	Total 2024
	£	£	£
At 31 August 2024:			
Tangible assets	699,055	-	699,055
Investments	317,289	-	317,289
Current assets/(liabilities)	535,713	51,399	587,112
	<u> </u>	<u> </u>	<u> </u>
	1,552,057	51,399	1,603,456
	<u> </u>	<u> </u>	<u> </u>

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

23 Analysis of net assets between funds

(Continued)

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 31 August 2023:			
Tangible assets	761,471	-	761,471
Investments	281,994	-	281,994
Current assets/(liabilities)	415,333	-	415,333
Long term liabilities	(51,399)	-	(51,399)
	<u>1,407,399</u>	<u>-</u>	<u>1,407,399</u>

24 Operating lease commitments

Lessee

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

	2024 £	2023 £
Within one year	<u>-</u>	<u>5,103</u>

25 Related party transactions

There were no disclosable related party transactions during the year (2023 - none).

26 Cash generated from operations

	2024 £	2023 £
Surplus for the year	196,057	186,195
Adjustments for:		
Investment income recognised in statement of financial activities	(9,312)	(6,381)
Gain on disposal of tangible fixed assets	(500)	(14,000)
(Gain)/loss on disposal of investments	(31,227)	1,509
Depreciation and impairment of tangible fixed assets	112,978	75,872
Movements in working capital:		
Decrease/(increase) in debtors	158,411	(131,809)
(Decrease) in creditors	(46,933)	(18,400)
(Decrease)/increase in deferred income	(70,089)	70,089
Cash generated from operations	<u>309,385</u>	<u>163,075</u>

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

27 Analysis of changes in net funds

The charity had no material debt during the year.

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LIMITED

England & Wales - Charity number 507714

Accounts

Registered number: 01372963

Charity number: 507714

Sunderland Engineering Training Association Ltd

(a company limited by guarantee)

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 August 2023**

Prepared By:

F.E.Laughlin Ltd t/a JC Accountants
19 Norfolk Street
Sunderland
SR1 1EA

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 August 2023**

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Sunderland Engineering Training Association Limited

**Charity Reference and Administrative Details
For the year ended 31 August 2023**

COMPANY NUMBER

01372963

CHARITY NUMBER

507714

TRUSTEES

Mr David Bartell

Mr Ian Scurfield

Mr Stephen Clelland (resigned 16/02/24)

Mr Andrew Ramsey

Mr Keith Robson (appointed 09/02/24)

SECRETARY

Mr R Lockwood

CHIEF EXECUTIVE OFFICER

Mr R Lockwood

REGISTERED OFFICE

17 Sedling Road

Wear Industrial Estate

Washington

Tyne and Wear

NE38 9BZ

AUDITORS

F.E.Laughlin Ltd

19 Norfolk Street

Sunderland

SR1 1EA

BANKERS

Public

Lloyds Bank plc

54 Fawcett Street

Sunderland

Tyne and Wear

SR1 1SF

INVESTMENT ADVISORS

RBC Brewin Dolphin

12 Smithfield Street

London

EC1a 9BD

Report of the Trustees

For the year ended 31 August 2023

The Trustees present their report and the audited financial statements for the year ended 31 August 2023 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. This period is 12 months and covers from 1st of September 2022 to the 31st of August 2023. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

Trustees of the charity

The Trustees, who are also the Directors for the purpose of company law, and who served during the year were:

Mr David Bartell
Mr Ian Scurfield
Mr Stephen Clelland (resigned 16/02/24)
Mr Andrew Ramsey

Mr Keith Robson was appointed as a director trustee 09/02/24 after the year end.

Objectives and Activities

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake in order to further the charitable purposes for the public benefit. These activities are summarised below.

The company was established as a Registered Charity with the objective of benefiting the public by providing education and training for persons engaged in, or intending to be engaged in the engineering, manufacturing, process, and related industries.

Sunderland Engineering Training Association Limited (Seta) is a long-established Group Training Association, operating from its own Training Centre in Washington, Tyne and Wear. It has been a major Apprentice Training Organisation in the region for more than 50 years.

The main activities over the year have been the delivery of a range of Institute for Apprenticeships and Technical Education (IfATE) approved apprenticeship programmes. These have been selected and delivered in response to the requirements of apprentice employers. Apprenticeship Standards require the delivery of off-the-job training, which is carried out in the Seta workshops in year one of the programme. This is followed by further development training at employers' premises. The principal source of funding for this is through the apprenticeship levy, via the Education and Skills Funding Agency (ESFA), with which Seta is a primary contract holder. Seta also has a small sub-contract arrangement for the delivery of apprenticeships to some non-levy paying employers.

Seta assists employers with the Apprentice recruitment process by receiving applications, providing an aptitude testing service, screening for suitable applicants and subsequently by providing short lists of potential Apprentices.

In addition to apprenticeship training delivery, Seta provides a wide range of short courses for employers and the public wishing to up-skill or cross-skill their staff. Some of these courses lead to the achievement of nationally recognised qualifications. These courses are mostly funded by employers.

Report of the Trustees

For the year ended 31 August 2023 (continued)

For the duration covered by this report Seta was also a partner in the ESF funded "North East Workforce Skills" programme in collaboration with Sunderland University and a number of other independent training providers. This project delivers upskilling and cross skilling training to workers currently in employment.

Fundraising

The charity does not raise any funds from the general public.

Achievements and Performance

During the year Seta performed well in the delivery of training and learners enjoyed a good level of success which is consistently higher than national averages.

Seta has been audited by a number of external organisations, including its customers, and qualification awarding bodies. All have been completed to the satisfaction of the organisations concerned. Seta operates an ISO9001:2015 accredited quality management system.

Seta had an Ofsted inspection on 23rd to 26th May 2023. Seta has once again received a 'Good' rating in all categories.

Financial Review

Overall, the Association is showing revenue from charitable activities of £2,049,657 compared to revenue of £1,736,585 in the previous financial year, an increase of 18%. Net income for the year was £186,195 compared to a net income of £230,728 in 2022 a decrease of £44,533.

The growth strategy put in place during previous financial years to increase employer involvement and apprentice numbers, is continuing to deliver positive results, with the highest number ever of apprentice learners on programme.

Seta's investments increased in value overall during the year to £281,994 from £279,771. The market value of retained investments decreased by £90.

Capital Spend

In this current year we invested significant money in a number of capital projects, including over £140k in the procurement on two new HAAS CNC milling machines and an Ultimaker 3D printing system. This was part funded by the Regional Growth Fund; The main workshop lighting along with a number of other areas, were replaced by LED lights. This was part funded by the local BREEZ fund. Payback through energy saving has been calculated at within three years.

Plans for future periods

The growth of trading surplus is a further indication that management strategies are paying off. It is expected that the new financial year (23/24) will show further growth. Apprentice recruitment numbers for September '23 were once again good with our highest ever intake, increasing the total number of learners on programme to over 300, and therefore generating increased revenue.

Report of the Trustees

For the year ended 31 August 2023 (continued)

Plans for future periods (continued)

Seta continues to respond to market needs both in the delivery of apprenticeship programmes and commercial training courses. We review new apprenticeship “standards” published by IfATE, for suitability and, where there is a good fit, develop capacity and capability to deliver these to apprentices and employers.

Although Seta primarily delivers training in the engineering and manufacturing sector, it looks for opportunities to enter the market in complementary sectors, for example it currently delivers a number of business and administration related programmes.

Seta will continue to make investment in training facilities as required to allow high quality training to be delivered.

The charity has more than sufficient funds to fund its activities for at least 12 months from the date of signing the accounts.

Investment powers and policy

During the 22/23 financial year the investment portfolio was managed by Brewin Dolphin. The portfolio value is noted above. An annual review of this investment portfolio and performance is carried out by Seta trustees.

The Trustees have the power to invest in such assets as they see fit. Seta’s investment advisors have been instructed to invest to maximise the total return on investment funds within the constraints of a medium risk portfolio. An investment policy is in place. Whilst the investment brief is broadly defined, Seta trustees are happy that the nature of investments is appropriate from an ethical standpoint.

Reserves policy and Going Concern

The trustees aim to maintain accessible reserves in unrestricted funds at a level which equates to approximately three months of unrestricted charitable expenditure.

The balance held as unrestricted funds at 31 August 2023 was £1,407,399 of which £645,928 are regarded as free reserves after allowing for funds tied up in tangible fixed assets. There are no restricted reserves. Actual 3-month cash payments totalled £555,000.

The Trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity’s current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The Trust reported net revenue of £186,195 in the year. The Trustees expect that the current financial year will also generate a significant surplus. On that basis they consider the charity is a going concern.

In the event that Seta was unable to recruit any apprentices in the current year, there would be ESFA continuation funding for the >250 apprentices currently on programme. This would run down over three years, by which time adjustments would be made to outgoing costs or alternative revenue streams secured. There is a very low risk that this event will occur.

In the event that Seta was unable to deliver commercial training, reserves would be adequate to cover all costs until they were able to be reduced to match income.

Report of the Trustees

For the year ended 31 August 2023 (continued)

Reserves policy and Going Concern (continued)

Bearing the above in mind and considering that Seta has £646,000 of readily accessible reserves, the Trustees consider the charity is a going concern.

Structure, Governance and Management

The Charity is a company limited by guarantee and is governed by a memorandum and articles of association. The Directors of the Company are also Trustees of the Charity. Eligibility for membership of the Charity and membership of the Board of Trustees is governed by the memorandum and articles of association. There are no restrictions in the governing document on the operation of the charity or on its investment powers other than those imposed by Charity law.

The organisation is governed by a Board of Directors, which consists of nominated members. The Board is responsible for the management and control of the Charity and overall direction of its work.

Directors are officers from member companies. The Directors have the power to co-opt new Directors up to the maximum of 7 board members as set out in the Memorandum and Articles of Association.

Trustees are appointed via invite request to apprentice employer organisations or specific board nominations. Seta trustees have expressed an aim to expand the board to its maximum of 7 board members and that process continues through open invites to apprentice employer companies and board invites to nominated individuals.

Induction and Training of Trustees

The induction process follows the ICSA good practice Charity Trustees' Guide with an induction programme for any newly appointed trustee, which includes an initial meeting with the Chair and the trustees, followed by a series of short meetings with the Chief Executive to further discuss roles and responsibilities and clarify charity policy matters. Further training will be provided as required and in keeping with the Good Practice Guide.

Pay Policy for senior staff

Seta trustees review the salary of all staff on an annual basis including individual rewards packages of senior managers. To ensure retention of all staff, Seta trustees aim to ensure that the organisation is competitive with commensurate organisations with all its salary and reward packages.

Risk management strategy

The Trustees have assessed the major risks to which the Charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

Seta trustees regularly review risks and uncertainties, and these are classified as part of the SWOT / PESTLE analysis which remains part of Seta business improvement plan. To ensure early mitigation of risks Seta trustees continually monitor and review financial status and forward forecasts on a quarterly basis. The principal risks faced by the Trust lie in both the performance of investments, and the issue of securing the continuity of funding from the education and skills funding agency (ESFA) for delivery of apprentice training.

Other risks which remain under regular review are Changes to Ofsted Education Inspection Framework (EIF); Changes to ESFA funding levels for apprenticeship standards; competition from local colleges and technical training providers.

Report of the Trustees

For the year ended 31 August 2023 (continued)

Reference and Administrative Details

Charity Name: Sunderland Engineering Training Association Limited

Also trading as: Seta; Seta Ltd

Charity Number: 507714

Company Number: 01372963 incorporated in England

Registered Office: 17 Sedling Road, Wear Industrial Estate, Washington, Tyne, and Wear, NE38 9BZ

None of the trustees received remuneration or other benefit from their work with the charity. Any connection with the charity must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. In the current year no such related party transactions were reported.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

The day-to-day management of the Charity has been delegated to Mr Robin Lockwood as the Chief Executive Officer.

Our advisers

Auditors	F.E.Laughlin Ltd	19 Norfolk Street, Sunderland, Tyne and Wear, SR1 1EA
Bankers	Lloyds Bank plc	54 Fawcett Street, Sunderland, Tyne and Wear, SR1 1SF
Investment advisers	Brewin Dolphin Limited	12 Smithfield Street, London, EC1a 9BD

Exemptions from Disclosure

There are no exemptions from disclosure.

Funds Held as Custodian Trustee on Behalf of Others

There are no funds held as Custodian Trustee on behalf of others.

Statement of Trustees' Responsibilities

The Trustees, who are also the Directors of Sunderland Engineering Training Association Ltd for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these accounts, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimated that are reasonable and prudent; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006.

**Report of the Trustees
For the year ended 31 August 2023 (continued)**

Statement of Trustees' Responsibilities(continued)

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Statement as to disclosure of information to the auditor

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

On Behalf of the Board of Trustees



.....
Mr David Bartell
Trustee

Dated: 12/14/24

**Report of the auditor
For the year ended 31 August 2023**

Independent auditor's report to the members of Sunderland Engineering Training Association Limited

Opinion

We have audited the financial statements of Sunderland Engineering Training Association Ltd ('the charitable company') for the year ended 31/08/2023 which comprise a Statement of Financial Activities (including an income and expenditure account), the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is the applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31/08/23 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the 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 trustees' 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 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.

**Report of the auditor
For the year ended 31 August 2023 (continued)**

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the 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 the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns;
- 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 trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees (who are also 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.

Report of the auditor

For the year ended 31 August 2023 (continued)

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

Auditor's responsibilities for the audit of the financial statements

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

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

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events of conditions that could indicate an incentive or pressure to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the charitable company's high-level policies and procedures to prevent and detect fraud, and the charitable company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected, or alleged fraud
- Reading board minutes
- Considering remuneration incentive schemes for senior staff
- Using analytical procedures to identify any unusual or unexpected relationships

As required by auditing standards, and taking into account possible pressure to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that charitable revenue and costs are recorded in the wrong period.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general experience of the charity sector and through discussion with directors and other management the policies and procedures regarding compliance with laws and regulations.

Report of the auditor

For the year ended 31 August 2023 (continued)

Firstly, the charitable company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly the charitable company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on disclosures in the financial statements, for instance through a poor OFSTED inspection report damaging the reputation of the charitable company as a training organisation. We identified the following areas as those most likely to have such an effect: health and safety, employment law and poor audit reports from OFSTED. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulation to enquiries of directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, and audit will not detect that breach.

Fraud risk re revenue recognition was audited by comparing expected income for both apprentice training income and commercial training courses with actual income invoiced and reviewing the accruals and prepayments to ensure income is accounted for in the correct period.

Fraud risk re management override of controls was addressed by reviewing board meeting minutes to confirm the trustee overview of management decisions and that trustee review of the quarterly management accounts and annual statutory accounts takes place.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for> This description forms part of our auditor's report.

Report of the auditor

For the year ended 31 August 2023 (continued)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signature



Fiona Ramsey (Senior Statutory Auditor)
For and on behalf of FE Laughlin Ltd Statutory
Auditor

19 Norfolk Street, Sunderland SR1 1EA

Dated 12/04/24

**Statement of Financial Activities (including income and expenditure account)
for the year ended 31 August 2023**

	Notes	2023 £	2022 £
<u>Income and endowment from</u>			
Donations and legacies	2	17,172	20,870
Charitable activities	3	2,049,657	1,736,585
Other trading activities	4	764	396
Investments	5	6,381	4,898
Other income	6	14,000	-
Total income and endowments		2,087,974	1,762,749
<u>Expenditure</u>			
Investment management fees	7	2,648	2,271
Charitable activities	8	1,899,000	1,518,537
Other – exceptional item	12	(1,378)	-
Total Expenditure		1,900,270	1,520,808
Net gains/(losses) on investments	13	(1,509)	(11,213)
Net income/(expenditure) and net movement in funds for the year		186,195	230,728
Reconciliation of funds			
Total Funds brought forward		1,221,204	990,476
Total funds carried forward		1,407,399	1,221,204

This statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities and are assigned to unrestricted funds in both years. This statement also includes the income and expenditure account for the Companies Act 2006.

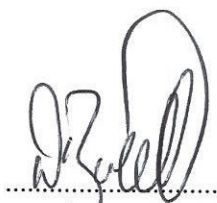
Balance Sheet at 31 August 2023

	Notes	2023	2022
		£	£
Fixed Assets			
Tangible assets	17	761,471	553,897
Investments	18	281,994	279,771
		<u>1,043,465</u>	<u>833,668</u>
Current assets			
Debtors (amounts falling due within one year)	19	396,657	264,848
Cash at Bank and in hand		222,574	326,296
		<u>619,231</u>	<u>591,144</u>
CREDITORS: Amounts falling due within one year	20	<u>203,898</u>	203,608
Net current assets/(liabilities)		415,333	387,536
CREDITORS: Amounts falling due after more than one year	23	(51,399)	-
TOTAL NET ASSETS		<u>1,407,399</u>	<u>1,221,204</u>
The Funds of the Charity			
Unrestricted income funds		1,407,399	1,221,204
Total Charity Funds		<u>1,407,399</u>	<u>1,221,204</u>

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved and authorised for issue by the Board on 12/09/24

and signed on their behalf by



Mr David Bartell
Trustee

The notes on pages 17 to 27 form part of these financial statements.

Cash flow for the year ended 31 August 2023

	Notes	2023 £	2022 £
Cash flow from operating activities	25	149,000	288,799
Cash flows from investing activities			
Payments to acquire investments		(30,252)	(143,419)
Receipts from sale of investments		20,818	142,533
Payments to acquire tangible fixed assets		(269,447)	(169,703)
Receipts from sale of tangible fixed assets		14,000	-
Interest received		596	513
Dividends received		5,785	4,385
Net cash provided by investing activities		<u>(258,500)</u>	<u>(165,691)</u>
Cash flows from financing activities			
Interest paid		-	-
Net cash outflow from financing		<u>-</u>	<u>-</u>
Net Increase/(Decrease) in cash and cash equivalents		<u>(109,500)</u>	<u>123,108</u>
Cash and cash equivalents at 1 September 2022		339,981	216,873
Cash and cash equivalents at 31 August 2023		<u><u>230,481</u></u>	<u><u>339,981</u></u>
Cash and cash equivalents consist of			
Cash in hand		189	43
Cash held within investment portfolio		7,907	13,685
Notice deposit (less than 3 months)		222,385	326,253
Cash and cash equivalents at 31 August 2023		<u><u>230,481</u></u>	<u><u>339,981</u></u>

Notes to the accounts for the year ended 31 August 2023

1. Summary of significant accounting policies

1a. General information and basis of preparation

The charity is a company limited by guarantee registered in England and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are benefiting the public by providing education and training for persons engaged in, or intending to be engaged in the engineering, manufacturing, process, and related industries.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

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

1b. Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

1c. Incoming Recognition

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

Donations and legacies: Grant income included in this category provides funding to support training activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor specifies that it is to be expended in future periods.

The charity received government grants in respect of the Kickstart Scheme in the prior year, and these have been accounted for on the basis of eligibility and on the performance method.

Grants were received in the year for capital expenditure projects and that income is being matched to the period the assets are depreciated on the performance method.

Charitable activities: Income for training courses paid in advance is deferred until the course is due.

Income earned from trading activities is used to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Notes to the accounts for the year ended 31 August 2023

Summary of significant accounting policies (continued)

1c. Incoming Recognition (continued)

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably.

Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

1d. Expenditure Recognition

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

In particular the policy for including items within costs of generating funds, charitable activities and governance costs is: Charitable activities include expenditure associated with the provision of engineering training and include both the direct costs and the support costs relating to this activity. Governance costs include those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. This is a departure from the SORP which requires support costs to be allocated between the different activities engaged. Support costs are analysed in the notes to the accounts as requested by the Trustees.

1e. Allocation and apportionment of costs

All costs relate to the single activity of the charitable company and are recognised accordingly.

1f. Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold Land and Buildings straight line 2%
Plant and Machinery reducing balance 25%/ straight line 33%
Fixtures and Fittings reducing balance 10%

1g. Fixed asset Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Notes to the accounts for the year ended 31 August 2023

Summary of significant accounting policies (continued)

1g. Fixed asset Investments (continued)

The charitable company does not acquire put options, derivatives, or other complex financial instruments. The main form of financial risk faced by the charitable company is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Fixed asset investments are stated at fair value as at the balance sheet date.

1h. Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1i. Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

1j. Cash at bank and in hand

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

1k. Pensions

Since 1 March 2017 the only pension arrangements in place are auto enrolment compliant arrangements and contributions are charged in the accounts as they come payable. These are defined contribution arrangements.

1l. Financial instruments

The charitable company only 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 their settlement value.

1m. Preparation of the accounts on a going concern basis

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure are sufficient with the level of reserves for the charity to be able to continue as a going concern.

1n. Operating leases

The charitable company classifies the lease of the Ethernet line as an operating lease; the title to the equipment remains with the lessor. Rental charges are charged on a straight-line basis over the terms of the contract.

Notes to the accounts for the year ended 31 August 2023

Summary of significant accounting policies (continued)

10. Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

2. Grants

	2023	2022
	£	£
Apprentice funding grant for own staff	500	500
Capital grants release (see note 22)	4,672	-
Better employment grant	12,000	-
Kickstart grants	-	20,370
	<u>17,172</u>	<u>20,870</u>

3. Income from charitable activities

	2023	2022
	£	£
Apprentice training	1,545,243	1,375,269
Commercial training	501,446	361,316
Aptitude testing fees	2,968	-
	<u>2,049,657</u>	<u>1,736,585</u>

4. Income from other trading activities

	2023	2022
	£	£
Other	764	396
	<u>764</u>	<u>396</u>

5. Income from investments

	2023	2022
	£	£
Income from listed investments – Dividends	5,785	4,385
Interest receivable	596	513
	<u>6,381</u>	<u>4,898</u>

Notes to the accounts for the year ended 31 August 2023

6. Other income

	2023	2022
	£	£
Profit on sale of tangible fixed assets	14,000	-
	<u>14,000</u>	<u>-</u>

7. Investment management costs

	2023	2022
	£	£
Investment manager fees	2,648	2,271
	<u>2,648</u>	<u>2,271</u>

All the above costs were attributable to unrestricted funds.

8. Analysis of expenditure on charitable activities

		2023	2022
		£	£
Charitable activities			
Activities undertaken directly	9	1,125,791	948,776
Support costs	10	773,209	569,761
		<u>1,899,000</u>	<u>1,518,537</u>

All the above costs were attributable to unrestricted funds.

9. Activities undertaken directly

	2023	2022
	£	£
Unrestricted costs		
Other costs relating to Charitable activities comprise		
Gross wages and salaries	595,206	471,961
Employers' NI	61,120	48,221
Pension contributions	47,301	44,163
Depreciation of assets used for charitable purpose	48,435	24,718
Materials and consumables	79,566	65,976
Bought in services	79,799	143,931
Safety clothing and cleaning	39,738	32,876
Training courses and expenses	174,626	116,930
	<u>1,125,791</u>	<u>948,776</u>

Notes to the accounts for the year ended 31 August 2023

10. Support costs

		2023	2022
		£	£
Governance	11	7,200	6,600
Finance		259	231
Information technology		15,179	8,150
Gross wages and salaries		417,796	333,687
Pension contributions		32,315	32,218
Employers' NI		34,663	26,392
Health insurance premiums		6,577	
Staff gifts and travel and subsistence		19,150	11,291
Depreciation		27,437	22,924
Office costs (including rental)		161,788	108,464
Professional fees including accountancy		33,630	9,165
Marketing costs		11,047	3,283
Other		6,168	7,353
		<u>773,209</u>	<u>569,761</u>

11. Governance costs

	2023	2022
	£	£
Trustee remuneration and expenses	-	-
Auditor's remuneration	7,200	6,600
Other	-	-
	<u>7,200</u>	<u>6,600</u>

All of the above costs were attributable to unrestricted funds.

12. Exceptional items

	2023	2022
	£	£
Bad debt provision released	(1,378)	-
	<u>(1,378)</u>	<u>-</u>

13. Net gains/(losses) on investments

	2023	2022
	£	£
Realised Profit (Loss) on disposal of investment assets held by income funds	(1,419)	(10,881)
Unrealised (losses)/gains on investment assets held by income funds	(90)	(332)
	<u>(1,509)</u>	<u>(11,213)</u>

Notes to the accounts for the year ended 31 August 2023

14. Analysis of staff costs, trustee remuneration and expenses and the cost of key management personnel

	2023	2022
	£	£
Gross wages and salaries	1,016,077	805,648
Employers' NI	95,783	74,614
Pension contributions	79,615	76,381
Private health insurance for senior management	6,577	-
	<u>1,198,052</u>	<u>956,643</u>

One employee had employee benefits (excluding pension contributions) in excess of £60,000 (2022: one). This employee's benefits were in the band £90,000 to £100,000 (2022 £100,000 to £110,000.) There are no benefits accruing under defined benefit pension schemes.

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

The key management personnel of the charity comprise the trustees and the Chief Executive Officer. The total employee benefits (excluding employer pension costs) of the key management personnel of the Trust were £97,399 (2022: £105,705).

The charity trustees neither received nor waived any benefits from employment with the Charitable Company in the year (2022: £nil) neither were they reimbursed expenses during the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

There are no other related party transactions in the reporting period.

15. Staff numbers

The average monthly headcount was 32 (2022: 26) and the average number of staff employed by the charity during the financial year amounted to:

	2023	2022
	£	£
Lecturers and training providers	18	15
Management and admin staff	13	11
	<u>32</u>	<u>26</u>

Notes to the accounts for the year ended 31 August 2023

16. Net income/(expenditure) for the year

	2023	2022
	£	£
This is stated after charging:		
Auditor's remuneration	7,200	6,600
Accountancy services provided by the auditor	6,870	7,616
Operating leases – equipment	4,933	4,601
Release of capital grant received (see note 22)	(4,672)	-
Depreciation	75,873	47,642
Loss/(profit) on disposal of tangible fixed assets	(14,000)	-

17. Tangible Fixed Assets

	Freehold Land and Buildings	Plant and machinery	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 September 2022	600,586	758,795	279,654	1,639,035
Additions	-	256,861	27,086	283,947
Disposals	-	(14,500)	-	(14,500)
At 31 August 2023	600,586	1,001,156	306,740	1,908,482
Depreciation				
At 1 September 2022	254,293	674,898	155,947	1,085,138
Charge for year	13,062	48,682	14,129	75,873
Disposals	-	(14,000)	-	(14,000)
1 August 2023	267,355	709,580	170,076	1,147,011
Net Book Value				
At 31 August 2023	333,231	291,576	136,664	761,471
At 31 August 2022	346,293	83,897	123,707	553,897

Tangible fixed assets are held to further charitable activities.

There are no capital commitment at the year-end.

Notes to the accounts for the year ended 31 August 2023

18. Fixed asset investments

	2023	2022
	£	£
Market value at beginning of year	279,771	288,356
Disposals proceeds	(20,818)	(142,533)
Acquisitions at cost	30,252	143,420
Cash movement	(5,778)	1,741
Change in value in the year	(1,433)	(11,213)
Market value at end of year	<u>281,994</u>	<u>279,771</u>

Historical cost	£256,997	£255,803
-----------------	----------	----------

The portfolio of fixed asset investments is managed by Brewin Dolphin on behalf of the charity and the valuation of the investments is provided by them at market value on the balance sheet date. The manager some of the prior year was UBS.

Net cash released from investments in year was £nil (2022: £nil).

Investments at fair value comprised

	2023	2022
	£	£
Equities	171,942	170,139
Alternative investments	50,492	50,901
Emerging markets	50,415	8,263
Fixed interest securities	1,238	36,783
Cash held within the investment portfolio	7,907	13,685
	<u>281,994</u>	<u>279,771</u>

19. Debtors

	2023	2022
	£	£
Amounts falling due within one year		
Trade debtors	218,404	144,184
Prepayments and accrued income	178,253	120,664
	<u>396,657</u>	<u>264,848</u>

Notes to the accounts for the year ended 31 August 2023

20. Creditors - amounts falling due within one year

	2023	2022
	£	£
Trade creditors	71,903	78,361
Taxation and social security	26,561	30,705
Other creditors	26,172	28,388
Accruals	44,052	39,932
Deferred income re future training courses (note 21)	16,520	26,222
Deferred income re capital grants (note 22)	18,690	-
	<u>203,898</u>	<u>203,608</u>

21. Deferred income re future training courses

Income deferred since relates to future training courses:

	2023	2022
	£	£
Brought forward	26,222	38,923
Released in year	(26,222)	(38,923)
Re following year	16,520	26,222
Carried forward	<u>16,520</u>	<u>26,222</u>

22. Deferred income re capital grants

Income deferred since relates to capital expenditure (released at same rate as capital assets depreciated):

	2023	2022
	£	£
Brought forward	-	-
Capital grants received	74,761	-
Released in year	(4,672)	-
Carried forward split as below	<u>70,089</u>	<u>-</u>
Falling due within one year (note 20)	18,690	
Falling due after one year (note 23)	51,399	
Total	<u>70,089</u>	<u>-</u>

23. Creditors - amounts falling due after one year

	2023	2022
	£	£
Deferred income re capital grants due in less than 5 years (note 22)	51,399	-
	<u>51,399</u>	<u>-</u>

Notes to the accounts for the year ended 31 August 2023

24. Obligations under non-cancellable operating leases

Future minimum rentals payable under non-cancellable operating leases are as follows:

	2023	2022
	£	£
Within one year	5,103	4,594
In two to five years	-	4,593
In over five years	-	-
	<u>5,103</u>	<u>9,187</u>

25. Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2023	2022
	£	£
Net income / (expenditure) for year / period	186,195	230,729
Dividends received	(5,785)	(4,385)
Interest received	(596)	(513)
Depreciation and impairment of tangible fixed assets	61,873	47,641
(Gains) / losses on investments	1,432	11,213
(Profit) / loss on disposal of tangible fixed assets	(14,000)	-
(Increase) / decrease in debtors	(131,809)	(72,270)
Increase / (decrease) in creditors	51,690	76,384
Net cash flow from operating activities	<u>149,000</u>	<u>288,799</u>

26. Financial commitments

Contractual commitments for the acquisition of tangible fixed assets contracted for but not provided in the financial statements amounted to £nil (2022: £21,000).

27. Post Balance sheet events

There are no post balance sheet events giving rise to the need for adjustment or disclosure in the accounts.

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LIMITED

England & Wales - Charity number 507714

Accounts

Registered number: 01372963

Charity number: 507714

Sunderland Engineering Training Association Ltd

(a company limited by guarantee)

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 August 2022**

Prepared By:

F.E.Laughlin Ltd t/a JC Accountants
19 Norfolk Street
Sunderland
SR1 1EA

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 August 2022**

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Notes to the Financial Statements	17 to 27

**Charity Reference and Administrative Details
For the year ended 31 August 2022**

COMPANY NUMBER

01372963

CHARITY NUMBER

507714

TRUSTEES

Mr David Bartell

Mr Ian Scurfield

Ms Gill Usher -resigned 01/10/21

Mr Stephen Clelland

Mr Andrew Ramsey

SECRETARY

Mr R Lockwood

CHIEF EXECUTIVE OFFICER

Mr R Lockwood

REGISTERED OFFICE

17 Sedling Road

Wear Industrial Estate

Washington

Tyne and Wear

NE38 9BZ

AUDITORS

F.E.Laughlin Ltd

19 Norfolk Street

Sunderland

SR1 1EA

BANKERS

Public

Lloyds Bank plc

54 Fawcett Street

Sunderland

Tyne and Wear

SR1 1SF

INVESTMENT ADVISORS

RBC Brewin Dolphin

12 Smithfield Street

London

EC1a 9BD

Report of the Trustees

For the year ended 31 August 2022

The Trustees present their report and the audited financial statements for the year ended 31 August 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. This period is 12 months and covers from 1st of September 2021 to the 31st of August 2022. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

Trustees of the charity

The Trustees, who are also the Directors for the purpose of company law, and who served during the year were:

Mr David Bartell
Mr Ian Scurfield
Mrs Gill Usher – resigned 01/10/21
Mr Stephen Clelland
Mr Andrew Ramsey

Objectives and Activities

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake in order to further the charitable purposes for the public benefit. These activities are summarised below.

The company was established as a Registered Charity with the objective of benefiting the public by providing education and training for persons engaged in, or intending to be engaged in the engineering, manufacturing, process, and related industries.

Sunderland Engineering Training Association Limited (Seta) is a long-established Group Training Association, operating from its own Training Centre in Washington, Tyne and Wear. It has been a major Apprentice Training Organisation in the region for more than 50 years.

The main activities over the year have been the delivery of a range of Institute for Apprenticeships and Technical Education (IfATE) approved apprenticeship programmes. These have been selected and delivered in response to the requirements of apprentice employers. Apprenticeship Standards require the delivery of off-the-job training, which is carried out in the Seta workshops in year one of the programme. This is followed by further development training at employers' premises. The principal source of funding for this is through the apprenticeship levy, via the Education and Skills Funding Agency (ESFA), with which Seta is a primary contract holder. Seta also has a small sub-contract arrangement for the delivery of apprenticeships to some non-levy paying employers

Seta assists employers with the Apprentice recruitment process by receiving applications, providing an aptitude testing service, screening for suitable applicants and subsequently by providing short lists of potential Apprentices.

In addition to apprenticeship training delivery, Seta provides a wide range of short courses for employers and the public wishing to up-skill or cross-skill their staff. Some of these courses lead to the achievement of nationally recognised qualifications. These courses are mostly funded by employers.

For the duration covered by this report Seta was also a partner in the ESF funded "North East Workforce Skills" programme in collaboration with Sunderland University and a number of other independent training providers. This project delivers upskilling and cross skilling training to workers currently in employment.

Report of the Trustees

For the year ended 31 August 2022(continued)

Fundraising

The charity does not raise any funds from the general public.

Achievements and Performance

During the year Seta performed well in the delivery of training and learners enjoyed a good level of success which is consistently higher than national averages.

Seta has been audited by a number of external organisations, including its customers, and qualification awarding bodies. All have been completed to the satisfaction of the organisations concerned. Seta operates an ISO9001:2015 accredited quality management system.

Seta last had an Ofsted inspection on 21/22 March 2017. The report was published on the 10th April 2017 confirming that Seta had retained its 'Good' rating.

Financial Review

Overall, the Association is showing revenue from charitable activities of £1,736,585 compared to revenue of £1,290,451 in the previous financial year, an increase of 35%. Net income for the year was £230,728 compared to a net income of £194,067 in 2021 an increase of £36,661.

The growth strategy put in place during previous financial years to increase employer involvement and apprentice numbers, is continuing to deliver positive results, with the highest number ever of apprentice learners on programme.

During the year Seta changed its investment management company from UBS to Brewin Dolphin. As a result of this, along with current market trading conditions, Seta's investments decreased in value overall during the year to £279,771 from £288,356. The market value of retained investments decreased by £332.

Plans for future periods

The growth of trading surplus is a further indication that management strategies are paying off. It is expected that the new financial year (22/23) will show further growth. Apprentice recruitment numbers for September '22 were once again good, increasing the total number of learners on programme to almost 300, and therefore generating increased revenue.

Commercial training sales have picked up and cohort sizes have returned to their pre-Covid limits. Seta are also part of an ESF funded "Northeast Workforce Skills" programme. This allows Seta and other partners to use levy match funding to deliver up-skilling and cross-skilling course to eligible companies at no cost to them. The programme runs until December 2023.

We continue to respond to market needs both in the delivery of apprenticeship programmes and commercial training courses. We review new apprenticeship "standards" published by IfATE, for suitability and, where there is a good fit, develop capacity and capability to deliver these to apprentices and employers.

Although we primarily deliver training in the engineering and manufacturing sector, we look for opportunities to enter the market in complementary sectors, for example we currently deliver a number of business and administration related programmes.

Report of the Trustees

For the year ended 31 August 2022(continued)

Plans for future periods (continued)

We will continue to make investment in training facilities as required to allow high quality training to be delivered.

The charity has more than sufficient funds to fund its activities for at least 12 months from the date of signing the accounts.

Investment powers and policy

During the 21/22 financial year the investment portfolio was managed initially by UBS Wealth Management (UK) Ltd before transferring to Brewin Dolphin as a result of UBS changing their qualifying criteria for investors. The portfolio value is noted above. An annual review of this investment portfolio and performance is carried out by Seta trustees.

The Trustees have the power to invest in such assets as they see fit. Our investment advisors have been instructed to invest to maximise the total return on investment funds within the constraints of a medium risk portfolio. An investment policy is in place. Whilst the investment brief is broadly defined, Seta trustees are happy that the nature of investments is appropriate from an ethical standpoint

Reserves policy and Going Concern

The trustees aim to maintain accessible reserves in unrestricted funds at a level which equates to approximately three months of unrestricted charitable expenditure.

The balance held as unrestricted funds at 31 August 2022 was £1,221,204 of which £667,307 are regarded as free reserves after allowing for funds tied up in tangible fixed assets. There are no restricted reserves. Actual 3 month cash payments totalled £539,000.

The Trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The Trust reported net revenue of £230,728 in the year. The Trustees expect that the current financial year will also generate a significant surplus. On that basis they consider the charity is a going concern.

In the event that Seta was unable to recruit any apprentices in the current year, there would be ESFA continuation funding for the >250 apprentices currently on programme. This would run down over three years, by which time adjustments would be made to outgoing costs or alternative revenue streams secured. There is a very low risk that this event will occur.

In the event that Seta was unable to deliver commercial training, reserves would be adequate to cover all costs until they were able to be reduced to match income.

Bearing the above in mind, and considering that Seta has £667,000 of readily accessible reserves, the Trustees consider the charity is a going concern.

Report of the Trustees

For the year ended 31 August 2022(continued)

Structure, Governance and Management

The Charity is a company limited by guarantee and is governed by a memorandum and articles of association. The Directors of the Company are also Trustees of the Charity. Eligibility for membership of the Charity and membership of the Board of Trustees is governed by the memorandum and articles of association. There are no restrictions in the governing document on the operation of the charity or on its investment powers other than those imposed by Charity law.

The organisation is governed by a Board of Directors, which consists of nominated members. The Board is responsible for the management and control of the Charity and overall direction of its work.

Directors are officers from member companies. The Directors have the power to co-opt new Directors up to the maximum of 7 board members as set out in the Memorandum and Articles of Association.

Trustees are appointed via invite request to apprentice employer organisations or specific board nominations. Seta trustees have expressed an aim to expand the board to its maximum of 7 board members and that process continues through open invites to apprentice employer companies and board invites to nominated individuals.

Induction and Training of Trustees

The induction process follows the ICSA good practice Charity Trustees' Guide with an induction programme for any newly appointed trustee, which includes an initial meeting with the Chair and the trustees, followed by a series of short meetings with the Chief Executive to further discuss roles and responsibilities and clarify charity policy matters. Further training will be provided as required and in keeping with the Good Practice Guide.

Pay Policy for senior staff

Seta trustees review the salary of all staff on an annual basis including individual rewards packages of senior managers. To ensure retention of all staff, Seta trustees aim to ensure that the organisation is competitive with commensurate organisations with all its salary and reward packages.

Risk management strategy

The Trustees have assessed the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Seta trustees regularly review risks and uncertainties, and these are classified as part of the SWOT / PESTLE analysis which remains part of Seta business improvement plan. To ensure early mitigation of risks Seta trustees continually monitor and review financial status and forward forecasts on a quarterly basis. The principal risks faced by the Trust lie in both the performance of investments, and the issue of securing the continuity of funding from the education and skills funding agency (ESFA) for delivery of apprentice training.

Other risks which remain under regular review are Changes to Ofsted Education Inspection Framework (EIF); Changes to ESFA funding levels for apprenticeship standards; competition from local colleges and technical training providers.

Report of the Trustees

For the year ended 31 August 2022(continued)

Reference and Administrative Details

Charity Name: Sunderland Engineering Training Association Limited

Also trading as: Seta; Seta Ltd

Charity Number: 507714

Company Number: 01372963 incorporated in England

Registered Office: 17 Sedling Road, Wear Industrial Estate, Washington, Tyne, and Wear, NE38 9BZ

None of the trustees received remuneration or other benefit from their work with the charity. Any connection with the charity must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. In the current year no such related party transactions were reported.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

The day-to-day management of the Charity has been delegated to Mr Robin Lockwood as the Chief Executive Officer.

Our advisers

Auditors F.E.Laughlin Ltd 19 Norfolk Street, Sunderland, Tyne and Wear, SR1 1EA

Bankers Lloyds Bank plc 54 Fawcett Street, Sunderland, Tyne and Wear, SR1 1SF

Investment advisors Brewin Dolphin Limited 12 Smithfield Street, London, EC1a 9BD

Exemptions from Disclosure

There are no exemptions from disclosure.

Funds Held as Custodian Trustee on Behalf of Others

There are no funds held as Custodian Trustee on behalf of others.

Statement of Trustees' Responsibilities

The Trustees, who are also the Directors of Sunderland Engineering Training Association Ltd for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these accounts, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimated that are reasonable and prudent; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006.

Report of the Trustees

For the year ended 31 August 2022(continued)

Statement of Trustees' Responsibilities(continued)

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Statement as to disclosure of information to the auditor

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In approving the Trustees' Annual Report, in our capacity as company directors

On Behalf of the Board of Trustees



.....
Mr David Bartell
Trustee

Dated: 25/8/23.....

**Report of the auditor
For the year ended 31 August 2022**

Independent auditor's report to the members of Sunderland Engineering Training Association Limited

Opinion

We have audited the financial statements of Sunderland Engineering Training Association Ltd ('the charitable company') for the year ended 31/08/2022 which comprise a Statement of Financial Activities (including an income and expenditure account), the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is the applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31/08/22 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the 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 trustees' 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 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.

**Report of the auditor
For the year ended 31 August 2022 (continued)**

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the 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 the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate 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;
- 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

Report of the auditor

For the year ended 31 August 2022 (continued)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events of conditions that could indicate an incentive or pressure to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the charitable company's high level policies and procedures to prevent and detect fraud, and the charitable company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected, or alleged fraud
- Reading board minutes
- Considering remuneration incentive schemes for senior staff
- Using analytical procedures to identify any unusual or unexpected relationships

As required by auditing standards, and taking into account possible pressure to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that charitable revenue and costs are recorded in the wrong period.

Report of the auditor

For the year ended 31 August 2022 (continued)

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general experience of the charity sector and through discussion with directors and other management the policies and procedures regarding compliance with laws and regulations.

Firstly, the charitable company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly the charitable company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on disclosures in the financial statements, for instance through a poor OFSTED inspection report damaging the reputation of the charitable company as a training organisation. We identified the following areas as those most likely to have such an effect: health and safety, employment law and poor audit reports from OFSTED. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulation to enquiries of directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, and audit will not detect that breach.

Fraud risk re revenue recognition was audited by comparing expected income for both apprentice training income and commercial training courses with actual income invoiced and reviewing the accruals and prepayments to ensure income is accounted for in the correct period.

Fraud risk re management override of controls was addressed by reviewing board meeting minutes to confirm the trustee overview of management decisions and that trustee review of the quarterly management accounts and annual statutory accounts takes place.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for> This description forms part of our auditor's report.

Report of the auditor

For the year ended 31 August 2022 (continued)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signature



25/5/23

Fiona Ramsey (Senior Statutory Auditor)
For and on behalf of FE Laughlin Ltd Statutory
Auditor

19 Norfolk Street, Sunderland SR1 1EA
Dated

**Statement of Financial Activities (including income and expenditure account)
for the year ended 31 August 2022**

	Notes	2022 £	2021 £
<u>Income and endowment from</u>			
Donations and legacies	2	20,870	30,106
Charitable activities	3	1,736,585	1,290,451
Other trading activities	4	396	210
Investments	5	4,898	4,749
Other income	6	-	91
Total income and endowments		<u>1,762,749</u>	<u>1,325,607</u>
<u>Expenditure</u>			
Investment management fees	7	2,271	2,164
Charitable activities	8	1,518,537	1,163,369
Other – exceptional item	12	-	996
Total Expenditure		<u>1,520,808</u>	<u>1,166,529</u>
Net gains/(losses) on investments	13	<u>(11,213)</u>	<u>34,989</u>
Net income/(expenditure) and net movement in funds for the year		230,728	194,067
Reconciliation of funds			
Total Funds brought forward		990,476	796,409
Total funds carried forward		<u>1,221,204</u>	<u>990,476</u>

This statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities and are assigned to unrestricted funds in both years. This statement also includes the income and expenditure account for the Companies Act 2006.

Balance Sheet at 31 August 2022

	Notes	2022		2021	
		£	£	£	£
Fixed Assets					
Tangible assets	17		553,897		431,836
Investments	18		279,771		288,356
			<u>833,668</u>		<u>720,192</u>
Current assets					
Debtors (amounts falling due within one year)	19	264,848		192,578	
Cash at Bank and in hand		326,296		204,929	
		<u>591,144</u>		<u>397,507</u>	
Liabilities					
CREDITORS: Amounts falling due within one year	20	203,608		127,223	
Net current assets/(liabilities)			<u>387,536</u>		<u>270,284</u>
TOTAL NET ASSETS			<u>1,221,204</u>		<u>990,476</u>
The Funds of the Charity					
Unrestricted income funds			<u>1,221,204</u>		<u>990,476</u>
Total Charity Funds			<u>1,221,204</u>		<u>990,476</u>

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved and authorised for issue by the Board on...25/5/23

and signed on their behalf by



 Mr David Bartell
 Trustee

The notes on pages 17 to 27 form part of these financial statements.

Cash flow for the year ended 31 August 2022

	Notes	2022 £	2021 £
Cash flow from operating activities	23	288,799	154,563
Cash flows from investing activities			
Payments to acquire investments		(143,419)	(70,512)
Receipts from sale of investments		142,533	71,498
Payments to acquire tangible fixed assets		(169,703)	(36,713)
Receipts from sale of tangible fixed assets		-	91
Interest received		513	137
Dividends received		4,385	4,612
Net cash provided by investing activities		<u>(165,691)</u>	<u>(30,887)</u>
Cash flows from financing activities			
Interest paid		-	-
Net cash outflow from financing		<u>-</u>	<u>-</u>
Net Increase/(Decrease) in cash and cash equivalents		<u>123,108</u>	<u>123,676</u>
Cash and cash equivalents at 1 September 2021		<u>216,873</u>	<u>93,197</u>
Cash and cash equivalents at 31 August 2022		<u><u>339,981</u></u>	<u><u>216,873</u></u>
Cash and cash equivalents consist of			
Cash in hand		43	231
Cash held within investment portfolio		13,685	11,944
Notice deposit (less than 3 months)		326,253	204,698
Cash and cash equivalents at 31 August 2022		<u><u>339,981</u></u>	<u><u>216,873</u></u>

Notes to the accounts for the year ended 31 August 2022

1. Summary of significant accounting policies

1a. General information and basis of preparation

The charity is a company limited by guarantee registered in England and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are benefiting the public by providing education and training for persons engaged in, or intending to be engaged in the engineering, manufacturing, process, and related industries.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

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

1b. Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

1c. Incoming Recognition

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

Donations and legacies: Grant income included in this category provides funding to support training activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor specifies that it is to be expended in future periods.

The charity received government grants in respect of the COVID-19 job retention scheme in the prior year and these have been accounted for on the basis of eligibility and on the performance method.

The charity received government grants in respect of the Kickstart Scheme, and these have been accounted for on the basis of eligibility and on the performance method.

Charitable activities: Income for training courses paid in advance is deferred until the course is due.

Income earned from trading activities is used to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Notes to the accounts for the year ended 31 August 2022

Summary of significant accounting policies (continued)

1c. Incoming Recognition (continued)

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably.

Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

1d. Expenditure Recognition

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

In particular the policy for including items within costs of generating funds, charitable activities and governance costs is: Charitable activities include expenditure associated with the provision of engineering training and include both the direct costs and the support costs relating to this activity. Governance costs include those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. This is a departure from the SORP which requires support costs to be allocated between the different activities engaged. Support costs are analysed in the notes to the accounts as requested by the Trustees.

1e. Allocation and apportionment of costs

All costs relate to the single activity of the charitable company and are recognised accordingly.

1f. Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold Land and Buildings straight line 2%

Plant and Machinery reducing balance 25%/ straight line 33%

Fixtures and Fittings reducing balance 10%

1g. Fixed asset Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Notes to the accounts for the year ended 31 August 2022

Summary of significant accounting policies (continued)

1g. Fixed asset Investments (continued)

The charitable company does not acquire put options, derivatives, or other complex financial instruments. The main form of financial risk faced by the charitable company is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Fixed asset investments are stated at fair value as at the balance sheet date.

1h. Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1i. Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

1j. Cash at bank and in hand

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

1k. Pensions

Since 1 March 2017 the only pension arrangements in place are auto enrolment compliant arrangements and contributions are charged in the accounts as they come payable. These are defined contribution arrangements.

1l. Financial instruments

The charitable company only 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 their settlement value.

1m. Preparation of the accounts on a going concern basis

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1n. Operating leases

The charitable company classifies the lease of the Ethernet line as an operating lease; the title to the equipment remains with the lessor. Rental charges are charged on a straight line basis over the terms of the contract.

Notes to the accounts for the year ended 31 August 2022

Summary of significant accounting policies (continued)

10. Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

2. Grants

	2022	2021
	£	£
JRS grants re furlough scheme	-	18,240
Apprentice funding grant for own staff	500	2,000
Kickstart grants	20,370	9,866
	<u>20,870</u>	<u>30,106</u>

3. Income from charitable activities

	2022	2021
	£	£
Apprentice training	1,375,269	1,164,288
Commercial training	361,316	126,163
	<u>1,736,585</u>	<u>1,290,451</u>

4. Income from other trading activities

	2022	2021
	£	£
Other	396	210
	<u>396</u>	<u>210</u>

5. Income from investments

	2022	2021
	£	£
Income from listed investments – Dividends	4,385	4,612
Interest receivable	513	137
	<u>4,898</u>	<u>4,749</u>

Notes to the accounts for the year ended 31 August 2022

6. Other income

	2022	2021
	£	£
Profit on sale of tangible fixed assets	-	91
	<u>-</u>	<u>91</u>

7. Investment management costs

	2022	2021
	£	£
Investment manager fees	2,271	2,164
	<u>2,271</u>	<u>2,164</u>

All the above costs were attributable to unrestricted funds.

8. Analysis of expenditure on charitable activities

		2022	2021
		£	£
Charitable activities			
Activities undertaken directly	9	948,776	720,408
Support costs	10	569,761	442,961
		<u>1,518,537</u>	<u>1,163,369</u>

All the above costs were attributable to unrestricted funds.

9. Activities undertaken directly

	2022	2021
	£	£
Unrestricted costs		
Other costs relating to Charitable activities comprise		
Gross wages and salaries	471,961	390,531
Employers' NI	48,221	37,783
Platten Trust wages	-	384
Pension contributions	44,163	43,507
Depreciation of assets used for charitable purpose	24,718	20,631
Materials and consumables	65,976	22,779
Bought in services	143,931	116,745
Safety clothing and cleaning	32,876	24,358
Training courses and expenses	116,930	63,690
	<u>948,776</u>	<u>720,408</u>

Notes to the accounts for the year ended 31 August 2022

10. Support costs

		2022	2021
		£	£
Governance	11	6,600	4,300
Finance		231	275
Information technology		8,150	7,000
Gross wages and salaries		333,687	244,299
Pension contributions		32,218	23,477
Employers' NI		26,392	20,301
Staff gifts and travel and subsistence		11,291	4,306
Depreciation		22,924	19,096
Office costs (including rental)		108,464	109,021
Other		19,804	10,886
		<u>569,761</u>	<u>442,961</u>

11. Governance costs

		2022	2021
		£	£
Trustee remuneration and expenses		-	-
Consultancy		-	-
Auditor's remuneration		6,600	4,300
Other		-	-
		<u>6,600</u>	<u>4,300</u>

All of the above costs were attributable to unrestricted funds.

12. Exceptional items

		2022	2021
		£	£
Bad debt		-	996
		<u>-</u>	<u>996</u>

13. Net gains/(losses) on investments

		2022	2021
		£	£
Realised Profit(Loss) on disposal of investment assets held by income funds		(10,881)	(1,393)
Unrealised (losses)/gains on investment assets held by income funds		(332)	36,382
		<u>(11,213)</u>	<u>34,989</u>

14. Analysis of staff costs, trustee remuneration and expenses and the cost of key management personnel

	2022	2021
	£	£
Gross wages and salaries	805,648	634,830
Platten Trust wages	-	384
Employers' NI	74,614	58,084
Pension contributions	76,381	66,984
	<u>956,643</u>	<u>760,282</u>

One employee had employee benefits (excluding pension contributions) in excess of £60,000 (2021: one). This employee's benefits were in the band (£100,000 to £110,000 (2021 £80,000 to £90,000.)) There are no benefits accruing under defined benefit pension schemes.

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

Analysis of staff costs, trustee remuneration and expenses and the cost of key management personnel (continued)

The key management personnel of the charity comprise the trustees and the Chief Executive Officer. The total employee benefits (excluding employer pension costs) of the key management personnel of the Trust were £105,705 (2021: £85,620).

The charity trustees neither received nor waived any benefits from employment with the Charitable Company in the year (2021: £nil) neither were they reimbursed expenses during the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil). A trustee who retired during the year was given a leaving gift of flowers costing £37.

There are no other related party transactions in the reporting period.

15. Staff numbers

The average monthly headcount was 26 (2021: 23) and the average number of staff employed by the charity during the financial year amounted to:

	2022	2021
	£	£
Lecturers and training providers	15	15
Management and admin staff	11	8
	<u>26</u>	<u>23</u>

Notes to the accounts for the year ended 31 August 2022

16. Net income/(expenditure) for the year

	2022	2021
	£	£
This is stated after charging:		
Auditor's remuneration	6,600	4,300
Accountancy services provided by the auditor	7,616	7,061
Operating leases – equipment	4,601	4,085
Depreciation	47,642	39,727
Loss/(profit) on disposal of tangible fixed assets	-	(91)

17. Tangible Fixed Assets

	Freehold Land and Buildings £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
At 1 September 2021	540,247	717,535	211,550	1,469,332
Additions	60,339	41,260	68,104	169,703
Disposals	-	-	-	-
At 31 August 2022	<u>600,586</u>	<u>758,795</u>	<u>279,654</u>	<u>1,639,035</u>
Depreciation				
At 1 September 2021	242,419	650,179	144,898	1,037,496
Charge for year	11,874	24,719	11,049	47,642
Disposals	-	-	-	-
At 31 August 2022	<u>254,293</u>	<u>674,898</u>	<u>156,947</u>	<u>1,085,138</u>
Net Book Value				
At 31 August 2022	<u>346,293</u>	<u>83,897</u>	<u>123,707</u>	<u>553,897</u>
At 31 August 2021	<u>297,828</u>	<u>67,356</u>	<u>66,652</u>	<u>431,836</u>

Tangible fixed assets are held to further charitable activities.

There is a capital commitment at the year-end of £21,000.

Notes to the accounts for the year ended 31 August 2022

18. Fixed asset investments

	2022	2021
	£	£
Market value at beginning of year	288,356	250,782
Disposals proceeds	(142,533)	(71,498)
Acquisitions at cost	143,420	70,513
Cash movement	1,741	3,570
Change in value in the year	<u>(11,213)</u>	<u>34,989</u>
Market value at end of year	<u>279,771</u>	<u>288,356</u>

Historical cost	£255,803	£235,074
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The portfolio of fixed asset investments are managed by Brewin Dolphin on behalf of the charity and the valuation of the investments is provided by them at market value on the balance sheet date. The manager in the prior year and for some of the current year was UBS.

Net cash released from investments in year was £nil (2021 £nil).

Investments at fair value comprised

	2022	2021
	£	£
Equities	170,139	155,377
Asset allocation funds	-	31,184
Alternative investments	50,901	11,915
Emerging markets	8,263	
Fixed interest securities	36,783	75,448
Money market investment	-	2,489
Cash held within the investment portfolio	13,685	11,943
	<u>279,771</u>	<u>288,356</u>

19. Debtors

	2022	2021
	£	£
Amounts falling due within one year		
Trade debtors	144,184	159,604
Prepayments and accrued income	<u>120,664</u>	<u>32,974</u>
	<u>264,848</u>	<u>192,578</u>

Notes to the accounts for the year ended 31 August 2022

20. Creditors - amounts falling due within one year

	2022	2021
	£	£
Trade creditors	78,361	21,613
Taxation and social security	30,705	16,647
Other creditors	28,388	19,862
Accruals	39,932	30,178
Deferred income (note 22)	26,222	38,923
	<u>203,608</u>	<u>127,223</u>

21. Deferred income

Income deferred since relates to future training courses:

	2022	2021
	£	£
Brought forward	38,923	3,713
Released in year	(38,923)	(3,713)
Re following year	26,222	38,923
Carried forward	<u>26,222</u>	<u>38,923</u>

22. Obligations under non-cancellable operating leases

Future minimum rentals payable under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Within one year	4,594	4,594
In two to five years	4,593	9,187
In over five years	-	-
	<u>9,187</u>	<u>13,781</u>

23. Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2022	2021
	£	£
Net income / (expenditure) for year / period	230,729	194,067
Dividends received	(4,385)	(4,612)
Interest received	(513)	(137)
Depreciation and impairment of tangible fixed assets	47,641	39,727
(Gains) / losses on investments	11,213	(34,989)
(Profit) / loss on disposal of tangible fixed assets	-	(91)
(Increase) / decrease in debtors	(72,270)	(77,902)
Increase / (decrease) in creditors	76,384	38,500
	<u>288,799</u>	<u>154,563</u>

24. Financial commitments

Contractual commitments for the acquisition of tangible fixed assets contracted for but not provided in the financial statements amounted to £21,000 (2021 - £18,012 of which £7,000 was included in prepayments since it was invoiced as a deposit).

25. Post Balance sheet events

There are no post balance sheet events giving rise to the need for adjustment or disclosure in the accounts.

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LIMITED

England & Wales - Charity number 507714

Accounts

Registered number: 01372963

Charity number: 507714

Sunderland Engineering Training Association Ltd
(a company limited by guarantee)

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 August 2021**

Prepared By:

F.E.Laughlin Ltd t/a JC Accountants
19 Norfolk Street
Sunderland
SR1 1EA

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 August 2021**

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Sunderland Engineering Training Association Limited

**Charity Reference and Administrative Details
For the year ended 31 August 2021**

COMPANY NUMBER

01372963

CHARITY NUMBER

507714

TRUSTEES

Mr David Bartell

Mr Ian Scurfield

Ms Gill Usher -resigned 01/10/21

Mr Stephen Clelland

Mr Andrew Ramsey – appointed 08/01/21

SECRETARY

Mr R Lockwood

CHIEF EXECUTIVE OFFICER

Mr R Lockwood

REGISTERED OFFICE

17 Sedling Road

Wear Estate

Washington

Tyne and Wear

NE38 9BZ

AUDITORS

F.E.Laughlin Ltd

19 Norfolk Street

Sunderland

SR1 1EA

BANKERS

Lloyds Bank plc

54 Fawcett Street

Sunderland

Tyne and Wear

SR1 1SF

INVESTMENT ADVISORS

UBS

3 Finsbury Avenue

London

EC2M2AN

Report of the Trustees

For the year ended 31 August 2021

The Trustees present their report and the audited financial statements for the year ended 31 August 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. This period is 12 months and covers from 1st of September 2020 to the 31st of August 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

Trustees of the charity

The Trustees, who are also the Directors for the purpose of company law, and who served during the year were:

Mr David Bartell

Mr Ian Scurfield

Mrs Gill Usher – resigned 01/10/21

Mr Stephen Clelland

Mr Andrew Ramsey – appointed 08/01/21

Objectives and Activities

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake in order to further the charitable purposes for the public benefit. These activities are summarised below.

The company was established as a Registered Charity with the objective of benefiting the public by providing education and training for persons engaged in, or intending to be engaged in the engineering, manufacturing, process, and related industries.

Sunderland Engineering Training Association Limited (Seta) is a long-established Group Training Association, operating from its own Training Centre in Washington, Tyne and Wear. It has been a major Apprentice Training Organisation in the region for more than 50 years.

The main activities over the year have been the delivery of a range of Institute for Apprenticeships and Technical Education (IfATE) approved apprenticeship programmes. These have been selected and delivered in response to the requirements of apprentice employers. Apprenticeship Standards require the delivery of off-the-job training, which is carried out in the Seta workshops in year one of the programme. This is followed by further development training at employers' premises. The principal source of funding for this is through the apprenticeship levy, via the Education and Skills Funding Agency (ESFA), with which Seta is a primary contract holder. Seta also has a small sub-contract arrangement for the delivery of apprenticeships to some non-levy paying employers.

Seta assists employers with the Apprentice recruitment process by receiving applications, providing an aptitude testing service, screening for suitable applicants and subsequently by providing short lists of potential Apprentices.

In addition to apprenticeship training delivery, Seta provides a wide range of short courses for employers and the public wishing to up-skill or cross-skill their staff. Some of these courses lead to the achievement of nationally recognised qualifications. These courses are mostly funded by employers.

Periodically, Seta also provides programmes of training to the unemployed, usually funded directly or indirectly from public sources.

Report of the Trustees

For the year ended 31 August 2021(continued)

Fundraising

The charity does not raise any funds from the general public.

Achievements and Performance

During the year Seta performed well in the delivery of training and learners enjoyed a good level of success. Due to the Covid-19 pandemic, the Education and Skills Funding Agency (ESFA) did not publish institutional or nation success rates, however Seta has consistently performed at above the national average.

Seta has been audited by a number of external organisations, including its customers, and qualification awarding bodies. All have been completed to the satisfaction of the organisations concerned. Seta operates an ISO9001:2015 accredited quality management system.

Seta last had an Ofsted inspection on 21/22 March 2017. The report was published on the 10th of April 2017 confirming that Seta has retained its 'Good' rating.

Financial Review

Overall, the Association is showing revenue from charitable activities of £1,290,451 compared to revenue of £1,058,693 in the previous financial year, an increase of 22%. Net income for the year was £194,067 compared to a net income of £1,066 in 2020 an increase of £193,001.

The growth strategy put in place during previous financial years to increase employer involvement and apprentice numbers, is continuing to deliver positive results, with the highest number ever of apprentice learners on programme. Also, as a result of improved ESFA funding for apprenticeship standards (compared to frameworks), revenue for these has further increased.

For the second year revenue from commercial courses was somewhat lower than before the Covid outbreak. This was because although the delivery of commercial courses re-commenced in October 2019 the maximum cohort size for each course was approximately 50% of normal to allow for good social distancing in classrooms and workshops. There was also a second suspension of commercial delivery between January and March 2020 due to the imposed lockdown.

Seta's investments increased in value overall during the year to £288,356 from £250,782. The market value of retained investments increased by £36,382.

Plans for future periods

The growth of trading surplus is a further indication that management strategies are paying off. It is expected that the new financial year (21/22) will show further growth. Apprentice recruitment numbers for September '21 were good, increasing the total number of learners on programme to over 250, and therefore generating increased revenue.

Commercial training sales have picked up and cohort sizes have returned to their pre-Covid limits. Seta are also part of an ESF funded "Northeast Workforce Skills" programme. This allows Seta and other partners to use levy match funding to deliver up-skilling and cross-skilling course to eligible companies at no cost to them. The programme runs until December 2023.

Report of the Trustees

For the year ended 31 August 2021(continued)

Plans for future periods (continued)

We continue to respond to market needs both in the delivery of apprenticeship programmes and commercial training courses. As new apprenticeship “standards” come on stream through IfATE, we will review these for suitability, and develop capacity and capability to deliver these to apprentices and employers.

Although we primarily deliver training in the engineering and manufacturing sector, we will look for opportunities to enter the market in complementary sectors, for example we currently deliver a number of business and administration related programmes.

We will continue to make investment in training facilities as required to allow high quality training to be delivered.

The charity has more than sufficient funds to fund its activities for at least 12 months from the date of signing the accounts.

Investment powers and policy

During the 20/21 financial year the investment portfolio was managed externally by UBS Wealth Management (UK) Ltd. The portfolio value is noted above. An annual review of this investment portfolio and performance is carried out by Seta trustees. Due to UBS changing their qualifying criteria for investors it is necessary to switch investment managers. Brewin Dolphin was selected as the replacement fund manager. The transition from UBS to Brewin Dolphin is currently under way.

The Trustees have the power to invest in such assets as they see fit. Our investment advisors have been instructed to invest to maximise the total return on investment funds within the constraints of a medium risk portfolio. Whilst the investment brief is broadly defined, Seta trustees are happy that the nature of investments is appropriate from an ethical standpoint.

Reserves policy and Going Concern

The trustees aim to maintain accessible reserves in unrestricted funds at a level which equates to approximately three months of unrestricted charitable expenditure.

The balance held as unrestricted funds at 31 August 2021 was £990,476 of which £558,640 are regarded as free reserves after allowing for funds tied up in tangible fixed assets. There are no restricted reserves. Actual 3 month cash payments totalled £353,000.

The Trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity’s current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Report of the Trustees

For the year ended 31 August 2021(continued)

Reserves policy and Going Concern (continued)

At the time the trustees are preparing this report there is one in-year event that we would like to report on:

1. **Covid-19** – In March 2020 the Covid-19 pandemic caused Seta to suspend delivery of both apprenticeships and commercial workshop based training. No further commercial training was delivered during that financial year. Commercial training resumed in October 2020, but with a much reduced capacity to deliver as a result of the need to maintain social distancing. There was also a second government imposed lock-down between January and March 2021 where in-centre training was suspended. Therefore, 20/21 commercial revenue was once again adversely affected.

The delivery of apprenticeships was also impeded due to Covid restrictions though to a lesser extent than the previous year. This was particularly so through the second lock-down where Seta reverted to the use of online teaching and communication methods. This overall effect of restrictions resulted in apprentices completing their first year off-the-job training somewhat later than normal.

Apprenticeship recruitment for Autumn '21 cohort was once again affected by the Covid-19 induced effect on the manufacturing sector resulting in a below target intake. Nevertheless, our aggregate number of learners on programme increased overall, and we remain in a healthy financial position.

The Trust reported net revenue of £194,067 in the year. Despite the event reported above the Trustees expect that the current financial year will also generate a significant surplus. On that basis they consider the charity is a going concern.

In the event that Seta was unable to recruit any apprentices in the current year, there would be ESFA continuation funding for the >200 apprentices currently on programme. This would run down over three years, by which time adjustments would be made to outgoing costs or alternative revenue streams secured. There is a very low risk that this event will occur.

In the event that Seta was unable to deliver commercial training, reserves would be adequate to cover all costs until they were able to be reduced to match income. There is a medium risk that this event will occur should the Covid pandemic return.

Bearing the above in mind, and considering that Seta has nearly £560,000 of accessible reserves, the Trustees consider the charity is a going concern.

Structure, Governance and Management

The Charity is a company limited by guarantee and is governed by a memorandum and articles of association. The Directors of the Company are also Trustees of the Charity. Eligibility for membership of the Charity and membership of the Board of Trustees is governed by the memorandum and articles of association. There are no restrictions in the governing document on the operation of the charity or on its investment powers other than those imposed by Charity law.

The organisation is governed by a Board of Directors, which consists of nominated members. The Board is responsible for the management and control of the Charity and overall direction of its work.

Report of the Trustees

For the year ended 31 August 2021(continued)

Structure, Governance and Management(continued)

Directors are officers from member companies. The Directors have the power to co-opt new Directors up to the maximum of 7 board members as set out in the Memorandum and Articles of Association.

Trustees are appointed via invite request to apprentice employer organisations or specific board nominations. Seta trustees have expressed an aim to expand the board to its maximum of 7 board members and that process continues through open invites to apprentice employer companies and board invites to nominated individuals.

Induction and Training of Trustees

The induction process has recently been changed to follow the ICSA good practice Charity Trustees' Guide with an induction programme for any newly appointed trustee, which includes an initial meeting with the Chair and the trustees, followed by a series of short meetings with the Chief Executive to further discuss roles and responsibilities and clarify charity policy matters. Further training will be provided as required and in keeping with the Good Practice Guide.

Pay Policy for senior staff

Seta trustees review the salary of all staff on an annual basis including individual rewards packages of senior managers. To ensure retention of all staff, Seta trustees aim to ensure that the organisation is competitive with commensurate organisations with all its salary and reward packages.

Risk management strategy

The Trustees have assessed the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Seta trustees regularly review risks and uncertainties, and these are classified as part of the SWOT / PESTLE analysis which remains part of Seta business improvement plan. To ensure early mitigation of risks Seta trustees continually monitor and review financial status and forward forecasts on a quarterly basis. The principal risks faced by the Trust lie in both the performance of investments, and the issue of securing the continuity of funding from the education and skills funding agency (ESFA) for delivery of apprentice training.

Other risks which remain under regular review are Changes to Ofsted Education Inspection Framework (EIF); Changes to ESFA funding levels for apprenticeship standards; competition from local colleges and technical training providers.

Reference and Administrative Details

Charity Name: Sunderland Engineering Training Association Limited

Also trading as: Seta; Seta Ltd

Charity Number: 507714

Company Number: 01372963 incorporated in England

Registered Office: 17 Sedling Road, Wear Estate, Washington, Tyne, and Wear, NE38 9BZ

None of the trustees received remuneration or other benefit from their work with the charity. Any connection with the charity must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. In the current year no such related party transactions were reported.

Report of the Trustees

For the year ended 31 August 2021(continued)

Reference and Administrative Details (continued)

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

The day-to-day management of the Charity has been delegated to Mr Robin Lockwood as the Chief Executive Officer.

Our advisers

Auditors	F.E.Laughlin Ltd	19 Norfolk Street, Sunderland, Tyne and Wear, SR1 1EA
Bankers	Lloyds Bank plc	54 Fawcett Street, Sunderland, Tyne and Wear, SR1 1SF
Investment advisors	UBS	3 Finsbury Avenue, London, EC2M2AN

Exemptions from Disclosure

There are no exemptions from disclosure.

Funds Held as Custodian Trustee on Behalf of Others

There are no funds held as Custodian Trustee on behalf of others.

Statement of Trustees' Responsibilities

The Trustees, who are also the Directors of Sunderland Engineering Training Association Ltd for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these accounts, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimated that are reasonable and prudent; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Report of the Trustees

For the year ended 31 August 2021(continued)

Statement as to disclosure of information to the auditor

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors

On Behalf of the Board of Trustees



.....
Mr David Bartell

Trustee

Dated: 25/3/22.....

**Report of the auditor
For the year ended 31 August 2021**

Independent auditor's report to the members and trustees of Sunderland Engineering Training Association Limited

Opinion

We have audited the financial statements of Sunderland Engineering Training Association Ltd ('the charitable company') for the year ended 31/08/2021 which comprise a Statement of Financial Activities (including an income and expenditure account), the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is the applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31/08/21 and of its 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 charitable 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. 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 trustees' 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 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.

**Report of the auditor
For the year ended 31 August 2021 (continued)**

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic 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 strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate 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;

Report of the auditor

For the year ended 31 August 2021 (continued)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees (who are also 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the company's high level policies and procedures to prevent and detect fraud, and the company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected, or alleged fraud
- Reading board minutes
- Considering remuneration incentive schemes for senior staff
- Using analytical procedures to identify any unusual or unexpected relationships

As required by auditing standards, and taking into account possible pressure to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that charitable revenue and costs are recorded in the wrong period.

Report of the auditor

For the year ended 31 August 2021 (continued)

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general experience of the charity sector and through discussion with directors and other management the policies and procedures regarding compliance with laws and regulations.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on disclosures in the financial statements, for instance through a poor OFSTED inspection report damaging the reputation of the company as a training organisation. We identified the following areas as those most likely to have such an effect: health and safety, employment law and poor audit reports from OFSTED. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulation to enquiries of directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, and audit will not detect that breach.

Fraud risk re revenue recognition was audited by comparing expected income for both apprentice training income and commercial training courses with actual income invoiced and reviewing the accruals and prepayments to ensure income is accounted for in the correct period.

Fraud risk re management override of controls was addressed by reviewing board meeting minutes to confirm the trustee overview of management decisions and that trustee review of the quarterly management accounts and annual statutory accounts takes place.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for> This description forms part of our auditor's report.

Report of the auditor

For the year ended 31 August 2021 (continued)


Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signature



Fiona Ramsey (Senior Statutory Auditor)
For and on behalf of FE Laughlin Ltd Statutory
Auditor



19 Norfolk Street, Sunderland SR1 1EA
Dated

**Statement of Financial Activities (including income and expenditure account)
for the year ended 31 August 2021**

	Notes	2021 £	2020 £
<u>Income and endowment from</u>			
Donations and legacies	2	30,106	41,578
Charitable activities	3	1,290,451	1,058,693
Other trading activities	4	210	445
Investments	5	4,749	5,823
Other income	6	91	-
Total income and endowments		1,325,607	1,106,539
<u>Expenditure</u>			
Investment management fees	7	2,164	2,238
Charitable activities	8	1,163,369	1,063,277
Other – exceptional item	12	996	34,094
Total Expenditure		1,166,529	1,099,609
Net gains/(losses) on investments	13	34,989	(5,864)
Net income/(expenditure) and net movement in funds for the year		194,067	1,066
Reconciliation of funds			
Total Funds brought forward		796,409	795,343
Total funds carried forward		990,476	796,409

This statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities and are assigned to unrestricted funds in both years. This statement also includes the income and expenditure account for the Companies Act 2006.

Sunderland Engineering Training Association Limited

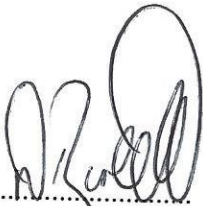
Balance Sheet at 31 August 2021

	Notes	£	2021 £	£	2020 £
Fixed Assets					
Tangible assets	18		431,836		434,850
Investments	19		288,356		250,782
			<u>720,192</u>		<u>685,632</u>
Current assets					
Debtors (amounts falling due within one year)	20	192,578		114,676	
Cash at Bank and in hand		204,929		84,824	
		<u>397,507</u>		<u>199,500</u>	
Liabilities					
CREDITORS: Amounts falling due within one year	21	127,223		88,723	
Net current assets/(liabilities)			<u>270,284</u>		<u>110,777</u>
TOTAL NET ASSETS			<u>990,476</u>		<u>796,409</u>
The Funds of the Charity					
Unrestricted income funds			990,476		796,409
Total Charity Funds			<u>990,476</u>		<u>796,409</u>

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved and authorised for issue by the Board on.....

and signed on their behalf by



.....
Mr David Bartell
Trustee

The notes on pages 18 to 28 form part of these financial statements.

Cash flow for the year ended 31 August 2021

	Notes	2021 £	2020 £
Cash flow from operating activities	23	154,563	36,303
Cash flows from investing activities			
Payments to acquire investments		(70,512)	(183,827)
Receipts from sale of investments		71,498	183,280
Payments to acquire tangible fixed assets		(36,713)	(44,314)
Receipts from sale of tangible fixed assets		91	-
Interest received		137	128
Dividends received		4,612	5,695
Net cash provided by investing activities		<u>(30,887)</u>	<u>(39,038)</u>
Cash flows from financing activities			
Interest paid		-	-
Net cash outflow from financing		<u>-</u>	<u>-</u>
Net Increase/(Decrease) in cash and cash equivalents		<u>123,676</u>	<u>(2,735)</u>
Cash and cash equivalents at 1 September 2020		93,197	95,932
Cash and cash equivalents at 31 August 2021		<u><u>216,873</u></u>	<u><u>93,197</u></u>
Cash and cash equivalents consist of			
Cash in hand		231	147
Cash held within investment portfolio		11,944	8,373
Notice deposit (less than 3 months)		204,698	84,677
Cash and cash equivalents at 31 August 2021		<u><u>216,873</u></u>	<u><u>93,197</u></u>

Notes to the accounts for the year ended 31 August 2021

1. Summary of significant accounting policies

1a. General information and basis of preparation

The charity is a company limited by guarantee registered in England and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are benefiting the public by providing education and training for persons engaged in, or intending to be engaged in the engineering, manufacturing, process, and related industries.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

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

1b. Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

1c. Incoming Recognition

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

Donations and legacies: Grant income included in this category provides funding to support training activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor specifies that it is to be expended in future periods.

The charity received government grants in respect of the COVID-19 job retention scheme and these have been accounted for on the basis of eligibility and on the performance method.

The charity received government grants in respect of the Kickstart Scheme, and these have been accounted for on the basis of eligibility.

Charitable activities: Income for training courses paid in advance is deferred until the course is due.

Income earned from trading activities is used to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Notes to the accounts for the year ended 31 August 2021

Summary of significant accounting policies (continued)

1c. Incoming Recognition (continued)

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably.

Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

1d. Expenditure Recognition

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

In particular the policy for including items within costs of generating funds, charitable activities and governance costs is: Charitable activities include expenditure associated with the provision of engineering training and include both the direct costs and the support costs relating to this activity. Governance costs include those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Support costs are analysed in the notes to the accounts as requested by the Trustees.

1e. Allocation and apportionment of costs

All costs relate to the single activity of the charitable company and are recognised accordingly.

1f. Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold Land and Buildings straight line 2%
Plant and Machinery reducing balance 25%/ straight line 33%
Fixtures and Fittings reducing balance 10%

1g. Fixed asset Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Notes to the accounts for the year ended 31 August 2021

Summary of significant accounting policies (continued)

1g. Fixed asset Investments (continued)

The charitable company does not acquire put options, derivatives, or other complex financial instruments. The main form of financial risk faced by the charitable company is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Fixed asset investments are stated at fair value as at the balance sheet date.

1h. Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1i. Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

1j. Cash at bank and in hand

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

1k. Pensions

Since 1 March 2017 the only pension arrangements in place are auto enrolment compliant arrangements and contributions are charged in the accounts as they come payable. These are defined contribution arrangements.

1l. Financial instruments

The charitable company only 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 their settlement value.

1m. Preparation of the accounts on a going concern basis

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1n. Operating leases

The charitable company classifies the lease of the Ethernet line as an operating lease; the title to the equipment remains with the lessor. Rental charges are charged on a straight line basis over the terms of the contract.

Notes to the accounts for the year ended 31 August 2021

Summary of significant accounting policies (continued)

10. Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

2. Grants

	2021 £	2020 £
JRS grants re furlough scheme	18,240	41,578
Apprentice funding grant for own staff	2,000	-
Kickstart grants	9,866	-
	<u>30,106</u>	<u>41,578</u>

3. Income from charitable activities

	2021 £	2020 £
Apprentice training	1,164,288	933,621
Commercial training	126,163	125,072
	<u>1,290,451</u>	<u>1,058,693</u>

Employer co-funding fees have been reclassified as apprentice training rather than commercial training to more accurately reflect the facts. The prior year comparatives have been restated.

4. Income from other trading activities

	2021 £	2020 £
Sale of boots and overalls	-	445
Other	210	-
	<u>210</u>	<u>445</u>

Notes to the accounts for the year ended 31 August 2021

5. Income from investments

	2021	2020
	£	£
Income from listed investments – Dividends	4,612	5,695
Interest receivable	137	128
	<u>4,749</u>	<u>5,823</u>

6. Other income

	2021	2020
	£	£
Profit on sale of tangible fixed assets	91	-
	<u>91</u>	<u>-</u>

7. Investment management costs

	2021	2020
	£	£
Investment manager fees	2,164	2,238
	<u>2,164</u>	<u>2,238</u>

All the above costs were attributable to unrestricted funds.

8. Analysis of expenditure on charitable activities

		2021	2020
		£	£
Charitable activities			
Activities undertaken directly	9	720,408	631,649
Support costs	10	442,961	431,628
		<u>1,163,369</u>	<u>1,063,277</u>

All the above costs were attributable to unrestricted funds.

Notes to the accounts for the year ended 31 August 2021

9. Activities undertaken directly

	2021	2020
	£	£
Unrestricted costs		
Other costs relating to Charitable activities comprise		
Gross wages and salaries	390,531	375,370
Employers' NI	37,783	35,557
Platten Trust wages	384	378
Pension contributions	43,507	43,975
Depreciation of assets used for charitable purpose	20,631	19,325
Materials and consumables	22,779	29,176
Bought in services	116,745	71,638
Safety clothing and cleaning	24,358	18,117
Training courses and expenses	63,690	38,113
	<u>720,408</u>	<u>631,649</u>

The cost of bought in services was included in materials and consumables in prior year but has been separately disclosed this year. Some of the bought in costs in prior years have been included under other costs. The comparatives for all relevant figures have been restated.

10. Support costs

	2021	2020
	£	£
Governance	4,300	4,200
Finance	275	273
Information technology	7,000	6,029
Human Resources	268,906	265,851
Depreciation	19,096	19,314
Office costs (including rental)	109,021	100,273
Pension contributions	23,477	23,546
Other	10,886	12,142
	<u>442,961</u>	<u>431,628</u>

Some of the bought in costs in prior years had been included under other costs. The comparative figures have been restated.

Notes to the accounts for the year ended 31 August 2021

11. Governance costs

	2021	2020
	£	£
Trustee remuneration and expenses	-	-
Consultancy	-	-
Auditor's remuneration	4,300	4,200
Other	-	-
	<u>4,300</u>	<u>4,200</u>

All of the above costs were attributable to unrestricted funds.

12. Exceptional items

	2021	2020
	£	£
Bad debt	996	34,094
	<u>996</u>	<u>34,094</u>

13. Net gains/(losses) on investments

	2021	2020
	£	£
Realised Profit(Loss) on disposal of investment assets held by income funds	(1,393)	(6,276)
Unrealised (losses)/gains on investment assets held by income funds	36,382	412
	<u>34,989</u>	<u>(5,864)</u>

14. Analysis of staff costs, trustee remuneration and expenses and the cost of key management personnel

	2021	2020
	£	£
Gross wages and salaries	634,830	615,803
Platten Trust wages	384	378
Employers' NI	58,084	54,843
Pension contributions	66,984	67,521
	<u>760,282</u>	<u>738,545</u>

One employee had employee benefits (excluding pension contributions) in excess of £60,000 (2020: one). This employee's benefits were in the band (£80,000 to £90,000 (2020 £80,000 to £90,000.)) There are no benefits accruing under defined benefit pension schemes.

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

Notes to the accounts for the year ended 31 August 2021

Analysis of staff costs, trustee remuneration and expenses and the cost of key management personnel (continued)

The key management personnel of the charity comprise the trustees and the Chief Executive Officer. The total employee benefits (excluding employer pension costs) of the key management personnel of the Trust were £85,620 (2020: £89,739).

The charity trustees neither received nor waived any benefits from employment with the Company in the year (2020: £nil) neither were they reimbursed expenses during the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

There are no other related party transactions in the reporting period.

15. Staff numbers

The average monthly headcount was 23 (2020: 21) and the average number of staff employed by the charity during the financial year amounted to:

	2021	2020
	£	£
Lecturers and training providers	15	13
Management and admin staff	8	8
	<u>23</u>	<u>21</u>

16. Net income/(expenditure) for the year

	2021	2020
	£	£
This is stated after charging:		
Auditor's remuneration	4,300	4,200
Accountancy services provided by the auditor	7,061	5,880
Operating leases – equipment	4,085	3,895
Depreciation	39,727	38,639
Loss/(profit) on disposal of tangible fixed assets	(91)	-

17. Corporation Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Notes to the accounts for the year ended 31 August 2021

18. Tangible Fixed Assets

	Freehold Land and Buildings £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
At 1 September 2020	540,247	684,627	207,745	1,432,619
Additions	-	32,908	3,805	36,713
Disposals	-	-	-	-
At 31 August 2021	540,247	717,535	211,550	1,469,332
Depreciation				
At 1 September 2020	230,564	629,548	137,657	997,769
Charge for year	11,855	20,631	7,241	39,727
Disposals	-	-	-	-
At 31 August 2021	242,419	650,179	144,898	1,037,496
Net Book Value				
At 31 August 2021	297,828	67,356	66,652	431,836
At 31 August 2020	309,683	55,079	70,088	434,850

Tangible fixed assets are held to further charitable activities.

There is a capital commitment at the year-end of £18,012 of which £7,000 is included in prepayments since it was invoiced as a deposit.

19. Fixed asset investments

	2021 £	2020 £
Market value at beginning of year	250,782	253,061
Disposals proceeds	(71,498)	(183,280)
Acquisitions at cost	70,513	183,827
Cash movement	3,570	3,038
Change in value in the year	34,989	(5,864)
Market value at end of year	288,356	250,782
Historical cost	£235,074	£228,329

The portfolio of fixed asset investments are managed by UBS on behalf of the charity and the valuation of the investments is provided by them at market value on the balance sheet date.

Net cash released from investments in year was £nil (2020 £nil).

Notes to the accounts for the year ended 31 August 2021

Fixed asset investments (continued)

Investments at fair value compromised

	2021	2020
	£	£
Equities	155,377	122,605
Asset allocation funds	31,184	35,833
Alternative investments	11,915	10,295
Fixed interest securities	75,448	71,187
Money market investment	2,489	2,489
Cash held within the investment portfolio	11,943	8,373
	<u>288,356</u>	<u>250,782</u>
20. Debtors		
	2021	2020
	£	£
Amounts falling due within one year		
Trade debtors	159,604	91,618
Prepayments and accrued income	32,974	23,058
	<u>192,578</u>	<u>114,676</u>
21. Creditors - amounts falling due within one year		
	2021	2020
	£	£
Trade creditors	21,613	20,726
Taxation and social security	16,647	14,782
Other creditors	19,862	17,789
Accruals and deferred income	69,101	35,426
	<u>127,223</u>	<u>88,723</u>
22. Obligations under non-cancellable operating leases		
Future minimum rentals payable under non-cancellable operating leases are as follows:		
	2021	2020
	£	£
Within one year	4,594	2,272
In two to five years	9,187	-
In over five years	-	-
	<u>13,781</u>	<u>2,272</u>

Notes to the accounts for the year ended 31 August 2021

23. Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2021	2020
	£	£
Net income / (expenditure) for year / period	194,067	1,066
Dividends received	(4,612)	(5,695)
Interest received	(137)	(128)
Depreciation and impairment of tangible fixed assets	39,727	38,639
(Gains) / losses on investments	(34,989)	5,863
(Profit) / loss on disposal of tangible fixed assets	(91)	-
(Increase) / decrease in debtors	(77,902)	38,566
Increase / (decrease) in creditors	38,500	(42,008)
	<hr/>	<hr/>
Net cash flow from operating activities	<u>154,563</u>	<u>36,303</u>

24. Post Balance sheet events

There are no post balance sheet events giving rise to the need for adjustment or disclosure in the accounts.