# THE STOCKPORT ENGINEERING TRAINING ASSOCIATION

England & Wales · Charity number 510493

## Details

| | |
|---|---|
| **Other names** | SETA |
| **Status** | Registered |
| **Legal form** | Charitable company |
| **Company number** | 01512311 |
| **Registered** | 1980-08-13 |
| **Register** | View on the Charity Commission register |

## Contact

| | |
|---|---|
| **Address** | Stockport Eng Training Assoc Ltd<br>18 Hammond Avenue<br>Whitehill Industrial Estate<br>Stockport<br>Cheshire<br>SK4 1PQ |
| **Phone** | 01614809822 |
| **Email** | accounts@setatraining.com |
| **Website** | www.setatraining.com |

## Activities

**Objects:** TO ADVANCE AND PROMOTE THE EDUCATION AND TRAINING OF THE PUBLIC IN THE KNOWLEDGE AND SKILLS REQUISITE FOR EMPLOYMENT IN INDUSTRY AND COMMERCE

**Activities:** -Engineering Skills across a wide occupational range accessible to all learners-Provision of training facilities for Apprentice Training Engineering-Group Services for member companies to enable the development of the workforce through structured training programmes-Health and Safety and Adult Short courses as required by industry

## Classification

- **How:** Provides Services
- **What:** Education/training
- **Who:** Children/young People, The General Public/mankind

## Geography

- Throughout England

## Finances

| Period end | Income | Expenditure | Assets | Employees |
|---|---|---|---|---|
| 2025-07-31 | £511,611 | £542,270 | £1,005,476 | 6 |
| 2024-07-31 | £640,844 | £609,484 | £1,036,135 | 6 |
| 2023-07-31 | £1,544,323 | £1,607,097 | £1,004,775 | 17 |
| 2022-07-31 | £1,788,996 | £1,832,935 | £1,067,549 | 31 |
| 2021-07-31 | £1,694,552 | £1,733,272 | £956,488 | 32 |
| 2020-07-31 | £1,805,675 | £1,808,512 | £532,208 | 32 |

## Trustees

| Name | Role | Appointed |
|---|---|---|
| **ROBERT GRAHAM HOWARTH** | Chair | |
| JAMES RAYMOND MOSS | | |

# Accounts

# Stockport Engineering Training Association Limited

(A company limited by guarantee)

## Accounts

## For the year ended 30 July 2025

Company Number 1512311

Registered Charity in England no 510493

**Stockport Engineering Training Association Limited**
**Report and Consolidated Accounts**
**Contents**

**Stockport Engineering Training Association Limited**
**Report of the Trustees**
**for the year ended 30 July 2025**

The trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiaries for the year ending 30th July 2025 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

## Chairs Report

The board is continued with the agreement with the privately owned business, Elevated Knowledge Ltd (EKL) who took over our apprenticeship provision in 2023 and who continue to lease the training centre facilities for its intended purpose in the provision of Engineering Apprentice Training under the EKL contract and contributing rental income to the business.

The subsidiary organisation SETA Training and Advisory Services Ltd has continued in business, delivering its portfolio of Safety related courses across national standards in the UK business sector, and, although it has struggled a little this year, continues to support the Charitable aims. The staff members dedicated to this part of the business continue to be employed by the company, and along with Associate members deliver this portfolio.

In summary the trading for the year has been a challenging year with commercail health and safety income dropping from £437K to £300K. This was partly down to a large govenment contract being downsized due to the change in government. This change also caused uncertainty in the markets and had a further impact on general safety bookings.

Cost savings measures allowed us to minimise the impact of this drop in income and resulted in a defecit of £31K, budgets have been set moving forward based on this reduced income level.

I thank our stakeholders, Board Members, Senior Management Team and all the hardworking staff who have been committed to ensure continuation of the charity and who make it a privilege to chair SETA.

We also look forward to the continued cooperation and support to EKL to provide the education training and support to clients and employees which we commenced last year.

## Our purpose and activities

The principal objective of the Charity is to maintain, improve and advance education by promoting the training and education for employed people and those intending to be employed in industry and commerce as shown in the Memorandum and Articles of the Association.

- Member companies of the Association have priority access to this service for their identified needs.
- Meet the challenge and succession planning for key personnel from qualified and competent replacements.
- Improve Adult Learning Budget initiative for employers.

The Charity does not carry out significant fundraising activities, the main income for the Charity was via Government funded Apprenticeship training (until March 2023) and then subsequently by the provision of specialised training centre facilities which is supported by commercial training activities.

***Public Benefit***

The Trustees confirm that they have, when and where necessary to do so, paid regard to the Charity Commissioner's Guidance on Public Benefit when considering and making its decisions.

SETA is ideally placed to offer its services to the whole of the Greater Manchester and surrounding catchment area.

***Membership***

We currently have 19 member companies.

***Enginering Training Centre***

The Charity continues to supprt its Charitable aims by providing specialised training centre facilities.

***Non-Charitable Activities***

These are done to support charitable activities and to provide members with services required.

***Safety and Short Courses***

Health, safety and environment related courses for industry and commerce are in constant demand throughout the UK.

## Achievements and Performance

2024/25 continued to be a difficult year after the impact of OFSTED in 2022/23. With some small costs associated with discontinued operations that were still contracted to be paid after the year and so these operations still had a mixed impact on the accounts this year.

Safety and Short Course delivery continued to drop in turnover, and resulted in some cost saving measures to be implemented.

## Financial Review

The agreement entered into last year with Elevated Knowledge Limited to take over the training of engineering apprentices and commercial learners continued this year. Allowing SETA to continue to support its Charitable aims of assisting the advancement of education whilst it concentrated on the delivery of Health and Safety training.

The principal funding sources for Stockport Engineering Training Association Ltd for 2024/25 continued to be from the rental of the training centre. For the majoriity of the year, this was supplemented via other training income being generated through the charity's subsidiary trading company, this allowed us to operate in other markets that would not normally be accessible to the charity.

The commercial Health & Safety courses brought in a reduced income of £299,993 (2024 £440,933) - A decrease had been expected but not to this extent that we were below our reduced budget by £27,000. The main driver for this decrease was the impact of the new government on two fronts:

1) Uncertainty in the markets lead to a reduction in Health and Safety bookngs from £216,000 in 2024 to £162,000 in 2025

2) Public cost cutting measures resulted in a reduction in Border Force bookings for our Hand and Power tools training, dropping from £116,000 in 2024 to £56,000 in 2025.

Cost saving actions were taken that sadly resulted in the redundancy of one safety trainer, associated redundancy costs included in subsidiary costs were £19,228. This resulted in a net deficit for the subsidiary company of £6,644 (2024 surplus £104,490). Profits from the commercial training have previously been gift-aided back to the Charity to aid it in fulfilling its charitable aims, £0 has been gift aided in 2025 (£104,490 in 2024).

The financial result for the period was a net deficit in funds of £30,659 (2024: surplus £31,360).

The effect is that our consolidated balance sheet still shows a positive picture with total funds of £1,005,476 compared to £1,036,135 (2024).

In the year we have secured a short term investment in preference shares in Elevated KNowledge Limited of £120,000 to be held as an investment to create additional income for the Charity to supplment its income.

Budgets had been set for the next year as:

| **Year** | **2025/26** |
|---|---|
| Turnover | £457,000 |
| Expenditure | £450,000 |

**Reserves Policy**

Reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned emergency repairs and other expenditure. The trustees consider that the ideal level of reserves as at July 2025 would equate to between 3 and 6 months of non-course related expenditure. Three months being £89,000 based on 2025 levels. The trustees consider that this level of reserves would ensure that, given a significant drop in funding, they would be able to continue the Charity's current activities whilst alternate plans were implemented.

The Charities total reserves were £1,005,476 as at 30 July 2025. The free reserves, being those unrestricted funds not represented by fixed assets and their associated finance, were negative £68,058 at 31 July 2025 (Positive £35,577 in 2024), a decrease of £103,635.

We still aim to bring these up to an ideal level over the next two years.

We consistently plan and monitor the financial performance of the charity in order to maintain reserve levels by:
- Setting Budgets
- Producing Cash flows
- Producing Monthly Management Accounts
- Setting Business Development Plan
- Monitoring all of the above at every Trustee meeting

**Investments Held**

The investments held by the charity are share capital held in two companies:
- SETA Training and Advisory Services Limited - 100% oridnary shareholding - held in order to allow the charity to access other commercial training to supplement it's income.
- Elevated Knowledge Limited Limited - £120K preference shareholding - held as a short-term investment to create additional income for the Charity to supplment its income.

## Plans for future periods

Our future plans are detailed in our business development plan. A concerted effort is being made to promote all SETA courses to existing clients and member companies.

Plans now include concentrating on commercial income along with rental of the training centre to further our charitable aims.

## Reference and administrative details

**Company Number:**
1512311

**Charity Number:**
510493

**Registered Office:**
18 Hammond Avenue
Whitehill Industrial Estate
South Reddish
Stockport
SK4 1PQ

**Bankers**
The Royal Bank of Scotland Plc
1 Great Underbank
Stockport
SK1 1LN

**Independent Examiners**
DJH Manchester Limited
Chartered Accountants and Statutory Auditors
St George’s House
56 Peter Street
Manchester
M2 3NQ

### Directors and Trustees

The directors of the charitable company (the charity) are its trustees for the purpose of Charity Law.
The trustees and officers serving during the year and since the year end were as follows:

Mr R G Howarth (Chairman)
Mr J R Moss (Treasurer)

Company Secretary: Mr M C Field

**Key management personnel:**

| | |
|---|---|
| Financial Director | Mr M C Field |

## Structure, Governance and Management

### Governing Document

The charity is controlled by its memorandum and articles of association and constitutes a limited company, limited by guarantee as deemed by the Companies Act 2006.

### Recruitment and Appointment of New Directors and Trustees

The Directors of the Company are elected annually at the Company's Annual General Meeting. At each Annual General Meeting one third of the Elected Board Members for the time being, or if their number is not a multiple of three then the nearest one third, retires from office. If there is only one Elected Board Member who is subject to retirement by rotation, he/she retires. The Elected Board Members who are to retire in every year are those who have been longest in office since their last election or appointment, but as between persons who became Elected Board Members on the same day those to retire (unless they otherwise agree among themselves) are deemed by lot. A retiring Board Member is eligible for re-election, but does not serve more than three consecutive three year terms or, in the case of an Officer, two consecutive three year terms. Each Trustee is elected and voted into office by the members and office of Chairman, Deputy and Treasurer similarly elected. The Association is a member led organisation and the Trustees are mindful of meeting their needs. Currently there are five Trustees, all holding non-executive office and meet formally every four months.

### Induction and Training of Directors and Trustees

New Directors and Trustees are given training upon election, subject to their existing skills and knowledge. A tailored programme of training takes place for each new Director and Trustee. It provides trustees with suitable and sufficient help and guidance on how the Charity works.

### Organisational Structure

Overall responsibility for the Charity's strategy and direction rests with the Board of Management, which comprises all Directors. The carrying out of day to day activities is delegated to the staff under the management of the Financial Director. There are no specific significant restrictions regarding the way the Charity can operate.

The Charity's decisions are ultimately made by the Board of Directors, there are quarterly meetings when discussions take place and decisions are then filtered down to the staff concerned by their line managers.

### Subsidiaries

The Charity has a trading subsidiary, SETA Training & Advisory Services Ltd Ltd whose accounts are reported separately, and are consolidated into these accounts.

This company was set up to perform trading activities to provide funds for the charity. As stated in the notes SETA Training and Advisory Services Ltd made a small loss of £6,644 before distributions.

### Pay policy for senior staff

Decisions on management remuneration levels are made by the Board.

**Risk Management**

The Trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Board has carried out a review of the major risks to which the Charity is exposed and has put in place controls and activities to mitigate those risks which are within their control to influence.

## Statement as to disclosure to our independent examiners

In so far as the trustees are aware at the time of approving our trustees' annual report:

● there is no relevant information, being information needed by the independent examiners in connection with preparing their report, of which the group's independent examiner is unaware, and

● the trustees, having made enquiries of fellow directors and the group's independent examiner that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant information and to establish that the independant examiner is aware of that information.

**By order of the Board of Trustees**

Mr. R G Howarth
Chairman

Date: 23rd April 2026

## Independent examiner's report to the trustees of Stockport Engineering Training Association

I report to the charity trustees on my examination of the accounts of the Company for the year ended 30 July 2025.

### Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

### Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed: DJH Manchester Limited

Name: Christopher Abbott FCA
Other relevant professional qualification(s) or membership of professional bodies (if any): ICAEW
Address:
DJH Manchester Limited
St Georges House
Manchester
M2 3NQ

Date: 24/04/2026

**Stockport Engineering Training Association Limited**
**Consolidated Statement of Financial Activities**
**(Incorporating a Consolidated Income and Expenditure Account)**
**for the year ended 30 July 2025**

| | Notes | Unrestricted Total 2025 £ | Unrestricted Total 2024 £ |
|---|---|---|---|
| **INCOME** | | | |
| ***Income from trading activities*** | 3 | 322,712 | 476,356 |
| *Investment income* | 3 | 125 | 687 |
| ***Income from charitable activities:*** | 4 | 188,774 | 163,801 |
| **Total income** | | 511,611 | 640,844 |
| **EXPENDITURE** | | | |
| ***Expenditure on raising funds*** | 5 | 338,901 | 387,462 |
| ***Expenditure on charitable activities*** | 6 | 203,369 | 222,022 |
| ***Other Expenses*** | | - | - |
| **Total Expenditure** | | 542,270 | 609,484 |
| **NET EXPENDITURE** | | (30,659) | 31,360 |
| Gains/(Losses) on revaluation of Fixed Assets | | - | - |
| **Net movement of funds for the year** | | (30,659) | 31,360 |
| **RECONCILIATION OF FUNDS** | | | |
| Total funds brought forward | | 1,036,135 | 1,004,775 |
| **Funds balances carried forward** | | 1,005,476 | 1,036,135 |

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

**Stockport Engineering Training Association Limited**
**Consolidated Balance Sheet**
**as at 30 July 2025**

| | Notes | | 2025 £ | | 2024 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 11 | | 1,370,506 | | 1,404,439 |
| Investments | 12 | | 120,000 | | - |
| | | | 1,490,506 | | 1,404,439 |
| **CURRENT ASSETS** | | | | | |
| Stocks | 13 | 1,847 | | 2,994 | |
| Debtors | 14 | 102,531 | | 236,813 | |
| Cash at bank and in hand | | 19,068 | | 42,959 | |
| | | 123,446 | | 282,766 | |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 15 | (238,827) | | (233,204) | |
| **NET CURRENT ASSETS** | | | (115,381) | | 49,562 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | | 1,375,125 | | 1,454,001 |
| **CREDITORS** | | | | | |
| Amounts falling due after more than one year | 16 | | (369,649) | | (417,866) |
| **NET ASSETS** | | | 1,005,476 | | 1,036,135 |
| **FUNDS** | | | | | |
| General funds | 19 | | 1,005,476 | | 1,036,135 |
| **TOTAL FUNDS** | | | 1,005,476 | | 1,036,135 |

**Stockport Engineering Training Association Limited**
**Consolidated Balance Sheet**
**as at 30 July 2025**

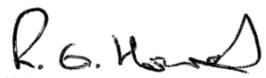
The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 July 2025.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibility for

(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006; and
(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Section 394 and 395 and which otherwise comply with the requirements of any Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The financial statements were approved by the board of Trustees on 23rd April 2026
and were signed on its behalf by:



Mr. R G Howarth
Chairman

**Stockport Engineering Training Association Limited**
**Charity Balance Sheet**
**as at 30 July 2025**

| | Notes | | 2025 | | 2024 |
|---|---|---|---|---|---|
| | | | £ | | £ |
| **FIXED ASSETS** | | | | | |
| Tangible assets | 11 | | 1,370,506 | | 1,404,439 |
| Investments | 12 | | 121,000 | | 1,000 |
| | | | 1,491,506 | | 1,405,439 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 14 | 54,605 | | 167,226 | |
| Cash at bank and in hand | | 8,911 | | 29,331 | |
| | | 63,516 | | 196,557 | |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 15 | (174,552) | | (149,294) | |
| **NET CURRENT LIABILITIES** | | | (111,036) | | 47,263 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | | 1,380,470 | | 1,452,702 |
| **CREDITORS** | | | | | |
| Amounts falling due after more than one year | 16 | | (369,649) | | (417,866) |
| **NET ASSETS** | | | 1,010,821 | | 1,034,836 |
| **FUNDS** | | | | | |
| Restricted funds | | | - | | - |
| General funds | | | 1,010,821 | | 1,034,836 |
| **TOTAL FUNDS** | | | 1,010,821 | | 1,034,836 |

**Stockport Engineering Training Association Limited**
**Charity Balance Sheet**
**as at 30 July 2025**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 July 2025.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibility for:

(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006; and
(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the Companies Act 2006 and with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements were approved by the board of Trustees on 23rd April 2026
and were signed on its behalf by:

Mr. R G Howarth
Chairman

**Stockport Engineering Training Association Limited**
**Statement of Cash Flows and Consolidated Statement of Cash Flows**
**for the year ended 30 July 2025**

| | Note | Group 2025 £ | Group 2024 £ | Charity 2025 £ | Charity 2024 £ |
|---|---|---|---|---|---|
| **Cash used in operating activities** | 23 | **155,257** | **13,092** | **158,853** | **68,841** |
| **Cash flows from investing activities** | | | | | |
| Interest Income | | 125 | 687 | - | - |
| Purchase of unlisted Investments | | (120,000) | | (120,000) | |
| Purchase of tangible fixed assets | | (11,056) | (5,168) | (11,056) | (5,168) |
| **Cash used in investing activites** | | **(130,931)** | **(4,481)** | **(131,056)** | **(5,168)** |
| **Cash flows from financing activites** | | | | | |
| Increase (repayment) of borrowing | | (48,217) | (46,344) | (48,217) | (46,344) |
| **Cash used in financing activites** | | **(48,217)** | **(46,344)** | **(48,217)** | **(46,344)** |
| Increase/(decrease) in cash and cash equivalents in the year | | **(23,891)** | **(37,733)** | **(20,420)** | **17,329** |
| Cash and cash equivalents at the beginning of the year | | 42,959 | 80,692 | 29,331 | 12,002 |
| **Total cash and cash equivalents at the end of the year** | | **19,068** | **42,959** | **8,911** | **29,331** |

## 1 ACCOUNTING POLICIES

***Basis of preparation of accounts***

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 (FRS 102) (effective January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Stockport Engineering Training Association Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s) and with the exception of investments which are included at market value.

**Preparation of the accounts on a going concern basis**

The trustees have prepared on the financial statements on the basis that the charity is a going concern. The charity fulfils all of it charitable objectives by leasing it's premises to a third party education providers. Since the financial year end this education provider has been experiencing financial challenges and is struggling to meet the contractual lease payments. If the education provider were to fail the trustees could have to consider closing the charity.

**Group financial statements**

The consolidated accounts incorporate the results of Stockport Engineering Training Association Limited (‘the Charity’) and its subsidiary undertaking; SETA Training & Advisory Services Limited; on a line-by-line basis.

The consolidated entity is referred to as ‘the Group’. No separate company Statement of Financial Activities (SOFA) has been prepared for the Charity as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

***Income***

Income is included in the SOFA when the charity is entitled to the income and when it is probable that income will be received and the amount can be measured reliably. Donations in kind are recognised at their value to the charity when they are received. No amounts are included for services donated by volunteers.

Income comprise:

| | |
|---|---|
| Activities for raising funds | |
| *Engineering training* | Income from providing training and courses are accounted for on an accrual basis. |
| *Safety training* | Income from providing training and courses are accounted for on an accrual basis. |
| Investment income | Investment income is accounted for on an accrual basis. |
| Income from charitable activities | |
| *Apprentice training – Government funded* | Government funding is recognised when the Charity is entitled to receipt on an accrual basis. |
| *rental income* | Income from providing a specialised training centre facility. |

***Expenditure and basis of allocation***

Expenditure is accounted for on an accruals basis. Overheads and other costs not directly attributable to a particular charitable activity category are apportioned over the relevant on the basis of management estimates attributable to that activity in the year, which is calculated as follows:

| Administrative expenses (Staff Time) | 2025 % | 2024 % |
|---|---|---|
| Engineering training income | - | - |
| Safety and short courses | 50.0 | 50.0 |
| Governance | 50.0 | 50.0 |

| Training Centre expenses (Staff Time) | 2025 % | 2024 % |
|---|---|---|
| Rental income | - | - |
| Governance | 100.0 | 100.0 |

| Short Course expenses (Staff Time) | 2025 % | 2024 % |
|---|---|---|
| Safety and short courses | 100.0 | 100.0 |

| Canteen expenses (Delegate Numbers) | 2025 % | 2024 % |
|---|---|---|
| Safety and short courses | 100.0 | 100.0 |

| Premises expenses (Floor Area) | 2025 % | 2024 % |
|---|---|---|
| Safety and short courses | 13.0 | 13.0 |
| Rental Income | 85.9 | 85.9 |
| Governance | 1.1 | 1.1 |

***Governance costs***

Governance costs comprises the expenditure on governance of the charity including audit fees, legal advice for trustees, costs of trustee meetings and an apportionment of relevant staff costs based on time spent on governance-related matters.

***Leasing and hire purchase commitments***

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet. The assets are depreciated over their expected useful lives.

Rentals under operating leases are charged to the statement of financial activities as they fall due.

***Pension costs***

The company operates a defined contribution pension scheme for the present employees. Contributions are charged to the SOFA as they become payable in accordance with the rules of the scheme

***Tangible fixed assets and depreciation***

All fixed assets are held for charitable use and are stated at cost less depreciation with all repairs written off as occurred.

Land and buildings are held at market value. Land and buildings are revalued regularly to ensure the carrying value is not materially different from a fair value at the end of the reporting period.

Depreciation is provided at rates calculated to write off the cost of tangible fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | |
|---|---|
| Freehold Property | 2% straight line |
| Motor Vehicles | 25% reducing balance |
| Plant and Machinery | 15% reducing balance |
| Computer Equipment | 20% straight line |
| Office Equipment | 25% reducing balance |

***Stocks***

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is calculated using the first-in first-out basis of valuation.

***Investments***

Subsidiary companies are valued at cost, with any resulting gains or losses on exchange included in the SOFA.

***Taxation***

The activities of the Charity are exempt from corporation taxation under section 505 of the Income and Corporation Taxes Act 1988 to the extent that they are applied to the organisation's charitable objectives.

The trading subsidiaries do not generally pay UK corporation tax because their policy is to pay taxable profits as Gift Aid to the Charity. Foreign tax incurred by overseas subsidiaries is charged as it is incurred.

***Funds***

Unrestricted funds are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds is charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income and gains are allocated to the appropriate fund.

***Foreign currencies***

Transactions in foreign currencies are recorded at the rate of exchange prevailing at the date of the transaction. Foreign currency balances are translated into sterling at the exchange rates prevailing at the balance sheet date. Any resulting gains or losses on exchange are included in the SOFA.

Profits and losses of foreign subsidiaries are translated to sterling at average rates of exchange. The opening net assets and profit and loss accounts of those subsidiaries are retranslated to year end rates; exchange differences arising on the retranslation are taken to reserves.

**Debtors**

Debtors are normally recognised at their transaction price, provision for Bad Debts has been included for the year.

**Creditors and Provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

## 2 FINANCIAL PERFOMANCE OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1. The Consolidated Statement of Financial Activities is for the Group as a whole. The figures below are the equivalent figures for the Charity only, excluding other Group companies.

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| Income | 188,555 | 159,505 |
| Gift aid from the subsidiary company | - | 104,490 |
| | 188,555 | 263,995 |
| Expenditure on charitable activities | (180,245) | (191,893) |
| Governance costs | (32,325) | (37,266) |
| Gains/(Losses) on revaluation of Fixed Assets | | |
| | (212,570) | (229,159) |
| **Net movement in funds** | (24,015) | 34,836 |
| Total funds brought forward | 1,034,836 | 1,000,000 |
| **Total funds carried forward** | 1,010,821 | 1,034,836 |
| **Funds** | | |
| Unrestricted funds | 1,010,821 | 1,034,836 |
| | 1,010,821 | 1,034,836 |

## 3 INCOME FROM OTHER TRADING ACTIVITIES

| | Continuing operations | Discontinued operations | 2025 Total | 2024 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Other trading activities** | | | | |
| Engineering training income | - | 22,719 | 22,719 | 35,423 |
| Safety and short courses | 299,993 | - | 299,993 | 440,933 |
| | 299,993 | 22,719 | 322,712 | 476,356 |
| **Investment income** | | | | |
| Interest on cash deposits | 125 | - | 125 | 687 |

## 4 INCOME FROM CHARITABLE ACTIVITIES

| | Continuing operations | Discontinued operations | 2025 Total | 2024 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Apprentice training-Government funded | - | - | - | (2,907) |
| Rental Income | 188,774 | - | 188,774 | 166,708 |
| | 188,774 | - | 188,774 | 163,801 |

## 5 EXPENDITURE ON RAISING FUNDS

| | Continuing operations | Discontinued operations | 2025 Total | 2024 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| *Engineering training* | | | | |
| Marketing | - | - | - | 59 |
| Training costs | - | 16,591 | 16,591 | 34,625 |
| Office and sundry costs | - | 1,119 | 1,119 | 2,965 |
| | - | 17,710 | 17,710 | 37,649 |
| *Safety and short courses* | | | | |
| Marketing | 8,490 | - | 8,490 | 16,709 |
| Staff costs | 159,284 | - | 159,284 | 143,513 |
| Training costs | 77,221 | - | 77,221 | 107,824 |
| Travel | 10,164 | - | 10,164 | 10,287 |
| Premises costs | 24,160 | - | 24,160 | 24,627 |
| Office and sundry costs | 33,834 | - | 33,834 | 38,645 |
| Depreciation | 8,038 | - | 8,038 | 8,208 |
| | 321,191 | - | 321,191 | 349,813 |
| TOTAL | 321,191 | 17,710 | 338,901 | 387,462 |

## 6 EXPENDITURE ON CHARITABLE ACTIVITIES

| | Continuing operations | Discontinued operations | 2025 Total | 2024 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| *Apprentice training-government funded* | | | | |
| Marketing | - | - | - | 105 |
| Training costs | - | 65 | 65 | 9,874 |
| Office and sundry costs | - | 150 | 150 | 2,676 |
| | - | 215 | 215 | 12,655 |
| *Rental Income* | | | | |
| Premises costs | 105,958 | - | 105,958 | 110,457 |
| Office and sundry costs | 15,162 | - | 15,162 | 17,340 |
| Depreciation | 31,636 | - | 31,636 | 33,290 |
| | 152,756 | - | 152,756 | 161,087 |
| Governance costs (note 7) | 50,398 | - | 50,398 | 48,280 |
| TOTAL | 203,154 | 215 | 203,369 | 222,022 |

## 7 GOVERNANCE COSTS

| | Continuing operations | Discontinued operations | 2025 Total | 2024 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Marketing | - | - | | - |
| Staff costs | 8,911 | - | 8,911 | 7,650 |
| Training costs | 19,941 | - | 19,941 | 8,874 |
| Travel | 20 | - | 20 | 42 |
| Premises costs | 1,322 | - | 1,322 | 1,503 |
| Office and sundry costs | 18,177 | - | 18,177 | 26,694 |
| Depreciation | 2,027 | - | 2,027 | 3,517 |
| | 50,398 | - | 50,398 | 48,280 |

## 8 NET RESOURCES EXPENDED BEFORE TRANSFERS

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| This is stated after charging: | | |
| Depreciation | 41,701 | 45,015 |
| Pension costs | 5,612 | 5,745 |
| Independent Examiners fees | 4,461 | 2,000 |
| Independent Examiners none-assurance services | 1,350 | 1,350 |

## 9 TRUSTEES' REMUNERATION AND BENEFITS

Total remuneration paid to trustees' amounted to:

| | | |
|---|---|---|
| R.G Howarth | £1,500 | (2024 £1,500) |
| J. R. Moss | £1,500 | (2024 £1,500) |
| **Total** | **£3,000** | **(2024 £3,000)** |

This has been agreed with the Charities Commission due to the additional time involved in being a Director of the Trading subsidiary company SETA Training and Advisory Services Limited

There were no trustees' expenses or other benefits for the year ended 30 July 2025 nor for the year ended 31 July 2024.

## 10 STAFF COSTS

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| Staff costs during the year amounted to: | | |
| Wages and salaries | 177,329 | 157,687 |
| Social security costs | 11,487 | 11,270 |
| Pension costs | 5,612 | 5,745 |
| | 194,428 | 174,702 |

The average number of employees during the year, including full time equivalents of part time employees, was:

| | 2025 | 2024 |
|---|---|---|
| Safety and short courses | 5 | 5 |
| Governance | 1 | 1 |
| | 6 | 6 |

The employees performed training, administrative and management functions.

The above includes holiday pay accrual amounting to £3,307 (2024 £3,879)

The emoluments of no members of staff, including benefits in kind, is within the range £60,000 to £69,999 (2024 - None), not including retirement benefits which are accruing under a money purchase scheme.

The key management personnel of the group comprise those of the charity, being the trustees, the chief executive and the company secretary. The total employee benefits of the key management personnel of the group were £3,000 (2024: £3,000).

The number of employees to whom retirement benefits were accruing was 4 (2024: 4)

## 11 TANGIBLE FIXED ASSETS - GROUP

| | Land and buildings £ | Plant and machinery etc £ | Motor vehicles £ | Total £ |
|---|---|---|---|---|
| **Cost or valuation** | | | | |
| At 31 July 2024 | 1,400,000 | 240,890 | 37,965 | 1,678,855 |
| Additions | | 9,176 | 1,880 | 11,056 |
| Disposals | - | (36,414) | (31,465) | (67,879) |
| At 30 July 2025 | 1,400,000 | 213,652 | 8,380 | 1,622,032 |
| **Depreciation** | | | | |
| At 31 July 2024 | 56,000 | 185,010 | 33,406 | 274,416 |
| Charge for the year | 28,000 | 12,854 | 848 | 41,702 |
| On disposals | - | (36,323) | (28,269) | (64,592) |
| At 30 July 2025 | 84,000 | 161,541 | 5,985 | 251,526 |
| **Net book value** | | | | |
| At 30 July 2025 | 1,316,000 | 52,111 | 2,395 | 1,370,506 |
| At 30 July 2024 | 1,344,000 | 55,880 | 4,559 | 1,404,439 |

All fixed assets held are used for direct charitable purposes.

Except under an order of the registrar, no deposition by the proprietor of the land is to be registered without the consent of the proprietor of the Charge in favour of the Royal Bank of Scotland Plc. referred to in the Charges Register.

If the freehold land and building had not been revalued they would have been included at the following historical cost:

| | 2025 £ |
|---|---|
| Historical cost | 702,356 |
| Aggregate depreciation | (300,630) |
| At 30 July 2025 | 401,726 |

The fair value of the freehold land and buildings has been determined by the trustees of the charity on an open market value for existing use basis on the 31 July 2022. The valuation has been based on a desktop comparison exercise between the land and buildings owned by the charity to similar sized properties in close geographical proximity.

Cost or valuation at 30 July 2025 is represented by:

| | Land and Buildings £ |
|---|---|
| Historical cost | 702,356 |
| Revaluation 2006 | 555,825 |
| Revaluation 2011 | (495,858) |
| Revaluation 2017 | 87,677 |
| Revaluation 2021 | 395,000 |
| Revaluation 2022 | 155,000 |
| At 30 July 2025 | 1,400,000 |

## 12 INVESTMENTS - COMPANY

| | investment in subsidiary £ | Unlisted investment £ | Unlisted investment £ |
|---|---|---|---|
| **Cost** | | | |
| At 31 July 2024 | 1,000 | - | 1,000 |
| Movement | - | 120,000 | 120,000 |
| At 30 July 2025 | 1,000 | 120,000 | 121,000 |
| **Net book value** | | | |
| 30 July 2025 | 1,000 | 120,000 | 121,000 |
| 30 July 2024 | 1,000 | - | 1,000 |

The company's investments at the balance sheet date in the share capital of companies include the following:

| **Subsidiary Undertaking** | **Country of Incorporation** | **Class of Shares** | **% Held** |
|---|---|---|---|
| SETA Training and Advisory Services Limited | England | Ordinary | 100% |

**SETA Training and Advisory Services Limited** (Incorporated in England and Wales)

Nature of business: Providing training for people employed or intending to be employed in industry and commerce.

| Class of shares: | % holding | Company Number: 03001863 |
|---|---|---|
| Ordinary shares of £1 each | 100.00 | |

| | 2025 £ | 2024 £ |
|---|---|---|
| Turnover | 322,970 | 479,349 |
| Cost of sales and administration costs | (329,700) | (375,448) |
| Interest receivable | 86 | 589 |
| Interest payable | | |
| Tax | | |
| Net Profit | (6,644) | 104,490 |
| Amount gift aided to the charity | - | (104,490) |
| **Retained in subsidiary** | (6,644) | - |

## 13 STOCK

| | Group 2025 | Group 2024 £ | Charity 2025 £ | Charity 2024 £ |
|---|---|---|---|---|
| Registrations | 184 | 801 | - | - |
| Stationery | 544 | 1,098 | - | - |
| Cleaning Materials | - | 149 | - | - |
| Course Books | 1,119 | 946 | - | - |
| | 1,847 | 2,994 | - | - |

## 14 DEBTORS

| | Group 2025 £ | Group 2024 £ | Charity 2025 £ | Charity 2024 £ |
|---|---|---|---|---|
| Trade debtors | 53,691 | 124,905 | 10,273 | 60,038 |
| Government funding receivable | | | | |
| Other taxes and social security costs | | | 546 | 656 |
| Prepayments and accrued income | 48,840 | 111,808 | 43,786 | 106,532 |
| | 102,531 | 236,813 | 54,605 | 167,226 |

On 4th December 1997 the directors of the charity executed a first legal charge over the book debts of the wholly owned subsidiary company.

The loan to the subsidiary company is the subject of a formal loan agreement between itself and the Charity dated 4th December 1997 and which is subject to the following:

a) Interest is to be charged at 1% over bank base rate and the loan is secured by a fixed charge over book and other debts of the wholly owned subsidiary company.

b) The loan is to be renegotiated in the interests of the Charity each year and shall be repayable to the Charity on the 31st July each year.

## 15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group 2025 £ | Group 2024 £ | Charity 2025 £ | Charity 2024 £ |
|---|---|---|---|---|
| Bank loan (secured) | 47,323 | 43,816 | 47,323 | 43,816 |
| Trade creditors | 80,300 | 11,035 | - | 2,188 |
| Obligations under finance lease and hire purchase contracts | - | 2,199 | - | 2,199 |
| Amounts owed to group undertakings and undertakings in which the company has a participating interest | - | | 120,867 | 94,784 |
| Accruals and deferred income | 105,375 | 161,746 | 3,273 | 3,449 |
| Other taxes and social security costs | 4,781 | 13,033 | 2,833 | 2,275 |
| Other creditors | 1,048 | 1,375 | 256 | 583 |
| | 238,827 | 233,204 | 174,552 | 149,294 |

## 16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | Group 2025 £ | Group 2024 £ | Charity 2025 £ | Charity 2024 £ |
|---|---|---|---|---|
| Bank loan (secured) | 369,649 | 417,866 | 369,649 | 417,866 |
| 1-5 years | 128,196 | 140,212 | 128,196 | 140,212 |
| More than 5 years | 241,453 | 277,654 | 241,453 | 277,654 |
| | 369,649 | 417,866 | 369,649 | 417,866 |

## 17 SECURITY

The bank loan and overdraft is secured by a legal charge over the freehold property of the company.

## 18 Deferred Income

Deferred income comprises advanced sales for courses, quarterly membership and monitoring which are carried out post year end.

| | Group 2025 £ | Group 2024 £ |
|---|---|---|
| Balance as at 31 July 2024 | 107,459 | 147,036 |
| Amount released to income earned from charitable activities | (107,459) | (147,036) |
| Amount deferred as 30 July 2025 | 75,226 | 107,459 |
| | 75,226 | 107,459 |

## 19 FUNDS - GROUP

| | Unrestricted Funds £ | £ | Total £ |
|---|---|---|---|
| Tangible fixed assets | 1,370,506 | | 1,370,506 |
| Investments | 120,000 | | 120,000 |
| Net current (liabilities)/assets | (115,381) | | (115,381) |
| Liabilities due after one year | (369,649) | | (369,649) |
| | 1,005,476 | | 1,005,476 |

| | Balance at 1-Aug-2024 £ | Income £ | Expenses £ | Transfers £ | Balance 30 July 2025 £ |
|---|---|---|---|---|---|
| *Unrestricted funds* | | | | | |
| General reserve | 107,908 | 511,611 | (514,270) | (14,047) | 91,202 |
| Revaluation reserve | 928,227 | - | (28,000) | 14,047 | 914,274 |
| Loan stock | | | | - | - |
| | 1,036,135 | 511,611 | (542,270) | - | 1,005,476 |
| TOTAL | 1,036,135 | 511,611 | (542,270) | - | 1,005,476 |

| Name of Fund | Description, nature and purposes of the fund |
|---|---|
| General reserve | The 'free reserves' after allowing for all designated funds. |
| Revaluation reserve | The value of freehold property at market value in excess of carrying value at historical cost. |

## 20 Operating Leases

| | 2025 £ | 2024 £ |
|---|---|---|
| Within one year | 9,683 | 9,683 |
| Between two and five years | 10,762 | 20,446 |
| Greater than five year | | - |
| | 20,445 | 30,129 |

## 21 ULTIMATE CONTROLLING PARTY

There was no ultimate controlling party during the year under review or the preceding year.

## 22 MANAGEMENT REMUNERATION

Decisions on management remuneration levels are made by the Board of Directors taking into account the job role, peer group salary evaluations, appraisals and advice from the Financial Accountant.

## 23 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | Group 2025 £ | Group 2024 £ | Charity 2025 £ | Charity 2024 £ |
|---|---|---|---|---|
| Net movement in funds | (30,659) | 31,360 | (24,015) | 34,836 |
| Add back depreciation charge | 41,702 | 45,015 | 41,702 | 45,015 |
| Sale of Fixed Assets | 2,280 | - | 2,280 | - |
| Less profit/Add loss on disposal of FA | 1,007 | - | 1,007 | - |
| Add back (Gains)/Losses on revaluation of Fixed Assets | - | | | |
| Movement in Investments | - | | - | 857 |
| Deduct interest income shown in investing activities | (125) | (687) | | - |
| Decrease (increase) in stock | 1,147 | (44) | - | - |
| Decrease (increase) in debtors | 134,282 | (12,171) | 112,621 | 45,847 |
| Increase (decrease) in creditors | 5,623 | (50,381) | 25,258 | (57,714) |
| | 155,257 | 13,092 | 158,853 | 68,841 |

## 24 RELATED PARTY TRANSACTIONS

During the year, the company purchased services totalling £15,227 (2024 – £12,887) from Lyncfield Services Limited, a company in which Mr M. C. Field has a controlling interest. These services were purchased on an arm's length basis. There was £0 outstanding to the company at the period end.

# Accounts

# Stockport Engineering Training Association Limited

(A company limited by guarantee)

## Report of the Trustees and Consolidated Financial Statements

## For the year ended 30 July 2024

Company Number 1512311

Registered Charity in England no 510493

**Stockport Engineering Training Association Limited**
**Report and Consolidated Accounts**
**Contents**

The trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiaries for the year ending 30th July 2024 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

## Chairs Report

It has been a year of change and consolidation for the business, following the results of the OFSTED inspection in 2022.

The board is pleased to announce that the agreement reached with the privately owned business, Elevated Knowledge Ltd (EKL) to take over our contract and transfer virtually all the apprentices under their tuition has been a success in cooperation between the two companies. With almost all the SETA staff transferred to EKL who continue to lease the training centre facilities for its intended purpose in the provision of Engineering Apprentice Training under the EKL contract and contributing rental income to the business.

The subsidiary organisation SETA Training and Advisory Services Ltd has continued in business, delivering its portfolio of Safety related courses across national standards in the UK business sector, and continues to support the Charitable aims. The staff members dedicated to this part of the business continue to be employed by the company, and along with Associate members deliver this portfolio.

In summary the trading for the year has continued to change from previous years, however the organisation has achieved its immediate short-term objective and a resultant overall surplus of £31K. Thus, underpinning the decisions which were made during the previous year to reorganise the business and give optimism in terms of financial performance going forward with current operations and organisation structure.

I thank our stakeholders, Board Members, Senior Management Team and all the hardworking staff who have been committed to ensure continuation of the charity and who make it a privilege to chair SETA.

We also look forward to the continued cooperation and support to EKL to provide the education training and support to clients and employees which we commenced last year.

## Our purpose and activities

The principal objective of the Charity is to maintain, improve and advance education by promoting the training and education for employed people and those intending to be employed in industry and commerce as shown in the Memorandum and Articles of the Association.

- Member companies of the Association have priority access to this service for their identified needs.
- Meet the challenge and succession planning for key personnel from qualified and competent replacements.
- Improve Adult Learning Budget initiative for employers.

The Charity does not carry out significant fundraising activities, the main income for the Charity was via Government funded Apprenticeship training (until March 2023) and then subsequently by the provision of specialised training centre facilities which is supported by commercial training activities.

***Public Benefit***

The Trustees confirm that they have, when and where necessary to do so, paid regard to the Charity Commissioner's Guidance on Public Benefit when considering and making its decisions.

SETA is ideally placed to offer its services to the whole of the Greater Manchester and surrounding catchment area.

***Membership***

We currently have 19 member companies.

***Enginering Training Centre***

The Charity continues to supprt its Charitable aims by providing specialised training centre facilities.

***Non-Charitable Activities***

These are done to support charitable activities and to provide members with services required.

***Safety and Short Courses***

Health, safety and environment related courses for industry and commerce are in constant demand

## Achievements and Performance

2023/24 continued to be a difficult year after the impact of OFSTED in the previous year. With some costs associated with discontinued operations were still contracted to be paid after the year and so these operations still had negative impact on the accounts this year.

Safety and Short Course delivery continued to perform well and, although it dropped in turnover, this was expected and planned for.

## Financial Review

The agreement eneterd into last year with Elevated Knowledge Limited to take over the training of engineering apprentices and commercial learners continued this year. Allowing SETA to continue to support its Charitable aims of assisting the advancement of education whilst it concentrated on the delivery of Health and Safety training.

The principal funding sources for Stockport Engineering Training Association Ltd for 2023/24 was therefor received from the rental of the training centre, this was supplemented via other training income being generated through the charity's subsidiary trading company, this allowed us to operate in other markets that would not normally be accessible to the charity.

The commercial Health & Safety courses brought in a reduced income of £440,933 (2023 £511,682) - This had been expected and was above the planned budget by £76,000. The main driver for this decrease was the decision to move away from international delivery, although this brought in £98,000 of income in 2023 it was actually a loss making area.

All profits from the commercial training were gift-aided back to the Charity to aid it in fulfilling its charitable aims, £104,490 has been gift aided in 2024 (£150,063 in 2023).

The financial result for the period was a net surplus in funds of £31,360 (2023: deficit £62,774).

The effect is that our consolidated balance sheet still shows a positive picture with net current assets of £49,562 compared to £24,699 (2023) and total funds of £1,036,135 compared to £1,004,775 (2023).

Budgets had been set for the next year as:

| **Year** | **2025** |
|---|---|
| Turnover | £521,850 |

**Reserves Policy**

Reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned emergency repairs and other expenditure. The trustees consider that the ideal level of reserves as at July 2024 would equate to between 3 and 6 months of non-course related expenditure. Three months being £89,000 based on 2024 levels. The trustees consider that this level of reserves would ensure that, given a significant drop in funding, they would be able to continue the Charity's current activities whilst alternate plans were implemented.

The Charities total reserves were £1,036,135 as at 31 July 2024. The free reserves, being those unrestricted funds not represented by fixed assets and their associated finance, were 35,577 at 31 July 2024 ((£11,980) in 2023), an incresae of £47,557.

We aim to bring these up to an ideal level over the next two years.

We consistently plan and monitor the financial performance of the charity in order to maintain reserve levels by:
- Setting Budgets
- Producing Cash flows
- Producing Monthly Management Accounts
- Setting Business Development Plan

**Investments Held**

The investments held by the charity are share capital held in its two subsidiary companies:
- SETA Training and Advisory Services Limited - held in order to allow the charity to access other commercial training to supplement it's income.
- SETA Training (Cyprus) Limited - this was wound up in the year due to withdrawing from from international

## Plans for future periods

Our future plans are detailed in our business development plan. A concerted effort is being made to promote all SETA courses to existing clients and member companies.

Plans now include concentrating on commercial income along with rental of the training centre to further our charitable aims.

## Reference and administrative details

**Company Number:**
1512311

**Charity Number:**
510493

**Registered Office:**
18 Hammond Avenue
Whitehill Industrial Estate
South Reddish
Stockport
SK4 1PQ

**Bankers**
The Royal Bank of Scotland Plc
1 Great Underbank
Stockport
SK1 1LN

**Independent Examiners**
DJH Manchester Limited
Chartered Accountants and Statutory Auditors
St George's House
56 Peter Street
Manchester
M2 3NQ

**Directors and Trustees**

The directors of the charitable company (the charity) are its trustees for the purpose of Charity Law. The trustees and officers serving during the year and since the year end were as follows:

Mr R G Howarth (Chairman)
Mr J R Moss (Treasurer)

Company Secretary: Mr M C Field

**Key management personnel:**
Financial Director Mr M C Field

## Structure, Governance and Management

**Governing Document**

The charity is controlled by its memorandum and articles of association and constitutes a limited company, limited by guarantee as deemed by the Companies Act 2006.

**Recruitment and Appointment of New Directors and Trustees**

The Directors of the Company are elected annually at the Company's Annual General Meeting. At each Annual General Meeting one third of the Elected Board Members for the time being, or if their number is not a multiple of three then the nearest one third, retires from office. If there is only one Elected Board Member who is subject to retirement by rotation, he/she retires. The Elected Board Members who are to retire in every year are those who have been longest in office since their last election or appointment, but as between persons who became Elected Board Members on the same day those to retire (unless they otherwise agree among themselves) are deemed by lot. A retiring Board Member is eligible for re-election, but does not serve more than three consecutive three year terms or, in the case of an Officer, two consecutive three year terms. Each Trustee is elected and voted into office by the members and office of Chairman, Deputy and Treasurer similarly elected. The Association is a member led organisation and the Trustees are mindful of meeting their needs. Currently there are five Trustees, all holding non-executive office and meet formally every four

**Induction and Training of Directors and Trustees**

New Directors and Trustees are given training upon election, subject to their existing skills and knowledge. A tailored programme of training takes place for each new Director and Trustee. It provides trustees with suitable and sufficient help and guidance on how the Charity works.

**Organisational Structure**

Overall responsibility for the Charity's strategy and direction rests with the Board of Management, which comprises all Directors. The carrying out of day to day activities is delegated to the staff under the management of the Financial Director. There are no specific significant restrictions regarding the way the Charity can operate.

The Charity's decisions are ultimately made by the Board of Directors, there are quarterly meetings when discussions take place and decisions are then filtered down to the staff concerned by their line managers.

**Subsidiaries**

The Charity has two trading subsidiaries, SETA Training & Advisory Services Ltd and SETA Training (Cyprus) Ltd whose accounts are reported separately, and are consolidated into these accounts.

Both these companies were set up to perform trading activities to provide funds for the charity. As stated in the notes SETA Training and Advisory Services Ltd made a profit of £104,490 before distributions.

**Pay policy for senior staff**

Decisions on management remuneration levels are made by the Board.

**Risk Management**

The Trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Board has carried out a review of the major risks to which the Charity is exposed and has put in place controls and activities to mitigate those risks which are within their control to influence.

## Statement as to disclosure to our independent examiners

In so far as the trustees are aware at the time of approving our trustees' annual report:

● there is no relevant information, being information needed by the independent examiners in connection with preparing their report, of which the group's independent examiner is unaware, and

● the trustees, having made enquiries of fellow directors and the group's independent examiner that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant information and to establish that the independant examiner is aware of that information.

**By order of the Board of Trustees**

Mr. R G Howarth
Chairman

Date: 14th April 2025

**Independent examiner's report to the trustees of Stockport Engineering Training Association**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 30 July 2024.

**Responsibilities and basis of report**

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

**Independent examiner's statement**

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed: CAbbott

Name: Chris Abbott FCA
Other relevant professional qualification(s) or membership of professional bodies (if any): ICAEW
Address:
St Georges House
56 Peter Street
Manchester
M2 3NQ

Date: 15 April 2025

**Stockport Engineering Training Association Limited**
**Consolidated Statement of Financial Activities**
**(Incorporating a Consolidated Income and Expenditure Account)**
**for the year ended 30 July 2024**

| | Notes | Unrestricted Total 2024 £ | Unrestricted Continuing operations £ | Unrestricted Discontinued operations £ | Unrestricted Total 2023 £ |
|---|---|---|---|---|---|
| **INCOME** | | | | | |
| ***Income from trading activities*** | 3 | 476,356 | 511,682 | 246,664 | 758,346 |
| *Investment income* | 3 | 687 | 596 | - | 596 |
| ***Income from charitable activities:*** | 4 | 163,801 | 85,563 | 699,818 | 785,381 |
| **Total income** | | 640,844 | 597,841 | 946,482 | 1,544,323 |
| **EXPENDITURE** | | | | | |
| ***Expenditure on raising funds*** | 5 | 387,462 | 415,703 | 198,436 | 614,139 |
| ***Expenditure on charitable activities*** | 6 | 222,022 | 199,201 | 793,757 | 992,958 |
| **Total Expenditure** | | 609,484 | 614,904 | 992,193 | 1,607,097 |
| **NET EXPENDITURE** | | 31,360 | (17,063) | (45,711) | (62,774) |
| Gains/(Losses) on revaluation of Fixed Assets | | - | - | | - |
| **Net movement of funds for the year** | | 31,360 | (17,063) | (45,711) | (62,774) |
| **RECONCILIATION OF FUNDS** | | | | | |
| Total funds brought forward | | 1,004,775 | | | 1,067,549 |
| **Funds balances carried forward** | | 1,036,135 | (17,063) | (45,711) | 1,004,775 |

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

**Stockport Engineering Training Association Limited**
**Consolidated Balance Sheet**
**as at 30 July 2024**

| | Notes | | 2024 £ | | 2023 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 11 | | 1,404,439 | | 1,444,286 |
| **CURRENT ASSETS** | | | | | |
| Stocks | 13 | 2,994 | | 2,950 | |
| Debtors | 14 | 236,813 | | 224,642 | |
| Cash at bank and in hand | | 42,959 | | 80,692 | |
| | | 282,766 | | 308,284 | |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 15 | (233,204) | | (283,585) | |
| **NET CURRENT ASSETS** | | | 49,562 | | 24,699 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | | 1,454,001 | | 1,468,985 |
| **CREDITORS** | | | | | |
| Amounts falling due after more than one year | 16 | | (417,866) | | (464,210) |
| **NET ASSETS** | | | 1,036,135 | | 1,004,775 |
| **FUNDS** | | | | | |
| General funds | 19 | | 1,036,135 | | 1,004,775 |
| **TOTAL FUNDS** | | | 1,036,135 | | 1,004,775 |

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 July 2024.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibility for

(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006; and
(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Section 394 and 395 and which otherwise comply with the requirements of any Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the Companies Act 2006 and with the Financial Reporting standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements were approved by the board of Trustees on 14th April 2025
and were signed on its behalf by:

R. G. Howarth

Mr. R G Howarth
Chairman

**Stockport Engineering Training Association Limited**
**Charity Balance Sheet**
**as at 30 July 2024**

| | Notes | | 2024 £ | | 2023 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 11 | | 1,404,439 | | 1,444,286 |
| Investments | 12 | | 1,000 | | 1,857 |
| | | | 1,405,439 | | 1,446,143 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 14 | 167,226 | | 213,073 | |
| Cash at bank and in hand | | 29,331 | | 12,002 | |
| | | 196,557 | | 225,075 | |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 15 | (218,771) | | (276,485) | |
| **NET CURRENT LIABILITIES** | | | (22,214) | | (51,410) |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | | 1,383,225 | | 1,394,733 |
| **CREDITORS** | | | | | |
| Amounts falling due after more than one year | 16 | | (417,866) | | (464,210) |
| **NET ASSETS** | | | 965,359 | | 930,523 |
| **FUNDS** | | | | | |
| Restricted funds | | | - | | - |
| General funds | | | 965,359 | | 930,523 |
| **TOTAL FUNDS** | | | 965,359 | | 930,523 |

**Stockport Engineering Training Association Limited**
**Charity Balance Sheet**
**as at 30 July 2024**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 July 2024.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibility for:

(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006; and
(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the Companies Act 2006 and with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements were approved by the board of Trustees on 14th April 2025
and were signed on its behalf by:

Mr. R G Howarth
Chairman

**Stockport Engineering Training Association Limited**
**Statement of Cash Flows and Consolidated Statement of Cash Flows**
**for the year ended 30 July 2024**

| | | Group 2024 £ | Group 2023 £ | Charity 2024 £ | Charity 2023 £ |
|---|---|---|---|---|---|
| **Cash used in operating activities** | 23 | **13,092** | **(11,408)** | **68,841** | **69,248** |
| **Cash flows from investing activities** | | | | | |
| Interest Income | | 687 | 596 | - | - |
| Purchase of tangible fixed assets | | (5,168) | (18,021) | (5,168) | (18,021) |
| **Cash used in investing activites** | | **(4,481)** | **(17,425)** | **(5,168)** | **(18,021)** |
| **Cash flows from financing activites** | | | | | |
| Increase (repayment) of borrowing | | (46,344) | (46,001) | (46,344) | (46,001) |
| **Cash used in financing activites** | | **(46,344)** | **(46,001)** | **(46,344)** | **(46,001)** |
| Increase/(decrease) in cash and cash equivalents in the year | | **(37,733)** | **(74,834)** | **17,329** | **5,226** |
| Cash and cash equivalents at the beginning of the year | | 80,692 | 155,526 | 12,002 | 6,776 |
| **Total cash and cash equivalents at the end of the year** | | **42,959** | **80,692** | **29,331** | **12,002** |

## 1 ACCOUNTING POLICIES

***Basis of preparation of accounts***

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 (FRS 102) (effective January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Stockport Engineering Training Association Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s) and with the exception of investments which are included at market value.

**Preparation of the accounts on a going concern basis**

The trustees have prepared on the financial statements on the basis that the charity is a going concern. The charity fulfils all of it charitable objectives by leasing it's premises to a third party education providers. Since the financial year end this education provider has been experiencing financial challenges and is struggling to meet the contractual lease payments. If the education provider were to fail the trustees could have to consider closing the charity.

**Group financial statements**

The consolidated accounts incorporate the results of Stockport Engineering Training Association Limited ('the Charity') and its subsidiary undertakings; SETA Training & Advisory Services Limited and SETA Training (Cyprus) Limited which was wound up during the year; on a line-by-line basis.

The consolidated entity is referred to as 'the Group'. No separate company Statement of Financial Activities (SOFA) has been prepared for the Charity as permitted by section 408 of the Companies Act

***Income***

Income is included in the SOFA when the charity is entitled to the income and when it is probable that income will be received and the amount can be measured reliably. Donations in kind are recognised at their value to the charity when they are received. No amounts are included for services donated by volunteers.

Income comprise:

Donations and legacies

| | |
|---|---|
| *Legacies* | Pecuniary legacies are recognised as receivable once probate has been granted and notification has been received.<br>Residuary legacies are recognised as receivable once probate has been granted, provided that sufficient information has been received to enable valuation of the Charity's entitlement. |
| *Donations* | Donations are accounted for as they are received. |
| *Gift Aid* | Gift Aid is included based on amounts recovered or recoverable at the accounting date. |

Activities for raising funds

| | |
|---|---|
| *Membership subscription* | Membership subscription income (which is not considered to be donations) is accounted for on an accrual basis. |
| *Engineering training* | Income from providing training and courses are accounted for on an accrual basis. |
| *Safety training* | Income from providing training and courses are accounted for on an accrual basis. |
| *Schools training* | Income from providing training and courses are accounted for on an accrual basis. |

| | |
|---|---|
| Investment income | Investment income is accounted for on an accrual basis. |
| Income from charitable activities | |
| *Apprentice training – Government funded* | Government funding is recognised when the Charity is entitled to receipt on an accrual basis. |
| *Apprentice training – Other funded* | Income is recognised when the Charity is entitled to receipt on an accrual basis. |
| *members services* | Income from providing training and courses are accounted for on an accrual basis. |
| *rental income* | Income from providing a specialised training centre facility. |

***Expenditure and basis of allocation***

Expenditure is accounted for on an accruals basis. Overheads and other costs not directly attributable to a particular charitable activity category are apportioned over the relevant on the basis of management estimates attributable to that activity in the year, which is calculated as follows:

| Administrative expenses (Staff Time) | **2024** | **2023** |
|---|---|---|
| | **%** | **%** |
| Engineering training income | - | 6.7 |
| Safety and short courses | 50.0 | 18.7 |
| Apprentice training | - | 43.7 |
| Non-Government funded apprentices | - | 11.7 |
| Rental Income | - | 2.2 |
| Services to members | - | - |
| Governance | 50.0 | 17.0 |

| Training Centre expenses (Staff Time) | **2024** | **2023** |
|---|---|---|
| | **%** | **%** |
| Engineering training income | - | 26.5 |
| Apprentice training | - | 61.1 |
| Non-Government funded apprentices | - | 12.4 |
| Rental Income | - | - |
| Services to members | - | - |
| Governance | 100.0 | - |

| Short Course expenses (Staff Time) | **2024** | **2023** |
|---|---|---|
| | **%** | **%** |
| Safety and short courses | 100.0 | 100.0 |
| Apprentice training | - | - |
| Non-Government funded apprentices | - | - |
| Rental Income | - | - |
| Services to members | - | - |

| Group Services expenses (Staff Time) | 2024 | 2023 |
|---|---|---|
| | % | % |
| Engineering training income | - | 3.0 |
| Safety and short courses | - | 5.5 |
| Apprentice training | - | 78.9 |
| Non-Government funded apprentices | - | 10.7 |
| Rental Income | - | - |
| Services to members | - | - |
| Governance | - | 1.9 |

| Canteen expenses (Delegate Numbers) | 2024 | 2023 |
|---|---|---|
| | % | % |
| Engineering training income | - | 38.5 |
| Safety and short courses | 100.0 | 61.5 |
| Apprentice training | - | - |

| Premises expenses (Floor Area) | 2024 | 2023 |
|---|---|---|
| | % | % |
| Engineering training income | - | 26.8 |
| Safety and short courses | 13.0 | 14.3 |
| Apprentice training-Government funded | - | 5.5 |
| Apprentice training-Other funded | - | 12.2 |
| Rental Income | 85.9 | 32.7 |
| Services to members | - | - |
| Governance | 1.1 | 8.5 |

***Governance costs***

Governance costs comprises the expenditure on governance of the charity including audit fees, legal advice for trustees, costs of trustee meetings and an apportionment of relevant staff costs based on time spent on governance-related matters.

***Leasing and hire purchase commitments***

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet. The assets are depreciated over their expected useful lives.

Rentals under operating leases are charged to the statement of financial activities as they fall due.

***Pension costs***

The company operates a defined contribution pension scheme for the present employees. Contributions are charged to the SOFA as they become payable in accordance with the rules of the scheme

***Tangible fixed assets and depreciation***

All fixed assets are held for charitable use and are stated at cost less depreciation with all repairs written off as occurred.

Land and buildings are held at market value. Land and buildings are revalued regularly to ensure the carrying value is not materially different from a fair value at the end of the reporting period.

Depreciation is provided at rates calculated to write off the cost of tangible fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | |
|---|---|
| Freehold Property | 2% straight line |
| Motor Vehicles | 25% reducing balance |
| Plant and Machinery | 15% reducing balance |
| Computer Equipment | 20% straight line |
| Office Equipment | 25% reducing balance |

***Stocks***

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is calculated using the first-in first-out basis of valuation.

***Investments***

Subsidiary companies are valued at cost, with any resulting gains or losses on exchange included in the SOFA.

***Taxation***

The activities of the Charity are exempt from corporation taxation under section 505 of the Income and Corporation Taxes Act 1988 to the extent that they are applied to the organisation's charitable objectives.

The trading subsidiaries do not generally pay UK corporation tax because their policy is to pay taxable profits as Gift Aid to the Charity. Foreign tax incurred by overseas subsidiaries is charged as it is incurred.

***Funds***

Unrestricted funds are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds is charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income and gains are allocated to the appropriate fund.

***Foreign currencies***

Transactions in foreign currencies are recorded at the rate of exchange prevailing at the date of the transaction. Foreign currency balances are translated into sterling at the exchange rates prevailing at the balance sheet date. Any resulting gains or losses on exchange are included in the SOFA.

Profits and losses of foreign subsidiaries are translated to sterling at average rates of exchange. The opening net assets and profit and loss accounts of those subsidiaries are retranslated to year end rates; exchange differences arising on the retranslation are taken to reserves.

**Debtors**

Debtors are normally recognised at their transaction price, provision for Bad Debts has been included for the year.

**Creditors and Provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

## 2 FINANCIAL PERFOMANCE OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1. The Consolidated Statement of Financial Activities is for the Group as a whole. The figures below are the equivalent figures for the Charity only, excluding other Group companies.

| | **2024** | **2023** |
|---|---|---|
| | **£** | **£** |
| Income | 159,505 | 651,971 |
| Gift aid from the subsidiary company | 104,490 | 150,063 |
| | 263,995 | 802,034 |
| Expenditure on charitable activities | (191,893) | (745,283) |
| Governance costs | (37,266) | (119,282) |
| Gains/(Losses) on revaluation of Fixed Assets | | |
| | (229,159) | (864,565) |
| **Net movement in funds** | 34,836 | (62,531) |
| Total funds brought forward | 930,523 | 993,054 |
| **Total funds carried forward** | 965,359 | 930,523 |
| **Funds** | | |
| Unrestricted funds | 965,359 | 930,523 |
| | 965,359 | 930,523 |

## 3 INCOME FROM OTHER TRADING ACTIVITIES

| | Continuing operations | Discontinued operations | 2024 Total | 2023 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Other trading activities** | | | | |
| Membership subscriptions | - | - | - | 1,438 |
| Engineering training income | - | 35,423 | 35,423 | 245,226 |
| Safety and short courses | 440,933 | - | 440,933 | 511,682 |
| | 440,933 | 35,423 | 476,356 | 758,346 |
| **Investment income** | | | | |
| Interest on cash deposits | 687 | - | 687 | 596 |

## 4 INCOME FROM CHARITABLE ACTIVITIES

| | Continuing operations | Discontinued operations | 2024 Total | 2023 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Apprentice training-Government funded | - | (2,907) | (2,907) | 567,720 |
| Apprentice training-Other funded | - | - | - | 132,098 |
| Members services | - | - | - | - |
| Rental Income | 166,708 | - | 166,708 | 85,563 |
| | 166,708 | (2,907) | 163,801 | 785,381 |

## 5 EXPENDITURE ON RAISING FUNDS

| | Continuing operations | Discontinued operations | 2024 Total | 2023 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| *Engineering training* | | | | |
| Marketing | - | 59 | 59 | 3,606 |
| Staff costs | - | | - | 68,109 |
| Training costs | - | 34,625 | 34,625 | 54,038 |
| Travel | - | - | - | 5,153 |
| Premises costs | - | - | - | 38,962 |
| Office and sundry costs | - | 2,965 | 2,965 | 11,798 |
| Depreciation | - | - | - | 16,770 |
| | - | 37,649 | 37,649 | 198,436 |
| *Safety and short courses* | | | | |
| Marketing | 16,709 | - | 16,709 | 16,924 |
| Staff costs | 143,513 | - | 143,513 | 187,500 |
| Training costs | 107,824 | - | 107,824 | 130,048 |
| Travel | 10,287 | - | 10,287 | 28,353 |
| Premises costs | 24,627 | - | 24,627 | 20,787 |
| Office and sundry costs | 38,645 | - | 38,645 | 24,696 |
| Depreciation | 8,208 | - | 8,208 | 7,395 |
| | 349,813 | - | 349,813 | 415,703 |
| | - | - | - | - |
| TOTAL | 349,813 | 37,649 | 387,462 | 614,139 |

## 6 EXPENDITURE ON CHARITABLE ACTIVITIES

| | Continuing operations | Discontinued operations | 2024 Total | 2023 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| *Apprentice training-government funded* | | | | |
| Marketing | - | 105 | 105 | 3,858 |
| Staff costs | - | - | - | 370,880 |
| Training costs | - | 9,874 | 9,874 | 253,500 |
| Travel | - | - | - | 5,675 |
| Premises costs | - | - | - | 7,993 |
| Office and sundry costs | - | 2,676 | 2,676 | 25,551 |
| Depreciation | - | - | - | 3,668 |
| | - | 12,655 | 12,655 | 671,125 |
| *Apprentice training-Other funded* | | | | |
| Marketing | - | - | - | - |
| Staff costs | - | - | - | 70,197 |
| Training costs | - | - | - | 23,920 |
| Premises costs | - | - | - | 17,733 |
| Office and sundry costs | - | - | - | 3,509 |
| Depreciation | - | - | - | 7,273 |
| | - | - | - | 122,632 |
| *Rental Income* | | | | |
| Marketing | - | - | - | - |
| Staff costs | - | - | | 4,794 |
| Training costs | - | - | | |
| Travel | - | - | | |
| Premises costs | 110,457 | - | 110,457 | 47,534 |
| Office and sundry costs | 17,340 | - | 17,340 | |
| Depreciation | 33,290 | - | 33,290 | 13,696 |
| | 161,087 | - | 161,087 | 66,024 |
| Governance costs (note 7) | 48,280 | - | 48,280 | 133,177 |
| TOTAL | 209,367 | 12,655 | 222,022 | 992,958 |

## 7 GOVERNANCE COSTS

| | Continuing operations | Discontinued operations | 2024 Total | 2023 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Marketing | - | - | | 80 |
| Staff costs | 7,650 | - | 7,650 | 44,065 |
| Training costs | 8,874 | - | 8,874 | 6,123 |
| Travel | 42 | - | 42 | 2,798 |
| Premises costs | 1,503 | - | 1,503 | 12,356 |
| Office and sundry costs | 26,694 | - | 26,694 | 59,490 |
| Depreciation | 3,517 | - | 3,517 | 8,265 |
| | 48,280 | - | 48,280 | 133,177 |

## 8 NET RESOURCES EXPENDED BEFORE TRANSFERS

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| This is stated after charging: | | |
| Depreciation | 45,015 | 57,068 |
| Directors' remuneration | - | 73,438 |
| Compensation to past directors for loss of office | - | 29,290 |
| Pension costs | 5,745 | 22,427 |
| Auditors' remuneration | - | 17,538 |
| Independent Examiners fees | 2,000 | |
| Independent Examiners none-assurance services | 1,350 | |

## 9 TRUSTEES' REMUNERATION AND BENEFITS

Total remuneration paid to trustees' amounted to:

| | | |
|---|---|---|
| R.G Howarth | £1,500 | (2023 £1,500) |
| J. R. Moss | £1,500 | (2023 £1,500) |
| **Total** | **£3,000** | **(2023 £4,500)** |

This has been agreed with the Charities Commission due to the additional time involved in being a Director of the Trading subsidiary company SETA Training and Advisory Services Limited

There were no trustees' expenses or other benefits for the year ended 30 July 2024 nor for the year ended 31 July 2023.

## 10 STAFF COSTS

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Staff costs during the year amounted to: | | |
| Wages and salaries | 157,687 | 653,739 |
| Social security costs | 11,270 | 64,088 |
| Pension costs | 5,745 | 22,426 |
| | 174,702 | 740,253 |

The average number of employees during the year, including full time equivalents of part time employees, was:

| | 2024 | 2023 |
|---|---|---|
| Apprentice training-government funded | - | 5 |
| Engineering training | - | 5 |
| Safety and short courses | 5 | 4 |
| Governance | 1 | 3 |
| | 6 | 17 |

The employees performed training, administrative and management functions.

The above includes holiday pay accrual amounting to £3,879 (2023 £4,751)

The emoluments of no members of staff, including benefits in kind, is within the range £60,000 to £69,999 (2023 - One), not including retirement benefits which are accruing under a money purchase scheme.

The key management personnel of the group comprise those of the charity, being the trustees, the chief executive and the company secretary. The total employee benefits of the key management personnel of the group were £3,000 (2023: £136,765).

The number of employees to whom retirement benefits were accruing was 5 (2023: 4)

## 11 TANGIBLE FIXED ASSETS - GROUP

| | Land and buildings £ | Plant and machinery etc £ | Motor vehicles £ | Total £ |
|---|---|---|---|---|
| **Cost or valuation** | | | | |
| At 31 July 2023 | 1,400,000 | 255,898 | 37,965 | 1,693,863 |
| Additions | | 5,168 | - | 5,168 |
| Disposals | - | (20,176) | | (20,176) |
| At 30 July 2024 | 1,400,000 | 240,890 | 37,965 | 1,678,855 |
| **Depreciation** | | | | |
| At 31 July 2023 | 28,000 | 189,690 | 31,887 | 249,577 |
| Charge for the year | 28,000 | 15,496 | 1,519 | 45,015 |
| On disposals | - | (20,176) | - | (20,176) |
| At 30 July 2024 | 56,000 | 185,010 | 33,406 | 274,416 |
| **Net book value** | | | | |
| At 30 July 2024 | 1,344,000 | 55,880 | 4,559 | 1,404,439 |
| At 30 July 2023 | 1,372,000 | 66,208 | 6,078 | 1,444,286 |

All fixed assets held are used for direct charitable purposes.

Except under an order of the registrar, no deposition by the proprietor of the land is to be registered without the consent of the proprietor of the Charge in favour of the Royal Bank of Scotland Plc. referred to in the Charges Register.

If the freehold land and building had not been revalued they would have been included at the following historical cost:

| | 2024 £ |
|---|---|
| Historical cost | 702,356 |
| Aggregate depreciation | (286,583) |
| At 30 July 2024 | 415,773 |

The fair value of the freehold land and buildings has been determined by the trustees of the charity on an open market value for existing use basis on the 31 July 2022. The valuation has been based on a desktop comparison exercise between the land and buildings owned by the charity to similar sized properties in close geographical proximity.

Cost or valuation at 30 July 2024 is represented by:

| | Land and Buildings £ |
|---|---|
| Historical cost | 702,356 |
| Revaluation 2006 | 555,825 |
| Revaluation 2011 | (495,858) |
| Revaluation 2017 | 87,677 |
| Revaluation 2021 | 395,000 |
| Revaluation 2022 | 155,000 |
| At 30 July 2024 | 1,400,000 |

## 12 INVESTMENTS - COMPANY

| | Unlisted investment £ |
|---|---|
| **Cost** | |
| At 31 July 2023 | 1,857 |
| Movement | (857) |
| At 30 July 2024 | 1,000 |
| **Net book value** | |
| 30 July 2024 | 1,000 |
| 30 July 2023 | 1,853 |

The company's investments at the balance sheet date in the share capital of companies include the following:

| Subsidiary Undertaking | Country of Incorporation | Class of Shares | % Held |
|---|---|---|---|
| SETA Training and Advisory Services Limited | England | Ordinary | 100% |

**SETA Training and Advisory Services Limited** (Incorporated in England and Wales)

Nature of business: Providing training for people employed or intending to be employed in industry and commerce.

| Class of shares: | % holding | Company Number: 03001863 |
|---|---|---|
| Ordinary shares of £1 each | 100.00 | |

| | 2024 £ | 2023 £ |
|---|---|---|
| Turnover | 479,349 | 889,239 |
| Cost of sales and administration costs | (375,448) | (740,197) |
| Interest receivable | 589 | 570 |
| Interest payable | | |
| Tax | | |
| Net Profit | 104,490 | 149,612 |
| Amount gift aided to the charity | (104,490) | (185,288) |
| **Retained in subsidiary** | - | (35,676) |

**SETA Training (Cyprus) Limited** (Incorporated in Cyprus)

SETA Training (Cyprus) Limited did not trade during the year and as wound up in April 2024 and funds were transferred to the charity.

## 13 STOCK

| | Group 2024 | Group 2023 £ | Charity 2024 £ | Charity 2023 £ |
|---|---|---|---|---|
| Registrations | 801 | 255 | - | - |
| Stationery | 1,098 | 580 | - | - |
| Cleaning Materials | 149 | 176 | - | - |
| Course Books | 946 | 1,939 | - | - |
| | 2,994 | 2,950 | - | - |

## 14 DEBTORS

| | Group 2024 £ | Group 2023 £ | Charity 2024 £ | Charity 2023 £ |
|---|---|---|---|---|
| Trade debtors | 124,905 | 129,355 | 60,038 | 119,616 |
| Government funding receivable | | | | |
| Other taxes and social security costs | | | 656 | 6,108 |
| Prepayments and accrued income | 111,808 | 94,961 | 106,532 | 87,123 |
| Other debtors | 100 | 326 | | 226 |
| | 236,813 | 224,642 | 167,226 | 213,073 |

On 4th December 1997 the directors of the charity executed a first legal charge over the book debts of the wholly owned subsidiary company.

The loan to the subsidiary company is the subject of a formal loan agreement between itself and the Charity dated 4th December 1997 and which is subject to the following:

a) Interest is to be charged at 1% over bank base rate and the loan is secured by a fixed charge over book and other debts of the wholly owned subsidiary company.

b) The loan is to be renegotiated in the interests of the Charity each year and shall be repayable to the Charity on the 31st July each year.

## 15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group 2024 £ | Group 2023 £ | Charity 2024 £ | Charity 2023 £ |
|---|---|---|---|---|
| Bank loan (secured) | 43,816 | 42,334 | 43,816 | 42,334 |
| Trade creditors | 11,035 | 10,917 | 2,188 | 1,648 |
| Obligations under finance lease and hire purchase contracts | 2,199 | 4,987 | 2,199 | 4,987 |
| Amounts owed to group undertakings and undertakings in which the company has a participating interest | | | 164,261 | 213,402 |
| Accruals and deferred income | 161,746 | 216,639 | 3,449 | 11,277 |
| Other taxes and social security costs | 13,033 | 7,864 | 2,275 | 1,993 |
| Other creditors | 1,375 | 844 | 583 | 844 |
| | 233,204 | 283,585 | 218,771 | 276,485 |

## 16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | Group 2024 £ | Group 2023 £ | Charity 2024 £ | Charity 2023 £ |
|---|---|---|---|---|
| Bank loan (secured) | 417,866 | 462,011 | 417,866 | 462,011 |
| Obligations under finance lease and hire purchase contracts | - | 2,199 | - | 2,199 |
| | 417,866 | 464,210 | 417,866 | 464,210 |
| 1-5 years | 140,212 | 155,735 | 140,212 | 155,735 |
| More than 5 years | 277,654 | 308,475 | 277,654 | 308,475 |
| | 417,866 | 464,210 | 417,866 | 464,210 |

## 17 SECURITY

The bank loan and overdraft is secured by a legal charge over the freehold property of the company.

## 18 Deferred Income

Deferred income comprises advanced sales for courses, quarterly membership and monitoring which are carried out post year end.

| | Group 2024 £ | Group 2023 £ |
|---|---|---|
| Balance as at 31 July 2023 | 147,036 | 225,673 |
| Amount released to income earned from charitable activities | (147,036) | (225,673) |
| Amount deferred as 30 July 2024 | 107,459 | 147,036 |
| | 107,459 | 147,036 |

## 19 FUNDS - GROUP

| | Unrestricted Funds £ | £ | Total £ |
|---|---|---|---|
| Tangible fixed assets | 1,404,439 | | 1,404,439 |
| Net current (liabilities)/assets | 49,562 | | 49,562 |
| Liabilities due after one year | (417,866) | | (417,866) |
| | 1,036,135 | | 1,036,135 |

| | Balance at 1-Aug-2023 £ | Income £ | Expenses £ | Transfers £ | Balance 30 July 2024 £ |
|---|---|---|---|---|---|
| *Unrestricted funds* | | | | | |
| General reserve | 62,595 | 640,844 | (581,484) | (14,047) | 107,908 |
| Revaluation reserve | 942,180 | - | (28,000) | 14,047 | 928,227 |
| Loan stock | | | | - | - |
| | 1,004,775 | 640,844 | (609,484) | - | 1,036,135 |
| TOTAL | 1,004,775 | 640,844 | (609,484) | - | 1,036,135 |

| Name of Fund | Description, nature and purposes of the fund |
|---|---|
| General reserve | The 'free reserves' after allowing for all designated funds. |
| Revaluation reserve | The value of freehold property at market value in excess of carrying value at historical cost. |

## 20 Operating Leases

| | 2024<br>£ | 2023<br>£ |
|---|---|---|
| Within one year | 9,683 | 9,683 |
| Between two and five years | 20,446 | 30,129 |
| Greater than five year | | - |
| | 30,129 | 39,812 |

## 21 ULTIMATE CONTROLLING PARTY

There was no ultimate controlling party during the year under review or the preceding year.

## 22 MANAGEMENT REMUNERATION

Decisions on management remuneration levels are made by the Board of Directors taking into account the job role, peer group salary evaluations, appraisals and advice from the Financial Accountant.

## 23 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | Group<br>2024<br>£ | Group<br>2023<br>£ | Charity<br>2024<br>£ | Charity<br>2023<br>£ |
|---|---|---|---|---|
| Net movement in funds | 31,360 | (62,774) | 34,836 | (62,531) |
| Add back depreciation charge | 45,015 | 57,067 | 45,015 | 57,067 |
| Sale of Fixed Assets | - | 66,464 | - | 66,464 |
| Less profit on disposal of FA | - | (28,753) | - | (28,753) |
| Add back (Gains)/Losses on revaluation of Fixed Assets | - | | - | |
| Movement in Investments | | | 857 | (18) |
| Deduct interest income shown in investing activities | (687) | (596) | | - |
| Decrease (increase) in stock | (44) | 17,992 | - | - |
| Decrease (increase) in debtors | (12,171) | 101,585 | 45,847 | (117,346) |
| Increase (decrease) in creditors | (50,381) | (162,393) | (57,714) | 154,365 |
| | 13,092 | (11,408) | 68,841 | 69,248 |

## 24 RELATED PARTY TRANSACTIONS

During the year, the company purchased services totalling £12,887 (2023 – £4,000) from Lyncfield Services Limited, a company in which Mr M. C. Field has a controlling interest. These services were purchased on an arm's length basis. There was £1,500 outstanding to the company at the period end.

THE STOCKPORT ENGINEERING TRAINING ASSOCIATION

England & Wales - Charity number 510493

# Accounts

# Stockport Engineering Training Association Limited

(A company limited by guarantee)

## Report of the Trustees and Consolidated Financial Statements

## For the year ended 30 July 2023

Company Number 1512311

Registered Charity in England no 510493

**Stockport Engineering Training Association Limited**
**Report and Consolidated Accounts**
**Contents**

The trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiaries for the year ending 30th July 2023 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

## Chairs Report

It has been a most difficult year for the business, following the failed OFSTED inspection as noted in the report for last year. The inspection took place in September 2022 an appeal against the Inadequate grading was unsuccessful in December 2022 and subsequently the ESFA apprenticeship funding ceased in March 2023. Up to this time there were two major initiatives in respect of the apprentice training; to ensure that the apprentices were least affected by the pending changes whilst under the Stockport Engineering Training Association (SETA) contract and to seek ongoing alternative provision with minimum disruption. The board is pleased to announce that after examining several options, agreement was reached with a privately owned business, Elevated Knowledge Ltd (EKL) to take over our contract and transfer virtually all the apprentices under their tuition. Almost all the SETA staff transferred employment to EKL who also signed a lease agreement to continue in the training centre premises from March 2023.

This has seen the demise of apprentice training under SETA contract in the organisation which commenced in 1966, however apprentice training is still very active in the intended purpose of the premises, under EKL contract, and contributing rental income to the business.

The subsidiary organisation SETA Training and Advisory Services (SETA H&S) has continued in business delivering its portfolio of Safety related courses across national standards. The staff members dedicated to this part of the business continue to be employed by the company. However, after extensive review the development of the international arm or this business has been discontinued in the year and we ceased that market in May 2023.

The consequence of this reorganisation resulted in the only loss of staff and redundancy of the Chief Executive.

In summary the trading for the year has been totally different than set out in the business plan, and the result of £63K Deficit has been achieved despite unforeseen costs and income streams. It can be reported that at the later part of the year there is reason for optimism in terms of financial performance going forward with current operation and organisation structure.

I thank our stakeholders, Board Members, Senior Management Team and all the hardworking staff who have had an extremely difficult year and accepted enforced changes to ensure continuation of the business who make it a privilege to chair SETA. We also look forward to the continued cooperation and support to EKL to provide the education training and support to clients and employees.

## Our purpose and activities

The principal objective of the Charity is to maintain, improve and advance education by promoting the training and education for employed people and those intending to be employed in industry and commerce as shown in the Memorandum and Articles of the Association.

- Member companies of the Association have priority access to this service for their identified needs.
- Meet the challenge and succession planning for key personnel from qualified and competent replacements.
- Improve Adult Learning Budget initiative for employers.

The Charity does not carry out significant fundraising activities, the main income for the Charity was via Government funded Apprenticeship training (until March 2023) and then subsequently by the provision of specialised training centre facilities which is supported by commercial training activities.

***Public Benefit***

The Trustees confirm that they have, when and where necessary to do so, paid regard to the Charity Commissioner's Guidance on Public Benefit when considering and making its decisions.

SETA is ideally placed to offer its services to the whole of the Greater Manchester and surrounding catchment area.

***Membership***

We currently have 19 member companies.

***Apprentice Training***

The number of apprentice starts for the year continued to recover after the Covid-19 pandemic for both Levy and non-Levy funded apprentices in the year.

Apprentice Training was one of the Charity's main sources of income but, as mentioned in the Chairmans report above, The OFSTED result has forced us to discontinue this type of training. The Charity continues to support its Charitable aims by providing specialised training centre facilities.

***Non-Charitable Activities***

These are done to support charitable activities and to provide members with services required.

***Adult Engineering Training***

Adult Skills programmes tailored to suit the employing company's needs continue to grow in today's environment of multi-skilled workforces were provided up until the transfer of provision to Elevated Knowledge. After this date the provision of Engineering training became impossible and was discontinued.

***Safety and Short Courses***

Health, safety and environment related courses for industry and commerce are in constant demand throughout the UK.

As mentioned in the Chairmans report, as part of the restructure after OFSTED, International delivery was reviewed in the year and was deemed to not to be cost effective and was discontinued in May 2023.

## Achievements and Performance

2022/23 continued to see an improvement on Apprentice starts and we also saw a resurgence in commercial courses. An increased budget was set from the previous year.

Commercial courses continued to pick up and all departments were exceeding their budgets for the year.

The impact of the OFSTED inspection resulted in the Charity discontinuing Apprenticehsip and Engineering Training.

Safety and Short Course delivery continued to perform well for the whole year and grew by 6%.

## Financial Review

SETA underwent an Ofsted inspection from 13-16 September 2022 and due to some of the findings during the inspection they assessed the overall effectiveness of SETA as unsatisfactory. Despite disagreeing with some of the points made we were not successful in changing the grading and on 9 November 2022 the report was made public.

As per apprenticeship funding rules for main providers, the Education and Skills Funding Agency (ESFA) indicated their intention to terminate their contract with SETA and to remove us from the Register of Apprenticeship Training Providers (RoATP). SETA appealed this decision by submitting a mitigation case to the ESFA but on 7 December 2022 the ESFA notified us that the appeal had been unsuccessful and of their intention to remove SETA's apprenticeship delivery as from 7 March 2023.

We had been informed that we would be allowed a "run-out" contract for any learners where the employer still wanted SETA to complete their apprenticeship. On 19 December we were then informed that the ESFA's stance had changed and this was no longer an option, subsequently all learners must be removed as from 7 March 2023.

ESFA funding amounted to 47% of income levels in 2022 plus additional training linked to apprentice training.

The Main Board and Operational Board explored all the options available to them to ensure:

1 - The minimum disruption to learners to continue their apprenticeships
2 - The minimum disruption to employers
3 - The viability of SETA moving forward
4 - The least impact to employees

An agreement was made that as from 1 March 2023, SETA would transfer all apprentices and commercial engineering training courses to a local training provider (Elevated Knowledge Limited). As part of the agreement they would lease a large proportion of SETA's training centre and take over the majority of staff and equipment.

This would allow SETA to continue to support its Charitable aims of still assisting the advancement of education whilst it concentrated on the delivery of Health and Safety training.

The principal funding sources for Stockport Engineering Training Association Ltd was received from the Educations and Skills Funding Agency for funded apprenticeships. This was supplemented via employer contributions, where they require training over and above the framework/Standard or the learner only qualifies for part funding. This area was blocked by the OFSTED grading and resulted in income dropping by £360,000 to £700,000.

This funding was supported by other training income being generated through the charity's subsidiary trading companies, these allow us to operate in other markets that would not normally be accessible to the charity. These include:

1) Commercial Engineering Training - This had an increased budget for 2023 of £215,000 and , despite being dicontinued in February 2023, finished on £190,000 for the year
2) Health & Safety courses - This also had a increased budget of £405,000 and, despite the impact of OFSTED ony finished £30,000 under budget.
3) Commercial NVQ training.
4) SETA International - This had a budget of £110,000 and finished on £99,000. Costs of delivery were deemed to be impactical to continue and the training was disconitinued in the year.

All profits from the commercial training were gift-aided back to the Charity to aid it in fulfilling its charitable aims, £150,063 has been gift aided in 2023 (£185,288 in 2022).

The financial result for the period was a net deficit in funds of £62,774 (2022: deficit £43,939). Continuing operations resulted in a net deficit of £17,063 (£124,502 deficit in 2022) and discontinued operation resulted in a net deficit of £45,711 (£80,563 gain in 2022).

Continued operations Income increased by £107,141, discontinued operation income dropped by £351,814.

The effect is that our consolidated balance sheet still shows a positive picture with net current assets of £24,699 compared to £53,737 (2022) and total funds of £1,004,775 compared to £1,067,549 (2022).

Budgets had been set for the next year as:

| **Year** | **2024** |
|---|---|
| Turnover | £582,500 |
| Expenditure | £543,192 |

**Reserves Policy**

Reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned emergency repairs and other expenditure. The trustees consider that the ideal level of reserves as at July 2023 would equate to between 3 and 6 months of non-course related expenditure. Three months being £77,000 based on 2023 levels. The trustees consider that this level of reserves would ensure that, given a significant drop in funding, they would be able to continue the Charity's current activities whilst alternate plans were implemented.

The Charities total reserves were £1,004,775 as at 31 July 2023. The free reserves, being those unrestricted funds not represented by fixed assets and their associated finance, were (£11,980) at 31 July 2023 ((£989) in 2022), a decrease of £10,991.

We aim to bring these up to an ideal level over the next five years.

We consistently plan and monitor the financial performance of the charity in order to maintain reserve levels by:
- Setting Budgets
- Producing Cash flows
- Producing Monthly Management Accounts
- Setting Business Development Plan

**Investments Held**

The investments held by the charity are share capital held in its two subsidiary companies:
- SETA Training and Advisory Services Limited - held in order to allow the charity to access other commercial training to supplement it's income.
- SETA Training (Cyprus) Limited - held in order to maintain our safety training presence in Cyprus when government policies changed and it would have been impossible with a Cyprus registered company. - Due to discontinuing these operations in 2023 we will aim to wind this company up as soon as possible.

## Plans for future periods

Our future plans are detailed in our business development plan. A concerted effort is being made to promote all SETA courses to existing clients and member companies.

Plans now include concentrating on commercial income along with rental of the training centre to further our charitable aims.

## Reference and administrative details

**Company Number:**
1512311

**Charity Number:**
510493

**Registered Office:**
18 Hammond Avenue
Whitehill Industrial Estate
South Reddish
Stockport
SK4 1PQ

**Bankers**
The Royal Bank of Scotland Plc
1 Great Underbank
Stockport
SK1 1LN

**Auditors**
DJH Mitten Clarke Audit Limited
Chartered Accountants and Statutory Auditors
St George's House
56 Peter Street
Manchester
M2 3NQ

**Directors and Trustees**

The directors of the charitable company (the charity) are its trustees for the purpose of Charity Law. The trustees and officers serving during the year and since the year end were as follows:

Mr R G Howarth (Chairman)
Mr J R Moss (Treasurer)
Dr Moray Kidd - appointment terminated 28 December 2022
Mr N Carne - appointment terminated 28 December 2022

Company Secretary: Mr M C Field

**Key management personnel:**

| | |
|---|---|
| Chief Executive | Mr R M Prince (employment ceased 31 May 2023) |
| Financial Director | Mr M C Field |

## Structure, Governance and Management

### Governing Document

The charity is controlled by its memorandum and articles of association and constitutes a limited company, limited by guarantee as deemed by the Companies Act 2006.

### Recruitment and Appointment of New Directors and Trustees

The Directors of the Company are elected annually at the Company's Annual General Meeting. At each Annual General Meeting one third of the Elected Board Members for the time being, or if their number is not a multiple of three then the nearest one third, retires from office. If there is only one Elected Board Member who is subject to retirement by rotation, he/she retires. The Elected Board Members who are to retire in every year are those who have been longest in office since their last election or appointment, but as between persons who became Elected Board Members on the same day those to retire (unless they otherwise agree among themselves) are deemed by lot. A retiring Board Member is eligible for re-election, but does not serve more than three consecutive three year terms or, in the case of an Officer, two consecutive three year terms. Each Trustee is elected and voted into office by the members and office of Chairman, Deputy and Treasurer similarly elected. The Association is a member led organisation and the Trustees are mindful of meeting their needs. Currently there are five Trustees, all holding non-executive office and meet formally every four

### Induction and Training of Directors and Trustees

New Directors and Trustees are given training upon election, subject to their existing skills and knowledge. A tailored programme of training takes place for each new Director and Trustee. It provides trustees with suitable and sufficient help and guidance on how the Charity works.

### Organisational Structure

Overall responsibility for the Charity's strategy and direction rests with the Board of Management, which comprises all Directors. The carrying out of day to day activities is delegated to the staff under the management of the Financial Director. There are no specific significant restrictions regarding the way the Charity can operate.

The Charity's decisions are ultimately made by the Board of Directors, there are bi-monthly meetings when discussions take place and decisions are then filtered down to the staff concerned by their line managers.

### Subsidiaries

The Charity has two trading subsidiaries, SETA Training & Advisory Services Ltd and SETA Training (Cyprus) Ltd whose accounts are reported separately, and are consolidated into these accounts.

Both these companies were set up to perform trading activities to provide funds for the charity. As stated in the notes SETA Training and Advisory Services Ltd made a profit of £149,612 before distributions and SETA Training (Cyprus) Limited a small loss of £142.

### Pay policy for senior staff

Decisions on management remuneration levels are made by the Board.

**Risk Management**

The Trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Board has carried out a review of the major risks to which the Charity is exposed and has put in place controls and activities to mitigate those risks which are within their control to influence.

## Trustees' responsibilities in relation to the financial statements

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

● there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and

● the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**By order of the Board of Trustees**

R. G. Howarth

Mr. R G Howarth
Chairman

Date: 24th April 2024

### Opinion

We have audited the financial statements of Stockport Engineering Training Association Limited (which comprises the Group and Parent Charitable Company) for the year ended 30 July 2023 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheet, the consolidated and charity statement of cashflows 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 FRS 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 group and parent charitable company's affairs as at 30 July 2023 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 and Charities Act 2011.

### 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

### Other information

The other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditors' 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 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.

**Matters on which we are required to report by exception**
In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and proper 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.

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

In preparing the financial statements, the trustees are responsible for assessing the Group and Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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**
The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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:

In preparation for our audit we identified areas of laws and regulations which we considered could have a material effect on the financial statements. This information was obtained via discussions with management and from our general commercial and sector experience.The trustees also provide us with written representation of all the key and fundamental industry specific laws and regulations with they are required to adhere to. These were then communicated to the whole of the audit team at our audit planning meeting.

As a charitable company providing training and education, non-compliance with the Charities Act 2011, Companies Act 2006 and industry specific regulations of Ofsted and the Education & Skills Funding Agency were assessed to be most relevant. Our audit procedures to respond to these risks included:

- Enquiries with management;
- Inspection of regulatory records, inspection reports, submissions, and other correspondence;
- Challenges to management assumptions and judgements in relation to accounting estimates.
- Review of journals entered throughout the year.
- Substantive transaction testing.

Despite appropriate planning and performing our work in accordance with International Auditing Standards, there are always inherent limitations that non-compliance is not detected. Non-compliance with laws and regulations is often further removed from the events and transactions reflected in the financial statements and material misstatements due to fraud can be deliberately concealed from auditors, for example through misrepresentation, forgery or collusion.
A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the Group and Charitable Company's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DJH Mitten Clarke Manchester Ltd.

DJH Mitten Clarke Audit Limited
Chartered Accountants and Statutory Auditors
St George's House
56 Peter Street
Manchester
M2 3NQ

Date: 25/04/2024

**Stockport Engineering Training Association Limited**
**Consolidated Statement of Financial Activities**
**(Incorporating a Consolidated Income and Expenditure Account)**
**for the year ended 30 July 2023**

| | Notes | Unrestricted | | | Unrestricted | | |
|---|---|---|---|---|---|---|---|
| | | **Continuing operations** | **Discontinued operations** | **Total 2023** | **Continuing operations (as restated)** | **Discontinued operations (as restated)** | **Total 2022** |
| | | **£** | **£** | **£** | **£** | **£** | **£** |
| **INCOME** | | | | | | | |
| *Donations and legacies* | 3 | - | - | - | 7,621 | - | 7,621 |
| ***Income from trading activities*** | 4 | 511,682 | 246,664 | 758,346 | 483,005 | 239,141 | 722,146 |
| *Investment income* | 4 | 596 | - | 596 | 74 | - | 74 |
| ***Income from charitable activities:*** | 5 | 85,563 | 699,818 | 785,381 | - | 1,059,155 | 1,059,155 |
| **Total income** | | 597,841 | 946,482 | 1,544,323 | 490,700 | 1,298,296 | 1,788,996 |
| **EXPENDITURE** | | | | | | | |
| ***Expenditure on raising funds*** | 6 | 415,703 | 198,436 | 614,139 | 453,487 | 224,030 | 677,517 |
| ***Expenditure on charitable activities*** | 7 | 199,201 | 793,757 | 992,958 | 161,715 | 993,703 | 1,155,418 |
| **Total Expenditure** | | 614,904 | 992,193 | 1,607,097 | 615,202 | 1,217,733 | 1,832,935 |
| **NET EXPENDITURE** | | (17,063) | (45,711) | (62,774) | (124,502) | 80,563 | (43,939) |
| Gains/(Losses) on revaluation of Fixed Assets | | - | | - | 155,000 | | 155,000 |
| **Net movement of funds for the year** | | (17,063) | (45,711) | (62,774) | 30,498 | 80,563 | 111,061 |
| **RECONCILIATION OF FUNDS** | | | | | | | |
| Total funds brought forward | | | | 1,067,549 | | | 956,488 |
| **Funds balances carried forward** | | (17,063) | (45,711) | 1,004,775 | 30,498 | 80,563 | 1,067,549 |

**Stockport Engineering Training Association Limited**
**Consolidated Balance Sheet**
**as at 30 July 2023**

| | Notes | | 2023 £ | | 2022 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 12 | | 1,444,286 | | 1,521,043 |
| **CURRENT ASSETS** | | | | | |
| Stocks | 14 | 2,950 | | 20,942 | |
| Debtors | 15 | 224,642 | | 326,227 | |
| Cash at bank and in hand | | 80,692 | | 155,526 | |
| | | 308,284 | | 502,695 | |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 16 | (283,585) | | (445,978) | |
| **NET CURRENT ASSETS** | | | 24,699 | | 56,717 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | | 1,468,985 | | 1,577,760 |
| **CREDITORS** | | | | | |
| Amounts falling due after more than one year | 17 | | (464,210) | | (510,211) |
| **NET ASSETS** | | | 1,004,775 | | 1,067,549 |
| **FUNDS** | | | | | |
| General funds | 20 | | 1,004,775 | | 1,067,549 |
| **TOTAL FUNDS** | | | 1,004,775 | | 1,067,549 |

**Stockport Engineering Training Association Limited**
**Consolidated Balance Sheet**
**as at 30 July 2023**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 July 2023
.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibility for

(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006; and
(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Section 394 and 395 and which otherwise comply with the requirements of any Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of section 144 of the Charities Act 2011.

These financial statements have been prepared in accordance with the Companies Act 2006 and with the Financial Reporting standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements were approved by the board of Trustees on 24th April 2024
and were signed on its behalf by:

R. G. Howard

Mr. R G Howarth
Chairman

**Stockport Engineering Training Association Limited**
**Charity Balance Sheet**
**as at 30 July 2023**

| | Notes | | 2023 £ | | 2022 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 12 | | 1,444,286 | | 1,521,043 |
| Investments | 13 | | 1,857 | | 1,839 |
| | | | 1,446,143 | | 1,522,882 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 15 | 213,073 | | 95,727 | |
| Cash at bank and in hand | | 12,002 | | 6,776 | |
| | | 225,075 | | 102,503 | |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 16 | (276,485) | | (122,120) | |
| **NET CURRENT LIABILITIES** | | | (51,410) | | (19,617) |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | | 1,394,733 | | 1,503,265 |
| **CREDITORS** | | | | | |
| Amounts falling due after more than one year | 17 | | (464,210) | | (510,211) |
| **NET ASSETS** | | | 930,523 | | 993,054 |
| **FUNDS** | | | | | |
| Restricted funds | | | - | | - |
| General funds | | | 930,523 | | 993,054 |
| **TOTAL FUNDS** | | | 930,523 | | 993,054 |

**Stockport Engineering Training Association Limited**
**Charity Balance Sheet**
**as at 30 July 2023**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 July 2023.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibility for:

(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006; and
(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of section 144 of the Charities Act 2011.

These financial statements have been prepared in accordance with the Companies Act 2006 and with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements were approved by the board of Trustees on 24th April 2024
and were signed on its behalf by:

R. G. Howarth

Mr. R G Howarth
Chairman

**Stockport Engineering Training Association Limited**
**Statement of Cash Flows and Consolidated Statement of Cash Flows**
**for the year ended 30 July 2023**

| | Note | Group 2023 £ | Group 2022 £ | Charity 2023 £ | Charity 2022 £ |
|---|---|---|---|---|---|
| **Cash used in operating activities** | 24 | **(11,408)** | **70,027** | **69,248** | **43,113** |
| **Cash flows from investing activities** | | | | | |
| Interest Income | | 596 | 74 | - | - |
| Purchase of tangible fixed assets | | (18,021) | (27,880) | (18,021) | (27,880) |
| **Cash used in investing activites** | | **(17,425)** | **(27,806)** | **(18,021)** | **(27,880)** |
| **Cash flows from financing activites** | | | | | |
| Increase (repayment) of borrowing | | (46,001) | (39,241) | (46,001) | (39,241) |
| **Cash used in financing activites** | | **(46,001)** | **(39,241)** | **(46,001)** | **(39,241)** |
| Increase/(decrease) in cash and cash equivalents in the year | | **(74,834)** | **2,980** | **5,226** | **(24,008)** |
| Cash and cash equivalents at the beginning of the year | | 155,526 | 152,546 | 6,776 | 30,784 |
| **Total cash and cash equivalents at the end of the year** | | **80,692** | **155,526** | **12,002** | **6,776** |

## 1 ACCOUNTING POLICIES

***Basis of preparation of accounts***

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 (FRS 102) (effective January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Stockport Engineering Training Association Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s) and with the exception of investments which are included at market value.

**Preparation of the accounts on a going concern basis**

At the time of approval the trustees have a reasonable expectation that the charity has adequate resources to continue for the foreseeable future. In making the assessment they have considered a period of 12 months from the date of approval. The trustees therefore believe it is appropriate to prepare the financial statements on a going concern basis.

**Group financial statements**

The consolidated accounts incorporate the results of Stockport Engineering Training Association Limited ('the Charity') and its subsidiary undertakings; SETA Training & Advisory Services Limited and SETA Training (Cyprus) Limited; on a line-by-line basis.

The consolidated entity is referred to as 'the Group'. No separate company Statement of Financial Activities (SOFA) has been prepared for the Charity as permitted by section 408 of the Companies Act

***Income***

Income is included in the SOFA when the charity is entitled to the income and when it is probable that income will be received and the amount can be measured reliably. Donations in kind are recognised at their value to the charity when they are received. No amounts are included for services donated by volunteers.

Income comprise:

Donations and legacies

| | |
|---|---|
| *Legacies* | Pecuniary legacies are recognised as receivable once probate has been granted and notification has been received.<br>Residuary legacies are recognised as receivable once probate has been granted, provided that sufficient information has been received to enable valuation of the Charity's entitlement. |
| *Donations* | Donations are accounted for as they are received. |
| *Gift Aid* | Gift Aid is included based on amounts recovered or recoverable at the accounting date. |

Activities for raising funds

| | |
|---|---|
| *Membership subscription* | Membership subscription income (which is not considered to be donations) is accounted for on an accrual basis. |
| *Engineering training* | Income from providing training and courses are accounted for on an accrual basis. |
| *Safety training* | Income from providing training and courses are accounted for on an accrual basis. |
| *Schools training* | Income from providing training and courses are accounted for on an accrual basis. |

| | |
|---|---|
| Investment income | Investment income is accounted for on an accrual basis. |
| Income from charitable activities | |
| *Apprentice training – Government funded* | Government funding is recognised when the Charity is entitled to receipt on an accrual basis. |
| *Apprentice training – Other funded* | Income is recognised when the Charity is entitled to receipt on an accrual basis. |
| *members services* | Income from providing training and courses are accounted for on an accrual basis. |
| *rental income* | Income from providing a specialised training centre facility. |
| Government Grant Income | Coronavirus Job Retention Scheme Furlough income is claimed and accounted for in the month that it relates to. The scheme ended in September 2021. |

***Expenditure and basis of allocation***
Expenditure is accounted for on an accruals basis. Overheads and other costs not directly attributable to a particular charitable activity category are apportioned over the relevant on the basis of management estimates attributable to that activity in the year, which is calculated as follows:

| Administrative expenses (Staff Time) | **2023** | **2022** |
|---|---|---|
| | **%** | **%** |
| Engineering training income | 6.7 | 6.9 |
| Safety and short courses | 18.7 | 16.3 |
| Apprentice training | 43.7 | 47.5 |
| Non-Government funded apprentices | 11.7 | 12.4 |
| Rental Income | 2.2 | - |
| Services to members | - | 1.6 |
| Governance | 17.0 | 15.3 |

| Training Centre expenses (Staff Time) | **2023** | **2022** |
|---|---|---|
| | **%** | **%** |
| Engineering training income | 26.5 | 25.1 |
| Apprentice training | 61.1 | 57.1 |
| Non-Government funded apprentices | 12.4 | 14.8 |
| Rental Income | - | - |
| Services to members | - | 3.0 |
| Governance | - | - |

| Short Course expenses (Staff Time) | **2023** | **2022** |
|---|---|---|
| | **%** | **%** |
| Safety and short courses | 100.0 | 100.0 |
| Apprentice training | - | - |
| Non-Government funded apprentices | - | - |
| Rental Income | - | - |
| Services to members | - | - |

| Group Services expenses (Staff Time) | **2023** | **2022** |
|---|---|---|
| | **%** | **%** |
| Engineering training income | 3.0 | 3.4 |
| Safety and short courses | 5.5 | 4.3 |
| Apprentice training | 78.9 | 79.1 |
| Non-Government funded apprentices | 10.7 | 8.9 |
| Rental Income | - | - |
| Services to members | - | 2.0 |
| Governance | 1.9 | 2.3 |

| Canteen expenses (Delegate Numbers) | **2023** | **2022** |
|---|---|---|
| | **%** | **%** |
| Engineering training income | 38.5 | 49.5 |
| Safety and short courses | 61.5 | 50.5 |
| Apprentice training | - | - |

| Premises expenses (Floor Area) | **2023** | **2022** |
|---|---|---|
| | **%** | **%** |
| Engineering training income | 26.8 | 29.8 |
| Safety and short courses | 14.3 | 15.3 |
| Apprentice training-Government funded | 5.5 | 17.9 |
| Apprentice training-Other funded | 12.2 | 24.5 |
| Rental Income | 32.7 | - |
| Services to members | - | 4.0 |
| Governance | 8.5 | 8.5 |

***Governance costs***

Governance costs comprises the expenditure on governance of the charity including audit fees, legal advice for trustees, costs of trustee meetings and an apportionment of relevant staff costs based on time spent on governance-related matters.

***Leasing and hire purchase commitments***

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet. The assets are depreciated over their expected useful lives.

Rentals under operating leases are charged to the statement of financial activities as they fall due.

***Pension costs***

The company operates a defined contribution pension scheme for the present employees. Contributions are charged to the SOFA as they become payable in accordance with the rules of the scheme

***Tangible fixed assets and depreciation***

All fixed assets are held for charitable use and are stated at cost less depreciation with all repairs written off as occurred.

Land and buildings are held at market value. Land and buildings are revalued regularly to ensure the carrying value is not materially different from a fair value at the end of the reporting period.

Depreciation is provided at rates calculated to write off the cost of tangible fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | |
|---|---|
| Freehold Property | 2% straight line |
| Motor Vehicles | 25% reducing balance |
| Plant and Machinery | 15% reducing balance |
| Computer Equipment | 20% straight line |
| Office Equipment | 25% reducing balance |

***Stocks***

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is calculated using the first-in first-out basis of valuation.

***Investments***

Subsidiary companies are valued at cost, with any resulting gains or losses on exchange included in the SOFA.

***Taxation***

The activities of the Charity are exempt from corporation taxation under section 505 of the Income and Corporation Taxes Act 1988 to the extent that they are applied to the organisation’s charitable objectives.

The trading subsidiaries do not generally pay UK corporation tax because their policy is to pay taxable profits as Gift Aid to the Charity. Foreign tax incurred by overseas subsidiaries is charged as it is incurred.

***Funds***

Unrestricted funds are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds is charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income and gains are allocated to the appropriate fund.

***Foreign currencies***

Transactions in foreign currencies are recorded at the rate of exchange prevailing at the date of the transaction. Foreign currency balances are translated into sterling at the exchange rates prevailing at the balance sheet date. Any resulting gains or losses on exchange are included in the SOFA.

Profits and losses of foreign subsidiaries are translated to sterling at average rates of exchange. The opening net assets and profit and loss accounts of those subsidiaries are retranslated to year end rates; exchange differences arising on the retranslation are taken to reserves.

**Debtors**

Debtors are normally recognised at their transaction price, provision for Bad Debts has been included for the year.

**Creditors and Provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

## 2 FINANCIAL PERFOMANCE OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1. The Consolidated Statement of Financial Activities is for the Group as a whole. The figures below are the equivalent figures for the Charity only, excluding other Group companies.

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Income | 651,971 | 741,785 |
| Gift aid from the subsidiary company | 150,063 | 185,288 |
| | 802,034 | 927,073 |
| Expenditure on charitable activities | (745,283) | (825,207) |
| Governance costs | (119,282) | (145,760) |
| Gains/(Losses) on revaluation of Fixed Assets | | 155,000 |
| | (864,565) | (815,967) |
| **Net movement in funds** | (62,531) | 111,106 |
| Total funds brought forward | 993,054 | 881,948 |
| **Total funds carried forward** | 930,523 | 993,054 |
| **Funds** | | |
| Unrestricted funds | 930,523 | 993,054 |
| | 930,523 | 993,054 |

## 3 DONATIONS AND LEGACIES

| | Continuing operations | Discontinued operations | 2023 Total | 2022 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Donations | - | - | - | 2,185 |
| Government Grant Income | - | - | - | 5,436 |
| | - | - | - | 7,621 |

## 4 INCOME FROM OTHER TRADING ACTIVITIES

| | Continuing operations | Discontinued operations | 2023 Total | 2022 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Other trading activities** | | | | |
| Membership subscriptions | - | 1,438 | 1,438 | 3,027 |
| Engineering training income | - | 245,226 | 245,226 | 236,114 |
| Safety and short courses | 511,682 | - | 511,682 | 483,005 |
| Schools/Study Programme Training | - | - | | - |
| | 511,682 | 246,664 | 758,346 | 722,146 |
| **Investment income** | | | | |
| Interest on cash deposits | 596 | - | 596 | 74 |

## 5 INCOME FROM CHARITABLE ACTIVITIES

| | Continuing operations | Discontinued operations | 2023 Total | 2022 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Apprentice training-Government funded | - | 567,720 | 567,720 | 833,617 |
| Apprentice training-Other funded | - | 132,098 | 132,098 | 194,025 |
| Members services | - | - | - | 31,513 |
| Rental Income | 85,563 | - | 85,563 | |
| | 85,563 | 699,818 | 785,381 | 1,059,155 |

## 6 EXPENDITURE ON RAISING FUNDS

| | Continuing operations | Discontinued operations | 2023 Total | 2022 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| *Engineering training* | | | | |
| Marketing | - | 3,606 | 3,606 | 8,353 |
| Staff costs | - | 68,109 | 68,109 | 105,535 |
| Training costs | - | 54,038 | 54,038 | 31,532 |
| Travel | - | 5,153 | 5,153 | 7,050 |
| Premises costs | - | 38,962 | 38,962 | 44,702 |
| Office and sundry costs | - | 11,798 | 11,798 | 18,346 |
| Depreciation | - | 16,770 | 16,770 | 8,512 |
| | - | 198,436 | 198,436 | 224,030 |
| *Safety and short courses* | | | | |
| Marketing | 16,924 | - | 16,924 | 45,517 |
| Staff costs | 187,500 | - | 187,500 | 218,679 |
| Training costs | 130,048 | - | 130,048 | 117,164 |
| Travel | 28,353 | - | 28,353 | 21,052 |
| Premises costs | 20,787 | - | 20,787 | 22,970 |
| Office and sundry costs | 24,696 | - | 24,696 | 23,706 |
| Depreciation | 7,395 | - | 7,395 | 4,399 |
| | 415,703 | - | 415,703 | 453,487 |
| TOTAL | 415,703 | 198,436 | 614,139 | 677,517 |

## 7 EXPENDITURE ON CHARITABLE ACTIVITIES

| | Continuing operations | Discontinued operations | 2023 Total | 2022 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| *Apprentice training-government funded* | | | | |
| Marketing | - | 3,858 | 3,858 | 5,146 |
| Staff costs | - | 370,880 | 370,880 | 598,713 |
| Training costs | - | 253,500 | 253,500 | 111,169 |
| Travel | - | 5,675 | 5,675 | 9,264 |
| Premises costs | - | 7,993 | 7,993 | 26,906 |
| Office and sundry costs | - | 25,551 | 25,551 | 33,368 |
| Depreciation | - | 3,668 | 3,668 | 5,379 |
| | - | 671,125 | 671,125 | 789,945 |
| *Apprentice training-Other funded* | | | | |
| Marketing | - | - | | - |
| Staff costs | - | 70,197 | 70,197 | 112,239 |
| Training costs | - | 23,920 | 23,920 | 11,419 |
| Premises costs | - | 17,733 | 17,733 | 36,812 |
| Office and sundry costs | - | 3,509 | 3,509 | 6,018 |
| Depreciation | - | 7,273 | 7,273 | 6,143 |
| | - | 122,632 | 122,632 | 172,631 |
| *Member services* | | | | |
| Staff costs | - | - | | 20,812 |
| Training costs | - | - | | 2,344 |
| Premises costs | - | - | | 5,979 |
| Office and sundry costs | - | - | | 994 |
| Depreciation | - | - | | 998 |
| | - | - | - | 31,127 |
| *Rental Income* | | | | |
| Staff costs | 4,794 | - | 4,794 | - |
| Premises costs | 47,534 | - | 47,534 | - |
| Depreciation | 13,696 | - | 13,696 | - |
| | 66,024 | - | 66,024 | - |
| Governance costs (note 7) | 133,177 | - | 133,177 | 161,715 |
| TOTAL | 199,201 | 793,757 | 992,958 | 1,155,418 |

## 8 GOVERNANCE COSTS

| | Continuing operations | Discontinued operations | 2023 Total | 2022 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Marketing | 80 | - | 80 | 110 |
| Staff costs | 44,065 | - | 44,065 | 57,755 |
| Training costs | 6,123 | - | 6,123 | 4,258 |
| Travel | 2,798 | - | 2,798 | 5,170 |
| Premises costs | 12,356 | - | 12,356 | 12,761 |
| Office and sundry costs | 59,490 | - | 59,490 | 69,594 |
| Depreciation | 8,265 | - | 8,265 | 12,067 |
| | 133,177 | - | 133,177 | 161,715 |

## 9 NET RESOURCES EXPENDED BEFORE TRANSFERS

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| This is stated after charging: | | |
| Depreciation | 57,068 | 37,499 |
| Directors' remuneration | 73,438 | 64,617 |
| Compensation to past directors for loss of office | 29,290 | |
| Pension costs | 22,427 | 33,492 |
| Auditors' remuneration | 17,538 | 11,681 |

## 10 TRUSTEES' REMUNERATION AND BENEFITS

Total remuneration paid to trustees' amounted to:

| | | |
|---|---|---|
| R.G Howarth | £1,500 | (2022 £1,500) |
| J. R. Moss | £1,500 | (2022 £1,500) |
| M. Kidd | | (2022 £1,500) |
| **Total** | **£3,000** | **(2022 £4,500)** |

This has been agreed with the Charities Commission due to the additional time involved in being a Director of the Trading subsidiary company SETA Training and Advisory Services Limited

There were no trustees' expenses or other benefits for the year ended 30 July 2023 nor for the year ended 31 July 2022.

## 11 STAFF COSTS

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Staff costs during the year amounted to: | | |
| Wages and salaries | 653,739 | 984,196 |
| Social security costs | 64,088 | 92,611 |
| Pension costs | 22,426 | 33,492 |
| | 740,253 | 1,110,299 |

The average number of employees during the year, including full time equivalents of part time employees, was:

| | 2023 | 2022 |
|---|---|---|
| Apprentice training-government funded | 5 | 11 |
| Engineering training | 5 | 9 |
| Safety and short courses | 4 | 4 |
| Governance | 3 | 7 |
| | 17 | 31 |

The employees performed training, administrative and management functions.

The above includes holiday pay accrual amounting to £4,751 (2022 £27,030)

The emoluments of one member of staff, including benefits in kind, is within the range £60,000 to £69,999 (2022 - One), not including retirement benefits which are accruing under a money purchase scheme.

The key management personnel of the group comprise those of the charity, being the trustees, the chief executive and the company secretary. The total employee benefits of the key management personnel of the group were £136,765 (2022: £130,793).

The number of employees to whom retirement benefits were accruing was 4 (2022: 36)

## 12 TANGIBLE FIXED ASSETS - GROUP

| | Land and buildings £ | Plant and machinery etc £ | Motor vehicles £ | Total £ |
|---|---|---|---|---|
| **Cost or valuation** | | | | |
| At 31 July 2022 | 1,400,000 | 249,162 | 209,432 | 1,858,594 |
| Additions | | 18,021 | - | 18,021 |
| Disposals | - | (11,285) | (171,467) | (182,752) |
| At 30 July 2023 | 1,400,000 | 255,898 | 37,965 | 1,693,863 |
| **Depreciation** | | | | |
| At 31 July 2022 | - | 172,317 | 165,234 | 337,551 |
| Charge for the year | 28,000 | 21,777 | 7,290 | 57,067 |
| On disposals | - | (4,404) | (140,637) | (145,041) |
| At 30 July 2023 | 28,000 | 189,690 | 31,887 | 249,577 |
| **Net book value** | | | | |
| At 30 July 2023 | 1,372,000 | 66,208 | 6,078 | 1,444,286 |
| At 30 July 2022 | 1,400,000 | 76,845 | 44,198 | 1,521,043 |

All fixed assets held are used for direct charitable purposes.

Except under an order of the registrar, no deposition by the proprietor of the land is to be registered without the consent of the proprietor of the Charge in favour of the Royal Bank of Scotland Plc. referred to in the Charges Register.

If the freehold land and building had not been revalued they would have been included at the following historical cost:

| | 2023 £ |
|---|---|
| Historical cost | 702,356 |
| Aggregate depreciation | (272,536) |
| At 30 July 2023 | 429,820 |

The fair value of the freehold land and buildings has been determined by the trustees of the charity on an open market value for existing use basis. The valuation has been based on a desktop comparison exercise between the land and buildings owned by the charity to similar sized properties in close geographical proximity.

Cost or valuation at 30 July 2023 is represented by:

| | Land and Buildings £ |
|---|---|
| Historical cost | 702,356 |
| Revaluation 2006 | 555,825 |
| Revaluation 2011 | (495,858) |
| Revaluation 2017 | 87,677 |
| Revaluation 2021 | 395,000 |
| Revaluation 2022 | 155,000 |
| At 30 July 2023 | 1,400,000 |

## 13 INVESTMENTS - COMPANY

| | Unlisted investment £ |
|---|---|
| **Cost** | |
| At 31 July 2022 | 1,839 |
| Movement | 18 |
| At 30 July 2023 | 1,857 |
| **Net book value** | |
| 30 July 2023 | 1,857 |
| 30 July 2022 | 1,853 |

The company's investments at the balance sheet date in the share capital of companies include the following:

| Subsidiary Undertaking | Country of Incorporation | Class of Shares | % Held |
|---|---|---|---|
| SETA Training and Advisory Services Limited | England | Ordinary | 100% |
| SETA Training (Cyprus) Limited | Cyprus | Ordinary | 100% |

**SETA Training and Advisory Services Limited** (Incorporated in England and Wales)

Nature of business: Providing training for people employed or intending to be employed in industry and commerce.

| Class of shares: | % holding | Company Number: 03001863 |
|---|---|---|
| Ordinary shares of £1 each | 100.00 | |

| | 2023 £ | 2022 £ |
|---|---|---|
| Turnover | 889,239 | 1,044,512 |
| Cost of sales and administration costs | (740,197) | (858,845) |
| Interest receivable | 570 | 72 |
| Interest payable | | |
| Tax | | |
| Net Profit | 149,612 | 185,739 |
| Amount gift aided to the charity | (150,063) | (185,288) |
| **Retained in subsidiary** | (451) | 451 |

**SETA Training (Cyprus) Limited** (Incorporated in Cyprus)

Nature of business: Providing health and safety courses industry and commerce.

| | % | |
|---|---|---|
| Class of shares: | holding | Company Number: 224453 |
| Ordinary shares of £1 each | 100.00 | |

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Aggregate capital and reserves | 4,333 | 4,106 |
| Profit/(Loss) for the period | (142) | (436) |

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiaries. The summary financial performance of SETA Training (Cyprus) Limited alone is:

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Turnover | 13,232 | 15,060 |
| Cost of sales and administration costs | (13,086) | (15,101) |
| Interest receivable | | |
| Corporation Tax | (4) | (395) |
| Net Profit | 142 | (436) |
| Amount gift aided to the charity | - | - |
| **Retained in subsidiary** | 142 | (436) |

## 14 STOCK

| | Group | Group | Charity | Charity |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | | £ | £ | £ |
| Centre materials | | 10,418 | - | - |
| Registrations | 255 | 2,554 | - | - |
| Canteen | | 542 | - | - |
| Stationery | 580 | 980 | - | - |
| Cleaning Materials | 176 | 176 | - | - |
| Course Books | 1,939 | 6,272 | - | - |
| | 2,950 | 20,942 | - | - |

## 15 DEBTORS

| | Group 2023 £ | Group 2022 £ | Charity 2023 £ | Charity 2022 £ |
|---|---|---|---|---|
| Trade debtors | 129,355 | 200,618 | 119,616 | 19,346 |
| Government funding receivable | | 64,903 | | 64,903 |
| Other taxes and social security costs | | - | 6,108 | 3,562 |
| Prepayments and accrued income | 94,961 | 54,207 | 87,123 | 1,823 |
| Other debtors | 326 | 6,499 | 226 | 6,093 |
| | 224,642 | 326,227 | 213,073 | 95,727 |

On 4th December 1997 the directors of the charity executed a first legal charge over the book debts of the wholly owned subsidiary company.

The loan to the subsidiary company is the subject of a formal loan agreement between itself and the Charity dated 4th December 1997 and which is subject to the following:

a) Interest is to be charged at 1% over bank base rate and the loan is secured by a fixed charge over book and other debts of the wholly owned subsidiary company.

b) The loan is to be renegotiated in the interests of the Charity each year and shall be repayable to the Charity on the 31st July each year.

## 16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group 2023 £ | Group 2022 £ | Charity 2023 £ | Charity 2022 £ |
|---|---|---|---|---|
| Bank loan (secured) | 42,334 | 45,690 | 42,334 | 45,690 |
| Trade creditors | 10,917 | 53,413 | 1,648 | 2,963 |
| Obligations under finance lease and hire purchase contracts | 4,987 | 4,604 | 4,987 | 4,604 |
| Amounts owed to group undertakings and undertakings in which the company has a participating interest | | | 213,402 | - |
| Accruals and deferred income | 216,639 | 293,752 | 11,277 | 35,635 |
| Other taxes and social security costs | 7,864 | 41,147 | 1,993 | 25,856 |
| Other creditors | 844 | 7,372 | 844 | 7,372 |
| | 283,585 | 445,978 | 276,485 | 122,120 |

## 17 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | Group 2023 £ | Group 2022 £ | Charity 2023 £ | Charity 2022 £ |
|---|---|---|---|---|
| Bank loan (secured) | 462,011 | 503,025 | 462,011 | 503,025 |
| Obligations under finance lease and hire purchase contracts | 2,199 | 7,186 | 2,199 | 7,186 |
| | 464,210 | 510,211 | 464,210 | 510,211 |
| 1-5 years | 155,735 | 140,344 | 155,735 | 160,862 |
| More than 5 years | 308,475 | 369,867 | 308,475 | 349,349 |
| | 464,210 | 510,211 | 464,210 | 510,211 |

## 18 SECURITY

The bank loan and overdraft is secured by a legal charge over the freehold property of the company.

## 19 Deferred Income

Deferred income comprises advanced sales for courses, quarterly membership and monitoring which are carried out post year end.

| | Group 2023 £ | Group 2022 £ |
|---|---|---|
| Balance as at 31 July 2022 | 225,673 | 169,583 |
| Amount released to income earned from charitable activities | (225,673) | (169,254) |
| Amount deferred as 30 July 2023 | 147,036 | 225,344 |
| | 147,036 | 225,673 |

## 20 FUNDS - GROUP

| | Unrestricted Funds | Restricted Funds | Total |
|---|---|---|---|
| | £ | £ | £ |
| Tangible fixed assets | 1,444,286 | | 1,444,286 |
| Net current (liabilities)/assets | 24,699 | | 24,699 |
| Liabilities due after one year | (464,210) | | (464,210) |
| | 1,004,775 | - | 1,004,775 |

| | Balance at 1-Aug-2022 | Income | Expenses | Transfers | Balance 30 July 2023 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| *Restricted funds* | | | | | |
| Loan stock | - | - | - | - | - |
| | - | - | - | - | - |
| *Unrestricted funds* | | | | | |
| General reserve | 111,416 | 1,544,323 | (1,579,097) | (14,047) | 62,595 |
| Revaluation reserve | 956,133 | - | (28,000) | 14,047 | 942,180 |
| Loan stock | | | | - | - |
| | 1,067,549 | 1,544,323 | (1,607,097) | - | 1,004,775 |
| TOTAL | 1,067,549 | 1,544,323 | (1,607,097) | - | 1,004,775 |

| Name of Fund | Description, nature and purposes of the fund |
|---|---|
| General reserve | The 'free reserves' after allowing for all designated funds. |
| Revaluation reserve | The value of freehold property at market value in excess of carrying value at historical cost. |

## 21 Operating Leases

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Within one year | 9,683 | 11,312 |
| Between two and five years | 30,129 | 24,022 |
| Greater than five year | | - |
| | 39,812 | 35,334 |

**22 ULTIMATE CONTROLLING PARTY**

There was no ultimate controlling party during the year under review or the preceding year.

**23 MANAGEMENT REMUNERATION**

Decisions on management remuneration levels are made by the Board of Directors taking into account the job role, peer group salary evaluations, appraisals and advice from the Financial Accountant.

**24 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

| | Group 2023 £ | Group 2022 £ | Charity 2023 £ | Charity 2022 £ |
|---|---|---|---|---|
| Net movement in funds | (62,774) | 111,061 | (62,531) | 111,106 |
| Add back depreciation charge | 57,067 | 37,499 | 57,067 | 37,499 |
| Sale of Fixed Assets | 66,464 | 2,000 | 66,464 | 2,000 |
| Less profit on disposal of FA | (28,753) | (908) | (28,753) | (908) |
| Add back (Gains)/Losses on revaluation of Fixed Assets | - | (155,000) | - | (155,000) |
| Movement in Investments | | | (18) | 14 |
| Deduct interest income shown in investing activities | (596) | (74) | | - |
| Decrease (increase) in stock | 17,992 | (5,772) | - | - |
| Decrease (increase) in debtors | 101,585 | (8,644) | (117,346) | 35,445 |
| Increase (decrease) in creditors | (162,393) | 89,865 | 154,365 | 12,957 |
| | (11,408) | 70,027 | 69,248 | 43,113 |

**25 RELATED PARTY TRANSACTIONS**

During the year, the company disposed of fixed assets for an amount of £9,922 to R.M Prince, a Director at the time of disposal. These goods were purchased on an arm’s length basis and had a written down value of £6,313 at the time of disposal.

During the year, the company purchased services totalling £4,000 (2022 – £0) from Lyncfield Services Limited, a company in which Mr M. C. Field has a controlling interest. These services were purchased on an arm’s length basis. There were no amounts outstanding to or from the company at the period end.

# Accounts

# Stockport Engineering Training Association Limited

(A company limited by guarantee)

## Report of the Trustees and Consolidated Financial Statements

## For the year ended 31 July 2022

Company Number 1512311

Registered Charity in England no 510493

**Stockport Engineering Training Association Limited**
**Report and Consolidated Accounts**
## Contents

The trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiaries for the year ending 31st July 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

## Chairs Report

It has been a year of consolidation and continuous recovery from the effects of the Covid pandemic, across all aspects of the organisation. The SETA team have worked with flexibility and enthusiasm to bring education delivery in house and support the companies in the workplace to follow the business development plans.

The improvement to delivery of our academic programmes through to HND and the degree level have stalled due to student and lecturer continuity but it was still planned for future delivery to benefit students and employers.

There have been some difficulties during the year getting some students back on track to achieve their target outcomes, some of which have been affected by circumstances in company where apprentices have been away from the workplace for long periods, the teams have been working with companies to alleviate these delays, as such some of the ESFA income has been delayed in the year. Apprentice recruitment has seen a recovery in the year as some confidence is shown by companies.

We continue to deliver a wide range of training initiatives to meet our customer demands across apprenticeships, adult skills and health and safety at recognised national and international standards. The courses are delivered across the UK and overseas as required and to a customer base ranging from small to national organisations. The commercial engineering and health & safety have both shown a continuation of the recovery from the previous year.

Despite some difficulties in the year, targets set by the board and management team have generally been achieved, initiatives to continue the development of the business are continually reviewed through strategic discussion at planned board meetings, although there has been a loss of £44,000 in the year, much of this has been attributed to a much needed, and planned, roof refurbishment.

I thank our stakeholders, Board Members, Chief Executive, Senior Management Team and all the hardworking staff who make it a privilege to chair SETA and their commitment to the success of the organisation, as we provide the education training and support to our clients and their employees.

After the years activity there has been a full Ofsted inspection of the organisation which has led to serious consequences for the business. A note in this respect has been added to the post balance sheet event note below as well as the notes to the accounts page.

## Our purpose and activities

The principal objective of the Charity is to maintain, improve and advance education by promoting the training and education for employed people and those intending to be employed in industry and commerce as shown in the Memorandum and Articles of the Association.

- Member companies of the Association have priority access to this service for their identified needs.
- The strategies for achieving the objectives are to build on the success we have already achieved and to maximise the potential apprentice recruitment figure of 120 including a cohort of SETA sponsored apprentices.
- To promote and develop SETA Cyprus and SETA International through the acquisition of training contracts in Europe and the Middle East.
- Meet the challenge and succession planning for key personnel from qualified and competent replacements.
- Improve Adult Learning Budget initiative for employers.

The Charity does not carry out significant fundraising activities, the main income for the Charity is via Government funded Apprenticeship training which is supported by commercial training activities.

***Public Benefit***

The Trustees confirm that they have, when and where necessary to do so, paid regard to the Charity Commissioner's Guidance on Public Benefit when considering and making its decisions.

SETA is ideally placed to offer its funded services to the whole of the Greater Manchester and surrounding catchment area.

***Membership***

We currently have 19 member companies.

***Apprentice Training***

The number of apprentice starts for the year continued to recover after the Covid-19 pandemic for both Levy and non-Levy funded apprentices in the year.

Apprentice Training is one of the Charity's main sources of income. This relies on the Charity's recruitment of apprentices for member companies and clients. Recruitment - initial assessment, interviewing and selection of young people on behalf of the Association's members and clients is undertaken to support their criteria for

***Non-Charitable Activities***

These are done to support charitable activities and to provide members with services required.

***Adult Engineering Training***

Adult Skills programmes tailored to suit the employing company's needs continue to grow in today's environment of multi-skilled workforces. Many are still using the NVQ system to gain formal qualifications of their competences. We will respond to the needs of companies investing in workforce development via purpose designed programmes. Contacts with the newly created Skills Academies should assist in the marketing and delivering of core skills for which there is a regular and potentially larger market.

New opportunies continue to be monitored, this included continuing the delivery of the 18th Edition Electrical course that is still proving very popular.

We have also added TWI accredited Welding courses that will strengthen our offer in this area.

***Safety and Short Courses***

Health, safety and environment related courses for industry and commerce are in constant demand throughout the UK, European and the Middle East.

SETA has responded to this and has set up SETA International to grow links with partners in these areas, particularly in Cyprus, Greece, Turkey, Africa and Eastern Europe. E-portfolio - NVQ Level 5 in Occupational Health and Safety practice is still increasing in numbers.

## Achievements, Performance and Covid-19

2021/22 continued to see an improvement on Apprentice starts and we also saw a resurgence in commercial courses. An increased budget was set from the previous year.

SETA also continued to utilise the Coronavirus Job Retention Scheme to partially Furlough staff where we could not justify full time work, this was reviewed on a weekly basis.

Commercial courses continued to pick up and all departments exceeded their budgets for the year.

Apprenticeship starts continued to improve, reaching 102 by the end of the year, compared to 30 (2021) and 97 (2020).

Covid-19 did continue to have an impact on learners dropping off programme and the delay in completing programmes also impacted on.

The number of learners starting standalone NVQ's paid directly by their employers increased slightly from 10 to 11 this year.

Demand for the Level 4 Higher National Certificate (HNC) in Engineering dropped slightly with 19 commencing year one and 25 returning to complete year two. This is a natural progression for Apprentices after achieving the Level 3 National Certificate and is a full commercial charge to employers.

We are still looking to expand to HND over the next couple of years.

## Financial Review

The principal funding sources for Stockport Engineering Training Association Ltd are received from the Educations and Skills Funding Agency for funded apprenticeships. This is supplemented via employer contributions, where they require training over and above the framework/Standard or the learner only qualifies for part funding. This area continued to be affected by Covid-19 with a number of learners struggling to complete their apprenticeships on time, this impacted on completion payments and ESFA income was down by £246,000 for the year when compared to budget.

This funding is supported by other training income being generated through the charity's subsidiary trading companies, these allow us to operate in other markets that would not normally be accessible to the charity. These include:

1) Commercial Engineering Training - This had an increased budget for 2022 of £180,000 and finished £42,000 over budget at the year end.
2) Health & Safety courses - This also had a increased budget of £315,000 and finished £71,000 over budget.
3) Commercial NVQ training.
4) SETA International - This also had a increased budget of £110,000 but struggled in the year due to other countries still being affect by Covid and finished £33,000 under budget.

All profits from the commercial training will be gift-aided back to the Charity to aid it in fulfilling its charitable aims, £185,288 has been gift aided in 2022 (£192,351 in 2021).

The financial result for the period was a net decrease in funds of £43,939 (2021: decrease £38,720).

As disclosed in last years accounts, during January and February 2021 it became apparent that the main roof of the workshop was deteriorating faster than anticipated and running repairs were no longer an option. Even though it was not included in the budget, it was agreed that a full replacement was required. Quotes were obtained and the contract was awarded to Practical Roofing Solutions at a cost of £95,000, with staged payments. Work commenced in June 2021 but completion was delayed until this year and these financial statements include £33,000 of that expenditure.

Income increased by £185,366 (£115,000 down on budget). However, after claims from the Government's CJRS furlough scheme, dropped from £98,543 to £7,621, the net impact on the accounts was only an increase of £94,444. Due to the additional roof repair costs above, expenditure was only under the original budget by £36,000. This had the result of reducing the budgeted profit of £15,000 to a loss of £61,230.

The Board feel that the main building at Hammond Avenue, Stockport has increased in value during the year and have performed a desktop comparison. Based on these findings they have revalued it in the year with an increase to £1,400,000 from £1,245,000.

The effect is that our consolidated balance sheet still shows a strong picture with net current assets of £56,717 compared to £129,186 (2021) and total funds of £1,067,549 compared to £956,488 (2021).

Budgets had been set for the next year as:

| **Year** | **2023** |
|---|---|
| Turnover | £2,180,000 |
| Expenditure | £2,095,800 |

**Post Balance Sheet Events**

SETA underwent an Ofsted inspection from 13-16 September 2022 and due to some of the findings during the inspection they assessed the overall effectiveness of SETA as unsatisfactory. Despite disagreeing with some of the points made we were not successful in changing the grading and on 9 November 2022 the report was made public.

As per apprenticeship funding rules for main providers, the Education and Skills Funding Agency (ESFA) indicated their intention to terminate their contract with SETA and to remove us from the Register of Apprenticeship Training Providers (RoATP). SETA appealed this decision by submitting a mitigation case to the ESFA but on 7 December 2022 the ESFA notified us that the appeal had been unsuccessful and of their intention to remove SETA's apprenticeship delivery as from 7 March 2023.

We had been informed that we would be allowed a "run-out" contract for any learners where the employer still wanted SETA to complete their apprenticeship. On 19 December we were then informed that the ESFA's stance had changed and this was no longer an option, subsequently all learners must be removed as from 7 March 2023.

ESFA funding amounted to 47% of income levels in 2022 plus additional training linked to apprentice training.

The Main Board and Operational Board explored all the options available to them to ensure:

1 - The minimum disruption to learners to continue their apprenticeships
2 - The minimum disruption to employers
3 - The viability of SETA moving forward
4 - The least impact to employees

An agreement was made that as from 1 March 2023, SETA would transfer all apprentices and commercial engineering training courses to a local training provider (Elevated Knowledge Limited). As part of the agreement they would lease a large proportion of SETA's training centre and take over the majority of staff and equipment.

This would allow SETA to continue to support its Charitable aims of still assisting the advancement of education whilst it concentrated on the delivery of Health and Safety training.

**Reserves Policy**

Reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned emergency repairs and other expenditure. The trustees consider that the ideal level of reserves as at 31st July 2022 would equate to between 3 and 6 months of non-course related expenditure. Three months being £342,000 based on 2022 levels. The trustees consider that this level of reserves would ensure that, given a significant drop in funding, they would be able to continue the Charity's current activities whilst alternate plans were implemented.

The Charities total reserves were £1,067,549 as at 31 July 2022. The free reserves, being those unrestricted funds not represented by fixed assets and their associated finance, were (£989) at 31 July 2022 (£49,443 in 2021), a decrease of £50,432.

We aim to bring these up to an ideal level over the next five years.

We consistently plan and monitor the financial performance of the charity in order to maintain reserve levels by:
- Setting Budgets
- Producing Cash flows
- Producing Monthly Management Accounts
- Setting Business Development Plan

**Investments Held**

The investments held by the charity are share capital held in its two subsidiary companies:
- SETA Training and Advisory Services Limited - held in order to allow the charity to access other commercial training to supplement it's income.
- SETA Training (Cyprus) Limited - held in order to maintain our safety training presence in Cyprus when government policies changed and it would have been impossible with a Cyprus registered company.

## Plans for future periods

Our future plans are detailed in our business development plan. A concerted effort is being made to promote all SETA courses to existing clients and member companies.

Plans now include concentrating on commercial income along with rental of the training centre to further our charitable aims.

## Reference and administrative details

**Company Number:**
1512311

**Charity Number:**
510493

**Registered Office:**
18 Hammond Avenue
Whitehill Industrial Estate
South Reddish
Stockport
SK4 1PQ

**Bankers**
The Royal Bank of Scotland Plc
1 Great Underbank
Stockport
SK1 1LN

**Auditors**
DJH Mitten Clarke Audit Limited
Chartered Accountants and Statutory Auditors
St George's House
56 Peter Street
Manchester
M2 3NQ

**Directors and Trustees**

The directors of the charitable company (the charity) are its trustees for the purpose of Charity Law.
The trustees and officers serving during the year and since the year end were as follows:

Mr R G Howarth (Chairman)
Mr J R Moss (Treasurer)
Dr Moray Kidd - appointment terminated 28 December 2022
Mr N Carne - appointment terminated 28 December 2022

Company Secretary: Mr M C Field

**Key management personnel:**

| | |
|---|---|
| Chief Executive | Mr R M Prince (employment ceased 31 May 2023) |
| Financial Director | Mr M C Field |
| External Operations Director | Mrs J Burns |
| Internal Operations Director | Mr M Neild |
| Quality Director | Mr L Johnson |

## Structure, Governance and Management

### Governing Document

The charity is controlled by its memorandum and articles of association and constitutes a limited company, limited by guarantee as deemed by the Companies Act 2006.

### Recruitment and Appointment of New Directors and Trustees

The Directors of the Company are elected annually at the Company's Annual General Meeting. At each Annual General Meeting one third of the Elected Board Members for the time being, or if their number is not a multiple of three then the nearest one third, retires from office. If there is only one Elected Board Member who is subject to retirement by rotation, he/she retires. The Elected Board Members who are to retire in every year are those who have been longest in office since their last election or appointment, but as between persons who became Elected Board Members on the same day those to retire (unless they otherwise agree among themselves) are deemed by lot. A retiring Board Member is eligible for re-election, but does not serve more than three consecutive three year terms or, in the case of an Officer, two consecutive three year terms. Each Trustee is elected and voted into office by the members and office of Chairman, Deputy and Treasurer similarly elected. The Association is a member led organisation and the Trustees are mindful of meeting their needs. Currently there are five Trustees, all holding non-executive office and meet formally every four

### Induction and Training of Directors and Trustees

New Directors and Trustees are given training upon election, subject to their existing skills and knowledge. A tailored programme of training takes place for each new Director and Trustee. It provides trustees with suitable and sufficient help and guidance on how the Charity works.

### Organisational Structure

Overall responsibility for the Charity's strategy and direction rests with the Board of Management, which comprises all Directors. The carrying out of day to day activities is delegated to the staff under the management of the Chief Executive. There are no specific significant restrictions regarding the way the Charity can operate.

The Charity's decisions are ultimately made by the Board of Directors, there are bi-monthly meetings when discussions take place and decisions are then filtered down to the staff concerned by their line managers.

### Subsidiaries

The Charity has two trading subsidiaries, SETA Training & Advisory Services Ltd and SETA Training (Cyprus) Ltd whose accounts are reported separately, and are consolidated into these accounts.

Both these companies were set up to perform trading activities to provide funds for the charity. As stated in the notes SETA Training and Advisory Services Ltd made a profit of £185,739 before distributions and SETA Training (Cyprus) Limited a small loss of £436.

### Pay policy for senior staff

Decisions on management remuneration levels are made by the Chief Executive taking into account the job role, peer group salary evaluations, appraisals and advice from the Financial Accountant.

The Chief Executives remuneration is ultimately set by the Board.

**Risk Management**

The Trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Board has carried out a review of the major risks to which the Charity is exposed and has put in place controls and activities to mitigate those risks which are within their control to influence.

## Trustees' responsibilities in relation to the financial statements

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

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

• select suitable accounting policies and then apply them consistently;
• observe the methods and principles in the Charity 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;
• prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

● there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and

● the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**By order of the Board of Trustees**

Mr. R G Howarth
Chairman

Date: 24th July 2023

## Stockport Engineering Training Association Limited
### Report of the Independent Auditors
### to the Trustees of Stockport Engineering Training Association Limited

**Opinion**

We have audited the financial statements of Stockport Engineering Training Association Limited (which comprises the Group and Parent Charitable Company) for the year ended 31 July 2022 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheet, the consolidated and charity statement of cashflows 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 FRS 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 group and parent charitable company's affairs as at 31 July 2022 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 and Charities Act 2011.

**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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

**Other information**

The other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditors' 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 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.

**Matters on which we are required to report by exception**
In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and proper 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.

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

In preparing the financial statements, the trustees are responsible for assessing the Group and Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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**
The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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:

In preparation for our audit we identified areas of laws and regulations which we considered could have a material effect on the financial statements. This information was obtained via discussions with management and from our general commercial and sector experience.The trustees also provide us with written representation of all the key and fundamental industry specific laws and regulations with they are required to adhere to. These were then communicated to the whole of the audit team at our audit planning meeting.

As a charitable company providing training and education, non-compliance with the Charities Act 2011, Companies Act 2006 and industry specific regulations of Ofsted and the Education & Skills Funding Agency were assessed to be most relevant. Our audit procedures to respond to these risks included:

- Enquiries with management;
- Inspection of regulatory records, inspection reports, submissions, and other correspondence;
- Challenges to management assumptions and judgements in relation to accounting estimates.
- Review of journals entered throughout the year.
- Substantive transaction testing.

Despite appropriate planning and performing our work in accordance with International Auditing Standards, there are always inherent limitations that non-compliance is not detected. Non-compliance with laws and regulations is often further removed from the events and transactions reflected in the financial statements and material misstatements due to fraud can be deliberately concealed from auditors, for example through misrepresentation, forgery or collusion.
A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the Group and Charitable Company's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DJH Mitten Clarke Audit Limited

DJH Mitten Clarke Audit Limited
Chartered Accountants and Statutory Auditors
St George's House
56 Peter Street
Manchester
M2 3NQ

Date: 24 July 2023

## Stockport Engineering Training Association Limited
## Consolidated Statement of Financial Activities
## (Incorporating a Consolidated Income and Expenditure Account)
## for the year ended 31 July 2022

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Total 2022 £ | Total 2021 £ |
|---|---|---|---|---|---|
| **INCOME** | | | | | |
| *Donations and legacies* | 3 | 7,621 | - | 7,621 | 98,543 |
| ***Income from trading activities*** | 4 | 722,146 | - | 722,146 | 655,963 |
| *Investment income* | 4 | 74 | - | 74 | 16 |
| ***Income from charitable activities:*** | 5 | 1,059,155 | - | 1,059,155 | 940,030 |
| **Total income** | | 1,788,996 | - | 1,788,996 | 1,694,552 |
| **EXPENDITURE** | | | | | |
| ***Expenditure on raising funds*** | 6 | 677,517 | - | 677,517 | 627,084 |
| ***Expenditure on charitable activities*** | 7 | 1,155,418 | - | 1,155,418 | 1,106,188 |
| **Total Expenditure** | | 1,832,935 | - | 1,832,935 | 1,733,272 |
| **NET EXPENDITURE** | | (43,939) | - | (43,939) | (38,720) |
| Gains/(Losses) on revaluation of Fixed Assets | | 155,000 | | 155,000 | 463,000 |
| **Net movement of funds for the year** | | 111,061 | - | 111,061 | 424,280 |
| **RECONCILIATION OF FUNDS** | | | | | |
| Total funds brought forward | | 956,488 | - | 956,488 | 532,208 |
| **Funds balances carried forward** | | 1,067,549 | - | 1,067,549 | 956,488 |

**Stockport Engineering Training Association Limited**
**Consolidated Balance Sheet**
**as at 31 July 2022**

| | Notes | | 2022 £ | | 2021 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 12 | | 1,521,043 | | 1,376,754 |
| **CURRENT ASSETS** | | | | | |
| Stocks | 14 | 20,942 | | 15,170 | |
| Debtors | 15 | 326,227 | | 317,583 | |
| Cash at bank and in hand | | 155,526 | | 152,546 | |
| | | 502,695 | | 485,299 | |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 16 | (445,978) | | (356,113) | |
| **NET CURRENT ASSETS** | | | 56,717 | | 129,186 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | | 1,577,760 | | 1,505,940 |
| **CREDITORS** | | | | | |
| Amounts falling due after more than one year | 17 | | (510,211) | | (549,452) |
| **NET ASSETS** | | | 1,067,549 | | 956,488 |
| **FUNDS** | | | | | |
| General funds | 20 | | 1,067,549 | | 956,488 |
| **TOTAL FUNDS** | | | 1,067,549 | | 956,488 |

**Stockport Engineering Training Association Limited**
**Consolidated Balance Sheet**
**as at 31 July 2022**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 July 2022
.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibility for

(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006; and
(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Section 394 and 395 and which otherwise comply with the requirements of any Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of section 144 of the Charities Act 2011.

These financial statements have been prepared in accordance with the Companies Act 2006 and with the Financial Reporting standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements were approved by the board of Trustees on 24th July 2023
and were signed on its behalf by:

Mr. R G Howarth
Chairman

**Stockport Engineering Training Association Limited**
**Charity Balance Sheet**
**as at 31 July 2022**

| | Notes | | 2022 £ | | 2021 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 12 | | 1,521,043 | | 1,376,754 |
| Investments | 13 | | 1,839 | | 1,853 |
| | | | 1,522,882 | | 1,378,607 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 15 | 95,727 | | 131,172 | |
| Cash at bank and in hand | | 6,776 | | 30,784 | |
| | | 102,503 | | 161,956 | |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 16 | (122,120) | | (109,163) | |
| **NET CURRENT LIABILITIES** | | | (19,617) | | 52,793 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | | 1,503,265 | | 1,431,400 |
| **CREDITORS** | | | | | |
| Amounts falling due after more than one year | 17 | | (510,211) | | (549,452) |
| **NET ASSETS** | | | 993,054 | | 881,948 |
| **FUNDS** | | | | | |
| Restricted funds | | | - | | - |
| General funds | | | 993,054 | | 881,948 |
| **TOTAL FUNDS** | | | 993,054 | | 881,948 |

**Stockport Engineering Training Association Limited**
**Charity Balance Sheet**
**as at 31 July 2022**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 July 2022.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibility for:

(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006; and
(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of section 144 of the Charities Act 2011.

These financial statements have been prepared in accordance with the Companies Act 2006 and with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements were approved by the board of Trustees on 24th July 2023
and were signed on its behalf by:

Mr. R G Howarth
Chairman

## Stockport Engineering Training Association Limited
## Statement of Cash Flows and Consolidated Statement of Cash Flows
## for the year ended 31 July 2022

| | Note | Group 2022 £ | Group 2021 £ | Charity 2022 £ | Charity 2021 £ |
|---|---|---|---|---|---|
| **Cash used in operating activities** | 24 | **70,027** | **(74,493)** | **43,113** | **(106,001)** |
| **Cash flows from investing activities** | | | | | |
| Interest Income | | 74 | 16 | - | 3 |
| Purchase of tangible fixed assets | | (27,880) | (15,875) | (27,880) | (15,875) |
| **Cash used in investing activites** | | **(27,806)** | **(15,859)** | **(27,880)** | **(15,872)** |
| **Cash flows from financing activites** | | | | | |
| Increase (repayment) of borrowing | | (39,241) | 79,824 | (39,241) | 79,824 |
| **Cash used in financing activites** | | **(39,241)** | **79,824** | **(39,241)** | **79,824** |
| Increase/(decrease) in cash and cash equivalents in the year | | **2,980** | **(10,528)** | **(24,008)** | **(42,049)** |
| Cash and cash equivalents at the beginning of the year | | 152,546 | 163,074 | 30,784 | 72,833 |
| **Total cash and cash equivalents at the end of the year** | | **155,526** | **152,546** | **6,776** | **30,784** |

## 1 ACCOUNTING POLICIES

***Basis of preparation of accounts***

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 (FRS 102) (effective January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Stockport Engineering Training Association Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s) and with the exception of investments which are included at market value.

**Preparation of the accounts on a going concern basis**

The Trustees believe it is appropriate to prepare the accounts of the Charity on a going concern basis.

As per the post balance sheet event disclosure in note 25, ESFA funding ceased in March 2023. The trustees have planned for this eventuality and have ensured that plans are in place for the continuation of the charity without it. The trustees are also satisfied that the change in activities continue to support the charity's objects to assisting the advancement of education.

**Group financial statements**

The consolidated accounts incorporate the results of Stockport Engineering Training Association Limited ('the Charity') and its subsidiary undertakings; SETA Training & Advisory Services Limited and SETA Training (Cyprus) Limited; on a line-by-line basis.

The consolidated entity is referred to as 'the Group'. No separate company Statement of Financial Activities (SOFA) has been prepared for the Charity as permitted by section 408 of the Companies Act

***Income***

Income is included in the SOFA when the charity is entitled to the income and when it is probable that income will be received and the amount can be measured reliably. Donations in kind are recognised at their value to the charity when they are received. No amounts are included for services donated by volunteers.

Income comprise:

| | |
|---|---|
| Donations and legacies | |
| *Legacies* | Pecuniary legacies are recognised as receivable once probate has been granted and notification has been received.<br>Residuary legacies are recognised as receivable once probate has been granted, provided that sufficient information has been received to enable valuation of the Charity's entitlement. |
| *Donations* | Donations are accounted for as they are received. |
| *Gift Aid* | Gift Aid is included based on amounts recovered or recoverable at the accounting date. |
| Activities for raising funds | |
| *Membership subscription* | Membership subscription income (which is not considered to be donations) is accounted for on an accrual basis. |
| *Engineering training* | Income from providing training and courses are accounted for on an accrual basis. |
| *Safety training* | Income from providing training and courses are accounted for on an accrual basis. |
| *Schools training* | Income from providing training and courses are accounted for on an accrual basis. |
| Investment income | Investment income is accounted for on an accrual basis. |
| Income from charitable activities | |
| *Apprentice training – Government funded* | Government funding is recognised when the Charity is entitled to receipt on an accrual basis. |
| *Apprentice training – Other funded* | Income is recognised when the Charity is entitled to receipt on an accrual basis. |
| *members services* | Income from providing training and courses are accounted for on an accrual basis. |
| Government Grant Income | Coronavirus Job Retention Scheme Furlough income is claimed and accounted for in the month that it relates to. The scheme ended in September 2021. |

***Expenditure and basis of allocation***

Expenditure is accounted for on an accruals basis. Overheads and other costs not directly attributable to a particular charitable activity category are apportioned over the relevant on the basis of management estimates attributable to that activity in the year, which is calculated as follows:

| <u>Administrative expenses (Staff Time)</u> | **2022** | **2021** |
|---|---|---|
| | **%** | **%** |
| Engineering training income | 6.9 | 6.5 |
| Safety and short courses | 16.3 | 15.2 |
| Apprentice training | 47.5 | 47.3 |
| Non-Government funded apprentices | 12.4 | 12.1 |
| Schools/Study Programme Training | - | 3.4 |
| Services to members | 1.6 | - |
| Governance | 15.3 | 15.5 |

| <u>Training Centre expenses (Staff Time)</u> | **2022** | **2021** |
|---|---|---|
| | **%** | **%** |
| Engineering training income | 25.1 | 16.6 |
| Apprentice training | 57.1 | 64.0 |
| Non-Government funded apprentices | 14.8 | 13.8 |
| Schools/Study Programme Training | - | 5.6 |
| Services to members | 3.0 | - |
| Governance | - | - |

| <u>Short Course expenses (Staff Time)</u> | **2022** | **2021** |
|---|---|---|
| | **%** | **%** |
| Safety and short courses | 100.0 | 100.0 |
| Apprentice training | - | - |
| Non-Government funded apprentices | - | - |
| Schools/Study Programme Training | - | - |
| Services to members | - | - |

| <u>Group Services expenses (Staff Time)</u> | **2022** | **2021** |
|---|---|---|
| | **%** | **%** |
| Engineering training income | 3.4 | 3.2 |
| Safety and short courses | 4.3 | 2.8 |
| Apprentice training | 79.1 | 80.4 |
| Non-Government funded apprentices | 8.9 | 8.2 |
| Schools/Study Programme Training | - | 1.6 |
| Services to members | 2.0 | - |
| Governance | 2.3 | 3.8 |

| <u>Canteen expenses (Delegate Numbers)</u> | **2022** | **2021** |
|---|---|---|
| | **%** | **%** |
| Engineering training income | 49.5 | 39.5 |
| Safety and short courses | 50.5 | 60.5 |
| Apprentice training | - | - |

| Premises expenses (Floor Area) | 2022 | 2021 |
|---|---|---|
| | % | % |
| Engineering training income | 29.8 | 28.4 |
| Safety and short courses | 15.3 | 13.3 |
| Apprentice training-Government funded | 17.9 | 12.3 |
| Apprentice training-Other funded | 24.5 | 27.0 |
| Schools/Study Programme Training | - | 10.5 |
| Services to members | 4.0 | - |
| Governance | 8.5 | 8.5 |

***Governance costs***

Governance costs comprises the expenditure on governance of the charity including audit fees, legal advice for trustees, costs of trustee meetings and an apportionment of relevant staff costs based on time spent on governance-related matters.

***Leasing and hire purchase commitments***

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet. The assets are depreciated over their expected useful lives.

Rentals under operating leases are charged to the statement of financial activities as they fall due.

***Pension costs***

The company operates a defined contribution pension scheme for the present employees. Contributions are charged to the SOFA as they become payable in accordance with the rules of the scheme

***Tangible fixed assets and depreciation***

All fixed assets are held for charitable use and are stated at cost less depreciation with all repairs written off as occurred.

Land and buildings are held at market value. Land and buildings are revalued regularly to ensure the carrying value is not materially different from a fair value at the end of the reporting period.

Depreciation is provided at rates calculated to write off the cost of tangible fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | |
|---|---|
| Freehold Property | 2% straight line |
| Motor Vehicles | 25% reducing balance |
| Plant and Machinery | 15% reducing balance |
| Computer Equipment | 20% straight line |
| Office Equipment | 25% reducing balance |

***Stocks***

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is calculated using the first-in first-out basis of valuation.

***Investments***

Subsidiary companies are valued at cost, with any resulting gains or losses on exchange included in the SOFA.

***Taxation***

The activities of the Charity are exempt from corporation taxation under section 505 of the Income and Corporation Taxes Act 1988 to the extent that they are applied to the organisation's charitable objectives.

The trading subsidiaries do not generally pay UK corporation tax because their policy is to pay taxable profits as Gift Aid to the Charity. Foreign tax incurred by overseas subsidiaries is charged as it is incurred.

***Funds***

Unrestricted funds are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds is charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income and gains are allocated to the appropriate fund.

***Foreign currencies***

Transactions in foreign currencies are recorded at the rate of exchange prevailing at the date of the transaction. Foreign currency balances are translated into sterling at the exchange rates prevailing at the balance sheet date. Any resulting gains or losses on exchange are included in the SOFA.

Profits and losses of foreign subsidiaries are translated to sterling at average rates of exchange. The opening net assets and profit and loss accounts of those subsidiaries are retranslated to year end rates; exchange differences arising on the retranslation are taken to reserves.

**Debtors**

Debtors are normally recognised at their transaction price, provision for Bad Debts has been included for the year.

**Creditors and Provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

## 2 FINANCIAL PERFOMANCE OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1. The Consolidated Statement of Financial Activities is for the Group as a whole. The figures below are the equivalent figures for the Charity only, excluding other Group companies.

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Income | 741,785 | 794,457 |
| Gift aid from the subsidiary company | 185,288 | 122,874 |
| | 927,073 | 917,331 |
| Expenditure on charitable activities | (825,207) | (867,053) |
| Governance costs | (145,760) | (157,545) |
| Gains/(Losses) on revaluation of Fixed Assets | 155,000 | 463,000 |
| | (815,967) | (561,598) |
| **Net movement in funds** | 111,106 | 355,733 |
| Total funds brought forward | 881,948 | 526,215 |
| **Total funds carried forward** | 993,054 | 881,948 |
| **Funds** | | |
| Unrestricted funds | 993,054 | 881,948 |
| | 993,054 | 881,948 |

## 3 DONATIONS AND LEGACIES

| | Unrestricted Funds | Restricted Funds | 2022 Total | 2021 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Donations | 2,185 | - | 2,185 | - |
| Government Grant Income | 5,436 | - | 5,436 | 98,543 |
| | 7,621 | - | 7,621 | 98,543 |

## 4 INCOME FROM OTHER TRADING ACTIVITIES

| | Unrestricted Funds | Restricted Funds | 2022 Total | 2021 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Other trading activities** | | | | |
| Membership subscriptions | 3,027 | - | 3,027 | 3,089 |
| Engineering training income | 236,114 | - | 236,114 | 190,115 |
| Safety and short courses | 483,005 | - | 483,005 | 390,159 |
| Schools/Study Programme Training | - | - | - | 72,600 |
| | 722,146 | - | 722,146 | 655,963 |
| **Investment income** | | | | |
| Interest on cash deposits | 74 | - | 74 | 16 |

## 5 INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted Funds | Restricted Funds | 2022 Total | 2021 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Apprentice training-Government funded | 833,617 | | 833,617 | 761,839 |
| Apprentice training-Other funded | 194,025 | - | 194,025 | 177,254 |
| Members services | 31,513 | - | 31,513 | 937 |
| | 1,059,155 | - | 1,059,155 | 940,030 |

## 6 EXPENDITURE ON RAISING FUNDS

| | Unrestricted Funds | Restricted Funds | 2022 Total | 2021 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| *Engineering training* | | | | |
| Marketing | 8,353 | - | 8,353 | 6,487 |
| Staff costs | 105,535 | - | 105,535 | 78,736 |
| Training costs | 31,532 | - | 31,532 | 18,569 |
| Travel | 7,050 | - | 7,050 | 7,643 |
| Premises costs | 44,702 | - | 44,702 | 47,061 |
| Office and sundry costs | 18,346 | - | 18,346 | 14,983 |
| Depreciation | 8,512 | - | 8,512 | 13,027 |
| | 224,030 | - | 224,030 | 186,506 |
| *Safety and short courses* | | | | |
| Marketing | 45,517 | - | 45,517 | 9,530 |
| Staff costs | 218,679 | - | 218,679 | 204,444 |
| Training costs | 117,164 | - | 117,164 | 95,068 |
| Travel | 21,052 | - | 21,052 | 20,549 |
| Premises costs | 22,970 | - | 22,970 | 22,072 |
| Office and sundry costs | 23,706 | - | 23,706 | 22,576 |
| Depreciation | 4,399 | - | 4,399 | 7,288 |
| | 453,487 | - | 453,487 | 381,527 |
| *Schools/Study Programme Training* | | | | |
| Marketing | - | - | - | - |
| Staff costs | - | - | - | 30,694 |
| Training costs | - | - | - | 2,667 |
| Premises costs | - | - | - | 17,460 |
| Office and sundry costs | - | - | - | 3,917 |
| Depreciation | - | - | - | 4,313 |
| | - | - | - | 59,051 |
| TOTAL | 677,517 | - | 677,517 | 627,084 |

## 7 EXPENDITURE ON CHARITABLE ACTIVITIES

| | Unrestricted Funds | Restricted Funds | 2022 Total | 2021 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| *Apprentice training-government funded* | | | | |
| Marketing | 5,146 | - | 5,146 | 6,659 |
| Staff costs | 598,713 | - | 598,713 | 612,135 |
| Training costs | 111,169 | - | 111,169 | 75,597 |
| Travel | 9,264 | - | 9,264 | 7,456 |
| Premises costs | 26,906 | - | 26,906 | 20,398 |
| Office and sundry costs | 33,368 | - | 33,368 | 35,312 |
| Depreciation | 5,379 | - | 5,379 | 6,575 |
| | 789,945 | - | 789,945 | 764,132 |
| *Apprentice training-Other funded* | | | | |
| Marketing | - | - | | - |
| Staff costs | 112,239 | - | 112,239 | 102,465 |
| Training costs | 11,419 | - | 11,419 | 6,756 |
| Premises costs | 36,812 | - | 36,812 | 44,860 |
| Office and sundry costs | 6,018 | - | 6,018 | 4,840 |
| Depreciation | 6,143 | - | 6,143 | 11,080 |
| | 172,631 | - | 172,631 | 170,001 |
| *Member services* | | | | |
| Marketing | - | - | - | - |
| Staff costs | 20,812 | - | 20,812 | - |
| Training costs | 2,344 | - | 2,344 | - |
| Premises costs | 5,979 | - | 5,979 | - |
| Office and sundry costs | 994 | - | 994 | - |
| Depreciation | 998 | - | 998 | - |
| | 31,127 | - | 31,127 | - |
| Governance costs (note 7) | 161,715 | - | 161,715 | 172,055 |
| TOTAL | 1,155,418 | - | 1,155,418 | 1,106,188 |

## 8 GOVERNANCE COSTS

| | Unrestricted Funds | Restricted Funds | 2022 Total | 2021 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Marketing | 110 | - | 110 | 298 |
| Staff costs | 57,755 | - | 57,755 | 62,244 |
| Training costs | 4,258 | - | 4,258 | 3,113 |
| Travel | 5,170 | - | 5,170 | 4,669 |
| Premises costs | 12,761 | - | 12,761 | 14,106 |
| Office and sundry costs | 69,594 | - | 69,594 | 70,363 |
| Depreciation | 12,067 | - | 12,067 | 17,262 |
| | 161,715 | - | 161,715 | 172,055 |

## 9 NET RESOURCES EXPENDED BEFORE TRANSFERS

| | 2022 £ | 2021 £ |
|---|---|---|
| This is stated after charging: | | |
| Depreciation | 37,499 | 59,545 |
| Directors' remuneration | 64,617 | 63,518 |
| Pension costs | 33,492 | 32,367 |
| Auditors' remuneration | 11,681 | 10,248 |

## 10 TRUSTEES' REMUNERATION AND BENEFITS

Total remuneration paid to trustees' amounted to:

| | | |
|---|---|---|
| R.G Howarth | £1,500 | (2021 £1,500) |
| J. R. Moss | £1,500 | (2021 £1,500) |
| M. Kidd | £1,500 | (2021 £750) |
| **Total** | **£4,500** | **(2021 £3,750)** |

This has been agreed with the Charities Commission due to the additional time involved in being a Director of the Trading subsidiary company SETA Training and Advisory Services Limited

There were no trustees' expenses or other benefits for the year ended 31 July 2022 nor for the year ended 31 July 2021.

## 11 STAFF COSTS

| | 2022 £ | 2021 £ |
|---|---|---|
| Staff costs during the year amounted to: | | |
| Wages and salaries | 984,196 | 949,435 |
| Social security costs | 92,611 | 92,612 |
| Pension costs | 33,492 | 32,367 |
| | 1,110,299 | 1,074,414 |

The average number of employees during the year, including full time equivalents of part time employees, was:

| | 2022 | 2021 |
|---|---|---|
| Apprentice training-government funded | 11 | 12 |
| Members services | - | 1 |
| Engineering training | 9 | 8 |
| Safety and short courses | 4 | 4 |
| Governance | 7 | 7 |
| | 31 | 32 |

The employees performed training, administrative and management functions.

The above includes holiday pay accrual amounting to £27,030 (2021 £26,805)

The emoluments of one member of staff, including benefits in kind, is within the range £60,000 to £69,999 (2021 - One), not including retirement benefits which are accruing under a money purchase scheme.

The key management personnel of the group comprise those of the charity, being the trustees, the chief executive and the company secretary. The total employee benefits of the key management personnel of the group were £130,793 (2021: £131,281).

The number of employees to whom retirement benefits were accruing was 36 (2021: 34)

## 12 TANGIBLE FIXED ASSETS - GROUP

| | Land and buildings £ | Plant and machinery etc £ | Motor vehicles £ | Total £ |
|---|---|---|---|---|
| **Cost or valuation** | | | | |
| At 1 August 2021 | 1,245,000 | 247,423 | 209,432 | 1,701,855 |
| Additions | | 27,880 | - | 27,880 |
| Deficit on revaluation | 155,000 | - | | 155,000 |
| Disposals | - | (26,141) | - | (26,141) |
| At 31 July 2022 | 1,400,000 | 249,162 | 209,432 | 1,858,594 |
| **Depreciation** | | | | |
| At 1 August 2021 | - | 174,599 | 150,502 | 325,101 |
| Charge for the year | - | 22,767 | 14,732 | 37,499 |
| On disposals | - | (25,049) | - | (25,049) |
| At 31 July 2022 | - | 172,317 | 165,234 | 337,551 |
| **Net book value** | | | | |
| At 31 July 2022 | 1,400,000 | 76,845 | 44,198 | 1,521,043 |
| At 31 July 2021 | 1,245,000 | 72,824 | 58,930 | 1,376,754 |

All fixed assets held are used for direct charitable purposes.

Except under an order of the registrar, no deposition by the proprietor of the land is to be registered without the consent of the proprietor of the Charge in favour of the Royal Bank of Scotland Plc. referred to in the Charges Register.

If the freehold land and building had not been revalued they would have been included at the following historical cost:

| | 2022 £ |
|---|---|
| Historical cost | 702,356 |
| Aggregate depreciation | (258,489) |
| At 31 July 2022 | 443,867 |

The fair value of the freehold land and buildings has been determined by the trustees of the charity on an open market value for existing use basis. The valuation has been based on a desktop comparison exercise between the land and buildings owned by the charity to similar sized properties in close geographical proximity.

Cost or valuation at 31 July 2022 is represented by:

| | Land and Buildings £ |
|---|---|
| Historical cost | 702,356 |
| Revaluation 2006 | 555,825 |
| Revaluation 2011 | (495,858) |
| Revaluation 2017 | 87,677 |
| Revaluation 2021 | 395,000 |
| Revaluation 2022 | 155,000 |
| At 31 July 2022 | 1,400,000 |

## 13 INVESTMENTS - COMPANY

| | Unlisted investment £ |
|---|---|
| **Cost** | |
| At 1 August 2021 | 1,853 |
| Movement | (14) |
| At 31 July 2022 | 1,839 |
| **Net book value** | |
| 31 July 2022 | 1,839 |
| 31 July 2021 | 1,853 |

The company's investments at the balance sheet date in the share capital of companies include the following:

| Subsidiary Undertaking | Country of Incorporation | Class of Shares | % Held |
|---|---|---|---|
| SETA Training and Advisory Services Limited | England | Ordinary | 100% |
| SETA Training (Cyprus) Limited | Cyprus | Ordinary | 100% |
| SETA International Limited | England | Ordinary | 99.8% |

**SETA Training and Advisory Services Limited** (Incorporated in England and Wales)

Nature of business: Providing training for people employed or intending to be employed in industry and commerce.

| Class of shares: | % holding | Company Number: 03001863 |
|---|---|---|
| Ordinary shares of £1 each | 100.00 | |

| | 2022 £ | 2021 £ |
|---|---|---|
| Turnover | 1,044,512 | 898,371 |
| Cost of sales and administration costs | (858,845) | (706,033) |
| Interest receivable | 72 | 13 |
| Interest payable | | |
| Tax | | |
| Net Profit | 185,739 | 192,351 |
| Amount gift aided to the charity | (185,288) | (122,874) |
| **Retained in subsidiary** | 451 | 69,477 |

**SETA Training (Cyprus) Limited** (Incorporated in Cyprus)
Nature of business: Providing health and safety courses industry and commerce.

| | | | |
|---|---|---|---|
| Class of shares: | % holding | Company Number: 224453 | |
| Ordinary shares of £1 each | 100.00 | | |
| | | **2022** | **2021** |
| | | **£** | **£** |
| Aggregate capital and reserves | | 4,106 | 4,616 |
| Profit/(Loss) for the period | | (436) | (682) |

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiaries. The summary financial performance of SETA Training (Cyprus) Limited alone is:

| | 2022 | 2021 |
|---|---|---|
| | **£** | **£** |
| Turnover | 15,060 | 1,711 |
| Cost of sales and administration costs | (15,101) | (2,393) |
| Interest receivable | | |
| Corporation Tax | (395) | |
| Net Profit | (436) | (682) |
| Amount gift aided to the charity | - | - |
| **Retained in subsidiary** | (436) | (682) |

**SETA International Limited** (Incorporated in England and Wales)
Nature of business: Dormant

| | | |
|---|---|---|
| Class of shares: | % holding | Company Number: 9992870 |
| Ordinary shares of £1 each | 99.80 | |
| | | **2022** |
| | | **£** |
| Aggregate capital and reserves | | 1,000 |
| Profit/(Loss) for the period | | - |

**14 STOCK**

| | Group 2022 | Group 2021 | Charity 2022 | Charity 2021 |
|---|---|---|---|---|
| | | **£** | **£** | **£** |
| Centre materials | 10,418 | 9,168 | - | - |
| Registrations | 2,554 | 900 | - | - |
| Canteen | 542 | 257 | - | - |
| Stationery | 980 | 613 | - | - |
| Cleaning Materials | 176 | 173 | - | - |
| Course Books | 6,272 | 4,059 | - | - |
| | 20,942 | 15,170 | - | - |

## 15 DEBTORS

| | Group 2022 £ | Group 2021 £ | Charity 2022 £ | Charity 2021 £ |
|---|---|---|---|---|
| Trade debtors | 200,618 | 124,884 | 19,346 | 3,007 |
| Government funding receivable | 64,903 | 104,282 | 64,903 | 104,282 |
| Amounts due from Group undertakings | | | | |
| Other taxes and social security costs | - | 2,423 | 3,562 | 10,275 |
| Prepayments and accrued income | 54,207 | 79,282 | 1,823 | 7,301 |
| Other debtors | 6,499 | 6,712 | 6,093 | 6,307 |
| | 326,227 | 317,583 | 95,727 | 131,172 |

On 4th December 1997 the directors of the charity executed a first legal charge over the book debts of the wholly owned subsidiary company.

The loan to the subsidiary company is the subject of a formal loan agreement between itself and the Charity dated 4th December 1997 and which is subject to the following:

a) Interest is to be charged at 1% over bank base rate and the loan is secured by a fixed charge over book and other debts of the wholly owned subsidiary company.

b) The loan is to be renegotiated in the interests of the Charity each year and shall be repayable to the Charity on the 31st July each year.

## 16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group 2022 £ | Group 2021 £ | Charity 2022 £ | Charity 2021 £ |
|---|---|---|---|---|
| Bank loan (secured) | 45,690 | 34,399 | 45,690 | 34,399 |
| Trade creditors | 53,413 | 51,920 | 2,963 | 5,127 |
| Obligations under finance lease and hire purchase contracts | 4,604 | 5,858 | 4,604 | 5,858 |
| Accruals and deferred income | 293,752 | 234,176 | 35,635 | 34,019 |
| Other taxes and social security costs | 41,147 | 24,124 | 25,856 | 24,124 |
| Other creditors | 7,372 | 5,636 | 7,372 | 5,636 |
| | 445,978 | 356,113 | 122,120 | 109,163 |

## 17 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | Group 2022 £ | Group 2021 £ | Charity 2022 £ | Charity 2021 £ |
|---|---|---|---|---|
| Bank loan (secured) | 503,025 | 549,452 | 503,025 | 549,452 |
| Obligations under finance lease and hire purchase contracts | 7,186 | - | 7,186 | - |
| | 510,211 | 549,452 | 510,211 | 549,452 |
| 1-5 years | 510,211 | 179,585 | 510,211 | 200,103 |
| More than 5 years | | 369,867 | | 349,349 |
| | 510,211 | 549,452 | 510,211 | 549,452 |

## 18 SECURITY

The bank loan and overdraft is secured by a legal charge over the freehold property of the company.

## 19 Deferred Income

Deferred income comprises advanced sales for courses, quarterly membership and monitoring which are carried out post year end.

| | Group 2022 £ | Group 2021 £ |
|---|---|---|
| Balance as at 1 August 2021 | 169,583 | 169,912 |
| Amount released to income earned from charitable activities | (169,583) | (169,912) |
| Amount deferred as at 31 July 2022 | 225,344 | 169,583 |
| | 225,344 | 169,583 |

## 20 FUNDS - GROUP

| | Unrestricted Funds | Restricted Funds | Total |
|---|---|---|---|
| | £ | £ | £ |
| Tangible fixed assets | 1,521,043 | | 1,521,043 |
| Net current (liabilities)/assets | 56,717 | | 56,717 |
| Liabilities due after one year | (510,211) | | (510,211) |
| | 1,067,549 | - | 1,067,549 |

| | Balance at 1-Aug-2021 | Income | Expenses | Transfers | Balance 31 July 2022 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| *Restricted funds* | | | | | |
| Loan stock | - | - | - | - | - |
| | - | - | - | - | - |
| *Unrestricted funds* | | | | | |
| General reserve | 169,402 | 1,788,996 | (1,832,935) | (14,047) | 111,416 |
| Revaluation reserve | 787,086 | 155,000 | - | 14,047 | 956,133 |
| Loan stock | | | | - | - |
| | 956,488 | 1,943,996 | (1,832,935) | - | 1,067,549 |
| TOTAL | 956,488 | 1,943,996 | (1,832,935) | - | 1,067,549 |

| Name of Fund | Description, nature and purposes of the fund |
|---|---|
| General reserve | The 'free reserves' after allowing for all designated funds. |
| Revaluation reserve | The value of freehold property at market value in excess of carrying value at historical cost. |

## 21 Operating Leases

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Within one year | 11,312 | 13,113 |
| Between two and five years | 24,022 | 28,016 |
| Greater than five year | - | 5,668 |
| | 35,334 | 46,797 |

## 22 ULTIMATE CONTROLLING PARTY

There was no ultimate controlling party during the year under review or the preceding year.

## 23 MANAGEMENT REMUNERATION

Decisions on management remuneration levels are made by the Chief Executive taking into account the job role, peer group salary evaluations, appraisals and advice from the Financial Accountant.

The Chief Executives remuneration is ultimately set by the Board.

## 24 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | Group 2022 £ | Group 2021 £ | Charity 2022 £ | Charity 2021 £ |
|---|---|---|---|---|
| Net movement in funds | 111,061 | 424,280 | 111,106 | 355,733 |
| Add back depreciation charge | 37,499 | 59,545 | 37,499 | 59,545 |
| Sale of Fixed Assets | 2,000 | 2,500 | 2,000 | 2,500 |
| Less profit on disposal of FA | (908) | (980) | (908) | (980) |
| Add back (Gains)/Losses on revaluation of Fixed Assets | (155,000) | (463,000) | (155,000) | (463,000) |
| Movement in Investments | | | 14 | 48 |
| Deduct interest income shown in investing activities | (74) | (16) | | (3) |
| Decrease (increase) in stock | (5,772) | (5,719) | - | - |
| Decrease (increase) in debtors | (8,644) | (54,569) | 35,445 | (40,029) |
| Increase (decrease) in creditors | 89,865 | (36,534) | 12,957 | (19,815) |
| | 70,027 | (74,493) | 43,113 | (106,001) |

## 25 POST BALANCE SHEET EVENTS

Following an inspection from 13-16 September 2022, Ofsted assessed the overall effectiveness of SETA as unsatisfactory on 9 November 2022. This resulted in the Education and Skills Funding Agency terminating their contract with SETA, the income from which had represented 47% of the charity’s overall incoming resources in the year ended 31 July 2022. From 1 March 2023, SETA transferred all apprentices and commercial engineering training courses to Elevated Knowledge Limited. As part of the agreement they would lease a large proportion of SETA's training centre and take over the majority of staff and equipment. The actions have been accuately reported to the Charity Commission and the charity's lenders.

THE STOCKPORT ENGINEERING TRAINING ASSOCIATION

England & Wales - Charity number 510493

# Accounts

# Stockport Engineering Training Association Limited

(A company limited by guarantee)

## Report of the Trustees and Consolidated Financial Statements

## For the year ended 31 July 2021

Company Number 1512311

Registered Charity in England no 510493

**Stockport Engineering Training Association Limited**
**Report and Consolidated Accounts**
## Contents

The trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiaries for the year ending 31st July 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

## Chairs Report

The SETA team has had some reorganisations to enable continued focus and enthusiasm to meet the business development and consolidation plans previously recognised. The continuation of the planned improvements to develop the delivery of the academic progamme are still ongoing, including partnering with local university to consolidate HNC and HND with the oportunity for for students to transition onto degree level.

Recent years issues with funding sources having been largely resolved and are continually reviewed through legislation and internal initiatives, to protect SETA's vulnerability. Our Operational Board (OB) continue to monitor all changes in funding rules and will plan alternative solutions for any issues that may arise. The organisation continues to deliver a wide range of training initiatives to meet our customer demands across apprenticeships, adult skills and health and safety in line with both recognised national and international standards. The courses are delivered across the UK and overseas as required and to a customer base ranging from small to multinational organisations.

The budgeted targets for the year were affected by the continuation of the Covid 19 pandemic as had been the case during last year with courses being cancelled or delayed. The OB acted with initiative and integrity to review what (and how) could be delivered under the circumstances and restrictions imposed by Government legislation. The Apprentice Training Programmes continued to achieve timely outcomes with a great deal of strategic and logistical planning. However it was necessary to continue with some of our staff onto the Government's Coronavirus Job Retention Scheme. The roof repair that became imperative in the year resulted in a budgetted loss £67,000, however, with prudent accounting and financial planning together with the actions of the OB the final result shows a much reduced loss for the year.

Despite the difficulties in the year, targets set by the board and management team have generally been achieved, we believe we have performed well in circumstances that are beyond our control. We will pursue initiatives to develop the business and continually review these through strategic discussion at planned board meetings.

I thank our stakeholders, Board Members, Chief Executive, Operational Board and all the hardworking staff who make it a privilege to chair SETA and their commitment to the success of the organisation, as we provide the education training and support to our clients and their employees.

## Our purpose and activities

The principal objective of the Charity is to maintain, improve and advance education by promoting the training and education for employed people and those intending to be employed in industry and commerce as shown in the Memorandum and Articles of the Association.

- Member companies of the Association have priority access to this service for their identified needs.
- The strategies for achieving the objectives are to build on the success we have already achieved and to maximise the potential apprentice recruitment figure of 120 including a cohort of SETA sponsored apprentices.
- To promote and develop SETA Cyprus and SETA International through the acquisition of training contracts in Europe and the Middle East.
- Meet the challenge and succession planning for key personnel from qualified and competent replacements.
- Improve Adult Learning Budget initiative for employers.

The Charity does not carry out significant fundraising activities, the main income for the Charity is via Government funded Apprenticeship training which is supported by commercial training activities.

***Public Benefit***
The Trustees confirm that they have, when and where necessary to do so, paid regard to the Charity Commissioner's Guidance on Public Benefit when considering and making its decisions.

SETA is ideally placed to offer its funded services to the whole of the Greater Manchester and surrounding catchment area.

***Membership***
We currently have 19 member companies.

***Apprentice Training***
The uncertainty that the introduction of the New Apprenticeship Levy and funding system in 2017 seems to have settled over the last twelve months. Covid has had a major impact on the number of both Levy and non-Levy funded apprentice starts in the year.

The drive by the government to sign up on new Apprenticeship Standards from Frameworks has continued with Frameworks finally being withdrawn on the 31st July 2020. The number of Standards available continues to grow and we continue to expand our portfolio where available.

The Government's release of Non-Levy funding via the Digital Apprenticeship Service on the 1st January 2020 has made non-Levy apprenice sign-ups easily accesable and means our to reliance on subcontracting continues to decrease.

Apprentice Training is one of the Charity's main sources of income. This relies on the Charity's recruitment of apprentices for member companies and clients. Recruitment - initial assessment, interviewing and selection of young people on behalf of the Association's members and clients is undertaken to support their criteria for

***Non-Charitable Activities***
These are done to support charitable activities and to provide members with services required.

***Adult Engineering Training***
Adult Skills programmes tailored to suit the employing company's needs continue to grow in today's environment of multi-skilled workforces. Many are still using the NVQ system to gain formal qualifications of their competences. We will respond to the needs of companies investing in workforce development via purpose designed programmes. Contacts with the newly created Skills Academies should assist in the marketing and delivering of core skills for which there is a regular and potentially larger market.

New opportunies continue to be monitored, this included continuing the delivery of the 18th Edition Electrical course that is still proving very popluar.

We have also added TWI accredited Welding courses that will strenghten our offer in this area.

***Safety and Short Courses***
Health, safety and environment related courses for industry and commerce are in constant demand throughout the UK, European and the Middle East.

SETA has responded to this and has set up SETA International to grow links with partners in these areas, particularly in Cyprus, Greece, Turkey, Africa and Eastern Europe. E-portfolio - NVQ Level 5 in Occupational Health and Safety practice is still increasing in numbers.

## Achievements, Performance and Covid-19

2020/21 continued to see the effect of Covid-19 on Apprentice starts and commercial courses. A reduced budget was set which included the decision to permanently shut the canteen and unfortunatley included making a small number of redundancies.

We continued to ensure that as many apprentices as possible remained on program to secure continued income from the ESFA, this included continuing remote training for BTEC/HNC via Zoom and keeping the number of learners on practical training low on each section.

SETA also continued to utilise the Coronavirus Job Retention Scheme to partially Furlough staff where we could not justify full time work, this was reviewed on a weekly basis.

Commercial courses continued to pick up and all departments exceeded their budgets for the year.

Apprenticeship starts continued to struggle despite the Government's increased incentives, only reachng 30 by the end of the year, compared to 97 (2020) and 124 (2019).

We continued to work those apprentices that had been made redundant in 2020 utilising the ESFA special funding rules to continue training and gain alternative employment for the learners, this was very successful.

The number of learners starting stand alone NVQ's paid directly by their employers decreased from 13 to 10 this year.

Demand for the The Level 4 Higher National Certificate (HNC) in Engineering still continued to be extremely strong with 25 commencing year one and 13 returning to complete year two. This is a natural progression for Apprentices after achieving the Level 3 National Certificate and is a full commercial charge to employers.

SETA were successful in securing funding for a study programme to deliver training to unemployed learners whilst seeking employment for them. We were successful in securng employment for 18 out of 26 learners.

We are still looking to expand to HND over the next couple of years.

## Financial Review

The principal funding sources for Stockport Engineering Training Association Ltd are received from the Educations and Skills Funding Agency for funded apprenticeships. This is supplemented via employer contributions, where they require training over and above the framework/Standard or the learner only qualifies for part funding. The new Non-Levy funding system that was released in January 2020 means that we are no longer reliant on our subcontract agreement with Eastleigh College to fund apprenticeships for small employers. Those learners registered with Eastleigh will continue with them until completion.

This funding is supported by other training income being generated through the charity's subsidiary trading companies, these allow us to operate in other markets that would not normally be accessible to the charity. These include:

1) Commercial Engineering Training - This had a decreased budget for 2021 of £150,000 and finished £27,000 over budget at the year end.
2) Health & Safety courses - This also had a reduced budget of £280,000 and finished £10,000 over budget.
3) Commercial NVQ training.
4) SETA International - This also had a reduced budget of £70,000 and finished £7,000 over budget.

All profits from the commercial training will be gift-aided back to the Charity to aid it in fulfilling its charitable aims, £192,351 has been gift aided in 2021. (£13,688 in 2020)

The financial result for the period was a net decrease in funds of £38,720 (2020 : Decrease £2,837).

During January and February 2021 it became apparent that the main roof of the workshop was deteriorating faster than anticipated and running repairs were no longer an option. Even though it was not included in the budget It was agreed that a full replacement was required. Quotes were obtained and the contract was awarded to Practical Roofing Solutions at a cost of £95,000, with staged payments. Work commenced in June 2021 but completion was delayed until after the year end and these figures include £62,000 of that expenditure.

Income decreased by £99,946 (£5,000 up on budget), however, after claiming £30,043 via the Governments CJRS furlough scheme, the net impact on the accounts was a reduction of £111,123. Despite the additional roof repairs costs above, expenditure was only over the original budget by £5,000. This had the result of reducing the budgeted loss of £67,000 to a loss of £37,742.

The CBILS loan of £120,000 had been agreed by the bank on the 20th July 2020 but, largely due to the fact that training picked up much faster than anticipated, had not been required by the year end. The agreement was to expire on the 20th January 2021 and so the loan was drawn down on this date even though it was still not required at this time.

The main building at Hammond Avenue, Stockport has been revalued in the year with an increase to £1,245,000 from £850,000.

The effect is that our consolidated balance sheet shows an even stronger picture with net current assets of £129,186 compared to £42,892 (2020) and total funds of £956,488 compared to £532,208 (2020).

### Post Balance Sheet Events

As mentioned above the delay in th completion of the roof there was still a final payment of £33,000 to pay. The roof was finally completed in January 2022 and this expenditure will be incurred at that time.

**Reserves Policy**

Reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned emergency repairs and other expenditure. The trustees consider that the ideal level of reserves as at 31st July 2021 would equate to between 3 and 6 months of non-course related expenditure. Three months being £342,000 based on 2021 levels. The trustees consider that this level of reserves would ensure that, given a significant drop in funding, they would be able to continue the Charity's current activities whilst alternate plans were implemented.

The Charities total reserves were £956,488 as at 31st July 2021. The free reserves, being those unrestricted funds not represented by fixed assets and their associated finance, were £49,443 at 31st July 2021 (£87,324 in 2020), an decrease of £37,881.

We aim to bring these up to an ideal level over the next five years.

We consistently plan and monitor the financial performance of the charity in order to maintain reserve levels by:
- Setting Budgets
- Producing Cash flows
- Producing Monthly Management Accounts
- Setting Business Development Plan

**Investments Held**

The investments held by the charity are share capital held in it's two subsidiary companies:
- SETA Training and Advisory Services Limited - held in order to allow the charity to access other commercial training to supplement it's income.
- SETA Training (Cyprus) Limited - held in order to maintain our safety training presence in Cyprus when government policies changed and it would have been impossible with a Cyprus registered company.

## Plans for future periods

Our future plans are detailed in our business development plan. A concerted effort is being made to promote all SETA courses to existing clients and members companies.

Major funding changes in the Apprenticeship Levy should now settle down and provide some stability in the sector, we are still on the front line for any information that is released and we will monitor the potential threats and opportunities that may arise.

Covid-19 will continue to impact the Association in the future but we have contingency plans in place and will continue to adapt to the changes required and maximise any funding assistance that can be accessed.

## Reference and administrative details

**Company Number:**
1512311

**Charity Number:**
510493

**Registered Office:**
18 Hammond Avenue
Whitehill Industrial Estate
South Reddish
Stockport
SK4 1PQ

**Bankers**
The Royal Bank of Scotland Plc
1 Great Underbank
Stockport
SK1 1LN

**Auditors**
Mitten Clarke Audit Limited
Chartered Accountants and Statutory Auditors
St George's House
56 Peter Street
Manchester
M2 3NQ

**Directors and trustees**

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The trustees and officers serving during the year and since the year end were as follows:

Mr R G Howarth (Chairman)
Mr J R Moss (Treasurer)
Dr Moray Kidd
Mr N Carne

Company Secretary: Mr M C Field

**Key management personnel:**

| | |
|---|---|
| Chief Executive: | Mr R M Prince |
| Financial Director | Mr M C Field |
| External Operations Director | Mrs J Burns |
| Internal Operations Director | Mr M Neild |
| Quality Director | Mr L Johnson |

## Structure, Governance and Management

### Governing Document

The charity is controlled by its memorandum and articles of association and constitutes a limited company, limited by guarantee as deemed by the Companies Act 2006.

### Recruitment and Appointment of New Directors and Trustees

The Directors of the Company are elected annually at the Company's Annual General Meeting. At each Annual General Meeting one third of the Elected Board Members for the time being, or if their number is not a multiple of 3 then the nearest one third, retires from office. If there is only one Elected Board Member who is subject to retirement by rotation, he/she retires. The Elected Board Members who are to retire in every year are those who have been longest in office since their last election or appointment, but as between persons who became Elected Board Members on the same day those to retire (unless they otherwise agree among themselves) are deemed by lot. A retiring Board Member is eligible for re-election, but does not serve more than 3 consecutive 3 year terms or, in the case of an Officer, 2 consecutive 3 year terms. Each Trustee is elected and voted into office by the members and office of Chairman, Deputy and Treasurer similarly elected. The Association is a member led organisation and the Trustees are mindful of meeting their needs. Currently there are five Trustees, all holding non-executive office and meet formally every four months.

### Induction and Training of Directors and Trustees

New Directors and Trustees are given training upon election, subject to their existing skills and knowledge. A tailored programme of training takes place for each new Director and Trustee. It provides trustees with suitable and sufficient help and guidance on how the Charity works.

### Organisational Structure

Overall responsibility for the Charity's strategy and direction rests with the Board of Management, which comprises all Directors. The carrying out of day to day activities is delegated to the staff under the management of the Chief Executive. There are no specific significant restrictions regarding the way the Charity can operate.

The Charities decisions are ultimately made by the Board of Directors, there are bi-monthly meetings when discussions take place and decisions are then filtered down to the staff concerned by their line managers.

### Subsidiaries

The Charity has two trading subsidiaries, SETA Training & Advisory Services Ltd and SETA Training (Cyprus) Ltd whose accounts are reported separately, and are consolidated into these accounts.

Both these companies were set up to perform trading activities to provide funds for the charity. As stated in the notes SETA Training and Advisory Services Ltd made a profit of £192,351 before distributions and SETA Training (Cyprus) Limited a small loss of £682.

### Pay policy for senior staff

Decisions on management remuneration levels are made by the Chief Executive taking into account the job role, peer group salary evaluations, appraisals and advice from the Company Accountant.

The Chief Executives remuneration is ultimately set by the Board.

**Risk Management**
The Trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Board has carried out a review of the major risks to which the Charity is exposed and has put in place controls and activities to mitigate those risks which are within their control to influence.

## Trustees' responsibilities in relation to the financial statements

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and

- the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**By order of the board of trustees**

R.G.How

Mr. R G Howarth
Chairman

13th April 2022

## Stockport Engineering Training Association Limited
### Report of the Independent Auditors
### to the Trustees of Stockport Engineering Training Association Limited

**Opinion**

We have audited the financial statements of Stockport Engineering Training Association Limited (which comprises the Group and Parent Charitable Company) for the year ended 31 July 2021 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheet, the consolidated and charity statement of cashflows 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 FRS 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 group and parent charitable company's affairs as at 31 July 2021 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 and Charities Act 2011.

**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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

**Other information**

The other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditors' 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 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.

**Matters on which we are required to report by exception**
In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and proper 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.

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

In preparing the financial statements, the trustees are responsible for assessing the Group and Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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**
The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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:

In preparation for our audit we identified areas of laws and regulations which we considered could have a material effect on the financial statements. This information was obtained via discussions with management and from our general commercial and sector experience.The trustees also provide us with written representation of all the key and fundamental industry specific laws and regulations with they are required to adhere to. These were then communicated to the whole of the audit team at our audit planning meeting.

As a charitable company providing training and education, non-compliance with the Charities Act 2011, Companies Act 2006 and industry specific regulations of Ofsted and the Education & Skills Funding Agency were assessed to be most relevant. Our audit procedures to respond to these risks included:

- Enquiries with management;
- Inspection of regulatory records, inspection reports, submissions, and other correspondence;
- Challenges to management assumptions and judgements in relation to accounting estimates.
- Review of journals entered throughout the year.
- Substantive transaction testing.

Despite appropriate planning and performing our work in accordance with International Auditing Standards, there are always inherent limitations that non-compliance is not detected. Non-compliance with laws and regulations is often further removed from the events and transactions reflected in the financial statements and material misstatements due to fraud can be deliberately concealed from auditors, for example through misrepresentation, forgery or collusion.
A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the Group and Charitable Company's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mitten Clarke Audit Limited

Mitten Clarke Audit Limited
Chartered Accountants and Statutory Auditors
St George's House
56 Peter Street
Manchester
M2 3NQ

Date: 13th April 2022

## Stockport Engineering Training Association Limited
## Consolidated Statement of Financial Activities
## (Incorporating a Consolidated Income and Expenditure Account)
## for the year ended 31 July 2021

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Total 2021 £ | Total 2020 £ |
|---|---|---|---|---|---|
| **INCOME** | | | | | |
| *Donations and legacies* | 3 | 98,543 | - | 98,543 | 109,720 |
| ***Income from trading activities*** | 4 | 655,963 | - | 655,963 | 548,049 |
| *Investment income* | 4 | 16 | - | 16 | 120 |
| ***Income from charitable activities:*** | 5 | 940,030 | - | 940,030 | 1,147,786 |
| **Total income** | | 1,694,552 | - | 1,694,552 | 1,805,675 |
| **EXPENDITURE** | | | | | |
| ***Expenditure on raising funds*** | 6 | 627,084 | - | 627,084 | 551,950 |
| ***Expenditure on charitable activities*** | 7 | 1,106,188 | - | 1,106,188 | 1,256,562 |
| **Total Expenditure** | | 1,733,272 | - | 1,733,272 | 1,808,512 |
| **NET EXPENDITURE** | 9 | (38,720) | - | (38,720) | (2,837) |
| Gains/(Losses) on revaluation of Fixed Assets | | 463,000 | | 463,000 | |
| **Net movement of funds for the year** | | 424,280 | - | 424,280 | (2,837) |
| **RECONCILIATION OF FUNDS** | | | | | |
| Total funds brought forward | | 532,208 | - | 532,208 | 595,093 |
| **Funds balances carried forward** | | 956,488 | - | 956,488 | 592,256 |

**Stockport Engineering Training Association Limited**
**Consolidated Balance Sheet**
**as at 31 July 2021**

| | Notes | | 2021 | | 2020 |
|---|---|---|---|---|---|
| | | | £ | | £ |
| **FIXED ASSETS** | | | | | |
| Tangible assets | 12 | | 1,376,754 | | 958,944 |
| **CURRENT ASSETS** | | | | | |
| Stocks | 14 | 15,170 | | 9,451 | |
| Debtors | 15 | 317,583 | | 263,014 | |
| Cash at bank and in hand | | 152,546 | | 163,074 | |
| | | 485,299 | | 435,539 | |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 16 | (356,113) | | (392,647) | |
| **NET CURRENT ASSETS** | | | 129,186 | | 42,892 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | | 1,505,940 | | 1,001,836 |
| **CREDITORS** | | | | | |
| Amounts falling due after more than one year | 17 | | (549,452) | | (469,628) |
| **NET ASSETS** | | | 956,488 | | 532,208 |
| **FUNDS** | | | | | |
| General funds | 21 | | 956,488 | | 532,208 |
| **TOTAL FUNDS** | | | 956,488 | | 532,208 |

## Stockport Engineering Training Association Limited
## Consolidated Balance Sheet
## as at 31 July 2021

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 July 2021.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibility for

(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006; and
(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Section 394 and 395 and which otherwise comply with the requirements of any Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of section 144 of the Charities Act 2011.

These financial statements have been prepared in accordance with the Companies Act 2006 and with the Financial Reporting standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements were approved by the board of Trustees on the 13th April 2022 and were signed on its behalf by:

R.G.H

Mr. R G Howarth
Chairman

**Stockport Engineering Training Association Limited**
**Charity Balance Sheet**
**as at 31 July 2021**

| | Notes | | 2021 £ | | 2020 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 12 | | 1,376,754 | | 958,944 |
| Investments | 13 | | 1,853 | | 1,901 |
| | | | 1,378,607 | | 960,845 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 15 | 131,172 | | 91,143 | |
| Cash at bank and in hand | | 30,784 | | 18,043 | |
| | | 161,956 | | 109,186 | |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 16 | (109,163) | | (128,978) | |
| **NET CURRENT LIABILITIES** | | | 52,793 | | (19,792) |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | | 1,431,400 | | 941,053 |
| **CREDITORS** | | | | | |
| Amounts falling due after more than one year | 17 | | (549,452) | | (469,628) |
| **NET ASSETS** | | | 881,948 | | 471,425 |
| **FUNDS** | | | | | |
| General funds | | | 881,948 | | 471,425 |
| **TOTAL FUNDS** | | | 881,948 | | 471,425 |

**Stockport Engineering Training Association Limited**
**Charity Balance Sheet**
**as at 31 July 2021**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 July 2021.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibility for:

(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006; and
(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of section 144 of the Charities Act 2011.

These financial statements have been prepared in accordance with the Companies Act 2006 and with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements were approved by the board of Trustees on the 13th April 2022 and were signed on its behalf by:

R.G.H

Mr. R G Howarth
Chairman

**Stockport Engineering Training Association Limited**
**Statement of Cash Flows and Consolidated Statement of Cash Flows**
**for the year ended 31 July 2021**

| | Note | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|---|---|---|---|---|---|
| **Cash used in operating activities** | 27 | **(74,493)** | **184,497** | **(106,001)** | **124,097** |
| **Cash flows from investing activities** | | | | | |
| Interest Income | | 16 | 120 | 3 | 3 |
| Purchase of tangible fixed assets | | (15,875) | (20,078) | (15,875) | (20,078) |
| **Cash used in investing activites** | | **(15,859)** | **(19,958)** | **(15,872)** | **(20,075)** |
| **Cash flows from financing activites** | | | | | |
| Increase (repayment) of borrowing | | 79,824 | (45,709) | 79,824 | (45,709) |
| **Cash used in financing activites** | | **79,824** | **(45,709)** | **79,824** | **(45,709)** |
| Increase/(decrease) in cash and cash equivalents in the year | | **(10,528)** | **118,830** | **(42,049)** | **58,313** |
| Cash and cash equivalents at the beginning of the year | | 163,074 | 44,244 | 72,833 | 14,520 |
| **Total cash and cash equivalents at the end of the year** | | **152,546** | **163,074** | **30,784** | **72,833** |

## 1 ACCOUNTING POLICIES

***Basis of preparation of accounts***

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 (FRS 102) (effective January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Stockport Engineering Training Association Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s) and with the exception of investments which are included at market value.

**Preparation of the accounts on a going concern basis**

The Trustees believe it is appropriate to prepare the accounts of the company on a going concern basis.

The COVID-19 pandemic and the government's measures to contain the virus have negatively impacted on the charity's performance since March 2020. As explained in the Trustees' Annual Report, through the use of the government's Coronavirus Job Retention Scheme, Coronavirus Business Interruption Loan Scheme, cost saving measures and increased use of online remote learning tools, the trustees have mitigated this impact as best they can and are satisfied that there are no material uncertainties to cast doubt over the charity's ability to continue as a going concern

The charity also receives part of its income in the form of Apprenticeship Levy and Non-Levy funding from the Education and Skills Funding Agency ("The ESFA"). In common with many funded charities, the adoption of the going concern basis is dependent on the charity receiving adequate funding. The charity currently has learners on programme unitil January 2026 and is able to draw down funding as we are registered on the Register of Apprenticeship Training Providers (RoATP). While the Trustees recognise the uncertainties inherent in predicting the timing and level of future funding beyond this date, they believe that adequate funding will be secured.

**Group financial statements**

The consolidated accounts incorporate the results of Stockport Engineering Training Association Limited ('the Charity') and its subsidiary undertakings; SETA Training & Advisory Services Limited and SETA Training (Cyprus) Limited; on a line-by-line basis.

The consolidated entity is referred to as 'the Group'. No separate company Statement of Financial Activities (SOFA) has been prepared for the Charity as permitted by section 408 of the Companies Act

***Income***

Income is included in the SOFA when the charity is entitled to the income and when it is probable that income will be received and the amount can be measured reliably. Donations in kind are recognised at their value to the charity when they are received. No amounts are included for services donated by volunteers.

Income comprise:

Donations and legacies

| | |
|---|---|
| *Legacies* | Pecuniary legacies are recognised as receivable once probate has been granted and notification has been received. Residuary legacies are recognised as receivable once probate has been granted, provided that sufficient information has been received to enable valuation of the Charity's entitlement. |
| *Donations* | Donations are accounted for as they are received. |
| *Gift Aid* | Gift Aid is included based on amounts recovered or recoverable at the accounting date. |

Activities for raising funds

| | |
|---|---|
| *Membership subscription* | Membership subscription income (which is not considered to be donations) is accounted for on an accrual basis. |
| *Engineering training* | Income from providing training and courses are accounted for on an accrual basis. |
| *Safety training* | Income from providing training and courses are accounted for on an accrual basis. |
| *Schools training* | Income from providing training and courses are accounted for on an accrual basis. |

| | |
|---|---|
| Investment income | Investment income is accounted for on an accrual basis. |

Income from charitable activities

| | |
|---|---|
| *Apprentice training – Government funded* | Government funding is recognised when the Charity is entitled to receipt on an accrual basis. |
| *Apprentice training – Other funded* | Income is recognised when the Charity is entitled to receipt on an accrual basis. |
| *members services* | Income from providing training and courses are accounted for on an accrual basis. |

| | |
|---|---|
| Government Grant Income | Coronavirus Job Retention Scheme Furlough income is claimed and accounted for in the month that it relates to. |

***Expenditure and basis of allocation***
Expenditure is accounted for on an accruals basis. Overheads and other costs not directly attributable to a particular charitable activity category are apportioned over the relevant on the basis of management estimates attributable to that activity in the year, which is calculated as follows:

| Administrative expenses (Staff Time) | 2021 | 2020 |
|---|---|---|
| | % | % |
| Engineering training income | 6.5 | 6.0 |
| Safety and short courses | 15.2 | 15.4 |
| Apprentice training | 47.3 | 49.1 |
| Non-Government funded apprentices | 12.1 | 12.9 |
| Schools/Study Programme Training | 3.4 | - |
| Services to members | - | 0.7 |
| Governance | 15.5 | 15.9 |

| Training Centre expenses (Staff Time) | 2021 | 2020 |
|---|---|---|
| | % | % |
| Engineering training income | 16.6 | 14.2 |
| Apprentice training | 64.0 | 70.6 |
| Non-Government funded apprentices | 13.8 | 15.0 |
| Schools/Study Programme Training | 5.6 | - |
| Services to members | - | 0.2 |
| Governance | - | - |

| Short Course expenses (Staff Time) | 2021 | 2020 |
|---|---|---|
| | % | % |
| Safety and short courses | 100.0 | 97.6 |
| Apprentice training | - | 2.4 |
| Non-Government funded apprentices | - | - |
| Schools/Study Programme Training | - | - |
| Services to members | - | - |

| Group Services expenses (Staff Time) | 2021 | 2020 |
|---|---|---|
| | % | % |
| Engineering training income | 1.6 | 1.6 |
| Safety and short courses | 2.9 | 2.9 |
| Apprentice training | 82.8 | 82.8 |
| Non-Government funded apprentices | 11.3 | 11.3 |
| Schools/Study Programme Training | - | - |
| Services to members | 1.4 | 1.4 |
| Governance | - | - |

| Canteen expenses (Delegate Numbers) | 2021 | 2020 |
|---|---|---|
| | % | % |
| Engineering training income | 39.5 | 11.7 |
| Safety and short courses | 60.5 | 13.1 |
| Apprentice training | - | 75.1 |

| Premises expenses (Floor Area) | 2021 | 2020 |
|---|---|---|
| | % | % |
| Engineering training income | 28.4 | 28.4 |
| Safety and short courses | 13.3 | 13.2 |
| Apprentice training-Government funded | 12.3 | 11.1 |
| Apprentice training-Other funded | 27.0 | 36.3 |
| Schools/Study Programme Training | 10.5 | - |
| Services to members | - | 1.4 |
| Governance | 8.5 | 9.6 |

***Governance costs***

Governance costs comprises the expenditure on governance of the charity including audit fees, legal advice for trustees, costs of trustee meetings and an apportionment of relevant staff costs based on time spent on governance-related matters.

***Leasing and hire purchase commitments***

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet. The assets are depreciated over their expected useful lives.

Rentals under operating leases are charged to the statement of financial activities as they fall due.

***Pension costs***

The company operates a defined contribution pension scheme for the present employees. Contributions are charged to the SOFA as they become payable in accordance with the rules of the scheme

***Tangible fixed assets and depreciation***

All fixed assets are held for charitable use and are stated at cost less depreciation with all repairs written off as occurred.

Land and buildings are held at market value. Land and buildings are revalued regularly to ensure the carrying value is not materially different from a fair value at the end of the reporting period.

Depreciation is provided at rates calculated to write off the cost of tangible fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | |
|---|---|
| Freehold Property | 2% straight line |
| Motor Vehicles | 25% reducing balance |
| Plant and Machinery | 15% reducing balance |
| Computer Equipment | 20% straight line |
| Office Equipment | 25% reducing balance |

***Stocks***

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

***Investments***

Subsidiary companies are valued at cost, with any resulting gains or losses on exchange included in the SOFA.

***Taxation***

The activities of the Charity are exempt from corporation taxation under section 505 of the Income and Corporation Taxes Act 1988 to the extent that they are applied to the organisation's charitable objectives.

The trading subsidiaries do not generally pay UK corporation tax because their policy is to pay taxable profits as Gift Aid to the Charity. Foreign tax incurred by overseas subsidiaries is charged as it is incurred.

***Funds***

Unrestricted funds are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds is charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income and gains are allocated to the appropriate fund.

***Foreign currencies***

Transactions in foreign currencies are recorded at the rate of exchange prevailing at the date of the transaction. Foreign currency balances are translated into sterling at the exchange rates prevailing at the balance sheet date. Any resulting gains or losses on exchange are included in the SOFA.

Profits and losses of foreign subsidiaries are translated to sterling at average rates of exchange. The opening net assets and profit and loss accounts of those subsidiaries are retranslated to year end rates; exchange differences arising on the retranslation are taken to reserves.

**Debtors**

Debtors are normally recognised at their transaction price, provision for Bad Debts has been included for the year.

**Creditors and Provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

## 2 FINANCIAL PERFOMANCE OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1. The Consolidated Statement of Financial Activities is for the Group as a whole. The figures below are the equivalent figures for the Charity only, excluding other Group companies.

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Income | 794,457 | 999,262 |
| Gift aid from the subsidiary company | 122,874 | 13,688 |
| | 917,331 | 1,012,950 |
| Expenditure on charitable activities | (867,053) | (862,864) |
| Governance costs | (157,545) | (152,413) |
| Gains/(Losses) on revaluation of Fixed Assets | 463,000 | - |
| | (561,598) | (1,015,277) |
| **Net movement in funds** | 355,733 | (2,327) |
| Total funds brought forward | 526,215 | 528,542 |
| **Total funds carried forward** | 881,948 | 526,215 |
| **Funds** | | |
| Unrestricted funds | 881,948 | 526,215 |
| | 881,948 | 526,215 |

## 3 DONATIONS AND LEGACIES

| | Unrestricted Funds | Restricted Funds | 2021 Total | 2020 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Government Grant Income | 98,543 | - | 98,543 | 109,720 |
| | 98,543 | - | 98,543 | 109,720 |

## 4 INCOME FROM OTHER TRADING ACTIVITIES

| | Unrestricted Funds | Restricted Funds | 2021 Total | 2020 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Other trading activities** | | | | |
| Membership subscriptions | 3,089 | - | 3,089 | 4,940 |
| Engineering training income | 190,115 | - | 190,115 | 172,538 |
| Safety and short courses | 390,159 | - | 390,159 | 370,571 |
| Schools/Study Programme Training | 72,600 | - | 72,600 | - |
| | 655,963 | - | 655,963 | 548,049 |
| **Investment income** | | | | |
| Interest on cash deposits | 16 | - | 16 | 120 |

## 5 INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted Funds | Restricted Funds | 2021 Total | 2020 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Apprentice training-Government funded | 761,839 | | 761,839 | 917,469 |
| Apprentice training-Other funded | 177,254 | - | 177,254 | 220,717 |
| Members services | 937 | - | 937 | 9,600 |
| | 940,030 | - | 940,030 | 1,147,786 |

## 6 EXPENDITURE ON RAISING FUNDS

| | Unrestricted Funds | Restricted Funds | 2021 Total | 2020 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| *Engineering training* | | | | |
| Marketing | 6,487 | - | 6,487 | 11,222 |
| Staff costs | 78,736 | - | 78,736 | 68,365 |
| Training costs | 18,569 | - | 18,569 | 19,852 |
| Travel | 7,643 | - | 7,643 | 13,994 |
| Premises costs | 47,061 | - | 47,061 | 35,796 |
| Office and sundry costs | 14,983 | - | 14,983 | 7,152 |
| Depreciation | 13,027 | - | 13,027 | 13,885 |
| | 186,506 | - | 186,506 | 170,266 |
| *Safety and short courses* | | | | |
| Marketing | 9,530 | - | 9,530 | 9,270 |
| Staff costs | 204,444 | - | 204,444 | 188,265 |
| Training costs | 95,068 | - | 95,068 | 112,098 |
| Travel | 20,549 | - | 20,549 | 28,722 |
| Premises costs | 22,072 | - | 22,072 | 16,649 |
| Office and sundry costs | 22,576 | - | 22,576 | 18,133 |
| Depreciation | 7,288 | - | 7,288 | 8,547 |
| | 381,527 | - | 381,527 | 381,684 |
| *Schools/Study Programme Training* | | | | |
| Marketing | - | - | - | |
| Staff costs | 30,694 | - | 30,694 | |
| Training costs | 2,667 | - | 2,667 | |
| Premises costs | 17,460 | - | 17,460 | |
| Office and sundry costs | 3,917 | - | 3,917 | |
| Depreciation | 4,313 | - | 4,313 | |
| | 59,051 | - | 59,051 | - |
| TOTAL | 627,084 | - | 627,084 | 551,950 |

## 7 EXPENDITURE ON CHARITABLE ACTIVITIES

| | Unrestricted Funds | Restricted Funds | 2021 Total | 2020 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| *Apprentice training-government funded* | | | | |
| Marketing | 6,659 | | 6,659 | 5,483 |
| Staff costs | 612,135 | | 612,135 | 696,698 |
| Training costs | 75,597 | | 75,597 | 102,377 |
| Travel | 7,456 | | 7,456 | 7,661 |
| Premises costs | 20,398 | | 20,398 | 13,949 |
| Office and sundry costs | 35,312 | | 35,312 | 42,154 |
| Depreciation | 6,575 | | 6,575 | 8,211 |
| | 764,132 | - | 764,132 | 876,533 |
| *Apprentice training-Other funded* | | | | |
| Marketing | - | - | | - |
| Staff costs | 102,465 | - | 102,465 | 124,330 |
| Training costs | 6,756 | - | 6,756 | 10,228 |
| Premises costs | 44,860 | - | 44,860 | 45,792 |
| Office and sundry costs | 4,840 | - | 4,840 | 11,108 |
| Depreciation | 11,080 | - | 11,080 | 14,528 |
| | 170,001 | - | 170,001 | 205,986 |
| *Member services* | | | | |
| Marketing | - | - | | |
| Staff costs | - | - | - | 2,597 |
| Training costs | - | - | - | 137 |
| Premises costs | - | - | - | 1,836 |
| Office and sundry costs | - | - | - | 1,775 |
| Depreciation | - | - | - | 1,487 |
| | - | - | - | 7,832 |
| Governance costs (note 7) | 172,055 | - | 172,055 | 166,211 |
| TOTAL | 1,106,188 | - | 1,106,188 | 1,256,562 |

## 8 GOVERNANCE COSTS

| | Unrestricted Funds | Restricted Funds | 2021 Total | 2020 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Marketing | 298 | - | 298 | 287 |
| Staff costs | 62,244 | - | 62,244 | 53,693 |
| Training costs | 3,113 | - | 3,113 | 252 |
| Travel | 4,669 | - | 4,669 | 5,335 |
| Premises costs | 14,106 | - | 14,106 | 12,109 |
| Office and sundry costs | 70,363 | - | 70,363 | 71,833 |
| Depreciation | 17,262 | - | 17,262 | 22,702 |
| | 172,055 | - | 172,055 | 166,211 |

## 9 NET RESOURCES EXPENDED BEFORE TRANSFERS

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| This is stated after charging: | | |
| Depreciation | 59,545 | 69,361 |
| Directors' remuneration | 63,518 | 61,939 |
| Pension costs | 32,367 | 34,224 |
| Auditors' remuneration | 10,248 | 10,576 |

## 10 TRUSTEES' REMUNERATION AND BENEFITS

Total remuneration paid to trustees' amounted to:

| | | |
|---|---|---|
| R.G Howarth | £1,500 | (2020 £750) |
| J. R. Moss | £1,500 | (2020 £1,500) |
| M. Kidd | £750 | (2020 £0) |
| **Total** | **£3,750** | **(2020 £2,250)** |

This has been agreed with the Charities Commission due to the additional time involved in being a Director of the Trading subsidiary company SETA Training and Advisory Services Limited

There were no trustees' expenses or other benefits for the year ended 31 July 2021 nor for the year ended 31 July 2020.

## 11 STAFF COSTS

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Staff costs during the year amounted to: | | |
| Wages and salaries | 949,435 | 998,467 |
| Social security costs | 92,612 | 92,995 |
| Pension costs | 32,367 | 34,224 |
| | 1,074,414 | 1,125,686 |

The average number of employees during the year, including full time equivalents of part time employees, was:

| | 2021 | 2020 |
|---|---|---|
| Apprentice training-government funded | 12 | 8 |
| Members services | 1 | 3 |
| Engineering training | 8 | 10 |
| Safety and short courses | 4 | 3 |
| Governance | 7 | 8 |
| | 32 | 32 |

The employees performed training, administrative and management functions.

The emoluments of one member of staff, including benefits in kind, is within the range £60,000 to £69,999 (2020 - One), not including retirement benefits which are accruing under a money purchase scheme.

The key management personnel of the group comprise those of the charity, being the trustees, the chief executive and the company secretary. The total employee benefits of the key management personnel of the group were £110,717 (2020: £107,513).

The number of employees to whom retirement benefits were accruing was 34 (2020: 37)

The above includes holiday pay accrual amounting to £26,805 (2020 £35,006)

## 12 TANGIBLE FIXED ASSETS - GROUP

| | Land and buildings £ | Plant and machinery etc £ | Motor vehicles £ | Total £ |
|---|---|---|---|---|
| **Cost or valuation** | | | | |
| At 1 August 2020 | 850,000 | 307,366 | 226,432 | 1,383,798 |
| Additions | | 15,875 | - | 15,875 |
| Deficit on revaluation | 395,000 | - | | 395,000 |
| Disposals | - | (75,818) | (17,000) | (92,818) |
| At 31 July 2021 | 1,245,000 | 247,423 | 209,432 | 1,701,855 |
| **Depreciation** | | | | |
| At 1 August 2020 | 51,000 | 227,866 | 145,988 | 424,854 |
| Charge for the year | 17,000 | 22,551 | 19,994 | 59,545 |
| Deficit on revaluation | (68,000) | - | - | (68,000) |
| On disposals | - | (75,818) | (15,480) | (91,298) |
| At 31 July 2021 | - | 174,599 | 150,502 | 325,101 |
| **Net book value** | | | | |
| At 31 July 2021 | 1,245,000 | 72,824 | 58,930 | 1,376,754 |
| At 31 July 2020 | 799,000 | 79,500 | 80,444 | 958,944 |

All fixed assets held are used for direct charitable purposes.

Except under an order of the registrar, no deposition by the proprietor of the land is to be registered without the consent of the proprietor of the Charge in favour of the Royal Bank of Scotland Plc. referred to in the Charges Register.

If the freehold land and building had not been revalued they would have been included at the following historical cost:

| | 2021 £ |
|---|---|
| Historical cost | 702,356 |
| Aggregate depreciation | (228,345) |
| At 31 July 2021 | 474,011 |

Freehold land and buildings were valued on an open market basis at July 2021 by Roberts & Roberts Surveyors.

Cost or valuation at 31 July 2021 is represented by:

| | Land and Buildings £ |
|---|---|
| Historical cost | 702,356 |
| Revaluation 2006 | 555,825 |
| Revaluation 2011 | (495,858) |
| Revaluation 2017 | 87,677 |
| Revaluation 2021 | 395,000 |
| At 31 July 2021 | 1,245,000 |

## 13 INVESTMENTS - COMPANY

| | Unlisted investment £ |
|---|---|
| **Cost** | |
| At 1 August 2020 | 1,901 |
| Movement | (48) |
| At 31 July 2021 | 1,853 |
| **Net book value** | |
| 31 July 2021 | 1,853 |
| 31 July 2020 | 1,901 |

The company's investments at the balance sheet date in the share capital of companies include the following:

| Subsidiary Undertaking | Country of Incorporation | Class of Shares | % Held |
|---|---|---|---|
| SETA Training and Advisory Services Limited | England | Ordinary | 100% |
| SETA Training (Cyprus) Limited | Cyprus | Ordinary | 100% |
| SETA International Limited | England | Ordinary | 99.8% |

**SETA Training and Advisory Services Limited** (Incorporated in England and Wales)

Nature of business: Providing training for people employed or intending to be employed in industry and commerce.

| Class of shares: | % holding | Company Number: 03001863 |
|---|---|---|
| Ordinary shares of £1 each | 100.00 | |

| | 2021 £ | 2020 £ |
|---|---|---|
| Turnover | 898,371 | 800,823 |
| Cost of sales and administration costs | (706,033) | (787,251) |
| Interest receivable | 13 | 116 |
| Interest payable | | |
| Tax | | |
| Net Profit | 192,351 | 13,688 |
| Amount gift aided to the charity | (122,874) | (13,688) |
| **Retained in subsidiary** | 69,477 | - |

**SETA Training (Cyprus) Limited** (Incorporated in Cyprus)

Nature of business: Providing health and safety courses industry and commerce.

| | % | | |
|---|---|---|---|
| Class of shares: | holding | Company Number: 224453 | |
| Ordinary shares of £1 each | 100.00 | | |
| | | **2021** | **2020** |
| | | **£** | **£** |
| Aggregate capital and reserves | | 4,616 | 5,594 |
| Profit/(Loss) for the period | | (682) | (519) |

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiaries. The summary financial performance of SETA Training (Cyprus) Limited alone is:

| | **2021** | **2020** |
|---|---|---|
| | **£** | **£** |
| Turnover | 1,711 | 12,750 |
| Cost of sales and administration costs | (2,393) | (13,041) |
| Interest receivable | | |
| Corporation Tax | | (228) |
| Net Profit | (682) | (519) |
| Amount gift aided to the charity | - | - |
| **Retained in subsidiary** | (682) | (519) |

**SETA International Limited** (Incorporated in England and Wales)

Nature of business: Dormant

| | % | | |
|---|---|---|---|
| Class of shares: | holding | Company Number: 9992870 | |
| Ordinary shares of £1 each | 99.80 | | |
| | | | **2021** |
| | | | **£** |
| Aggregate capital and reserves | | | 1,000 |
| Profit/(Loss) for the period | | | - |

## 14 STOCK

| | **Group 2021** | **Group 2020** | **Charity 2021** | **Charity 2020** |
|---|---|---|---|---|
| | | **£** | **£** | **£** |
| Centre materials | 9,168 | 6,190 | - | - |
| Registrations | 900 | 1,627 | - | - |
| Canteen | 257 | 190 | - | - |
| Stationery | 613 | 842 | - | - |
| Cleaning Materials | 173 | 602 | - | - |
| Course Books | 4,059 | | - | - |
| | 15,170 | 9,451 | - | - |

## 15 DEBTORS

| | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|---|---|---|---|---|
| Trade debtors | 124,884 | 129,985 | 3,007 | 7,452 |
| Government funding receivable | 104,282 | 53,600 | 104,282 | 53,600 |
| Amounts due from Group undertakings | | | | 4,411 |
| Other taxes and social security costs | 2,423 | | 10,275 | 9,172 |
| Prepayments and accrued income | 79,282 | 71,625 | 7,301 | 9,109 |
| Other debtors | 6,712 | 7,804 | 6,307 | 7,399 |
| | 317,583 | 263,014 | 131,172 | 91,143 |

On 4th December 1997 the directors of the charity executed a first legal charge over the book debts of the wholly owned subsidiary company.

The loan to the subsidiary company is the subject of a formal loan agreement between itself and the Charity dated 4th December 1997 and which is subject to the following:

a) Interest is to be charged at 1% over bank base rate and the loan is secured by a fixed charge over book and other debts of the wholly owned subsidiary company.

b) The loan is to be renegotiated in the interests of the Charity each year and shall be repayable to the Charity on the 31st July each year.

## 16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|---|---|---|---|---|
| Bank loan (secured) | 34,399 | 22,414 | 34,399 | 22,414 |
| Trade creditors | 51,920 | 51,886 | 5,127 | 17,932 |
| Obligations under finance lease and hire purchase contracts | 5,858 | 21,695 | 5,858 | 21,695 |
| Amounts owed to group undertakings and undertakings in which the company has a participating interest | | | | |
| Accruals and deferred income | 234,176 | 246,591 | 34,019 | 36,055 |
| Other taxes and social security costs | 24,124 | 40,652 | 24,124 | 22,673 |
| Other creditors | 5,636 | 9,409 | 5,636 | 8,209 |
| | 356,113 | 392,647 | 109,163 | 128,978 |

## 17 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|---|---|---|---|---|
| Bank loan (secured) | 549,452 | 463,770 | 549,452 | 463,770 |
| Obligations under finance lease and hire purchase contracts | - | 5,858 | - | 5,858 |
| | 549,452 | 469,628 | 549,452 | 469,628 |
| 1-5 years | 200,103 | 99,761 | 200,103 | 99,761 |
| More than 5 years | 349,349 | 369,867 | 349,349 | 369,867 |
| | 549,452 | 469,628 | 549,452 | 469,628 |

## 18 SECURITY

On 29 April 2002 the directors of the charity executed a first legal charge over the book debts of the wholly owned subsidiary company.

The bank loan and overdraft is secured by a legal charge over the freehold property of the company.

## 19 Deferred Income

Deferred income comprises advanced sales for courses, quarterly membership and monitoring which are carried out post year end.

| | Group 2021 £ | Group 2020 £ |
|---|---|---|
| Balance as at 1 August 2020 | 169,912 | 196,754 |
| Amount released to income earned from charitable activities | (169,912) | (196,754) |
| Amount deferred as at 31 July 2021 | 169,583 | 169,912 |
| | 169,583 | 169,912 |

## 20 CALLED UP SHARE CAPITAL

**SETA Training & Advisory Services Limited**

Alloted, issued and fully paid:

| Class: | Nominal value: | | 2021 £ | 2020 £ |
|---|---|---|---|---|
| Ordinary | £ | 1 | 1,000 | 1,000 |

**SETA Training (Cyprus) Limited**

Alloted, issued and fully paid:

| Class: | Nominal value: | | 2021 £ | 2020 £ |
|---|---|---|---|---|
| Ordinary | € | 1 | 853 | 899 |

## 21 FUNDS - GROUP

| | Unrestricted Funds | Restricted Funds | Total |
|---|---|---|---|
| | £ | £ | £ |
| Tangible fixed assets | 1,376,754 | | 1,376,754 |
| Net current (liabilities)/assets | 129,186 | | 129,186 |
| Deferred liabilities | (549,452) | | (549,452) |
| | 956,488 | - | 956,488 |

| | Balance at 1-Aug-2020 | Income | Expenses | Transfers | Balance 31 July 2021 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| *Restricted funds* | | | | | |
| Loan stock | - | - | - | - | - |
| | - | - | - | - | - |
| *Unrestricted funds* | | | | | |
| General reserve | 205,169 | 1,694,552 | (1,733,272) | 2,953 | 169,402 |
| Revaluation reserve | 327,039 | 463,000 | - | (2,953) | 787,086 |
| Loan stock | | | | - | - |
| | 532,208 | 2,157,552 | (1,733,272) | - | 956,488 |
| TOTAL | 532,208 | 2,157,552 | (1,733,272) | - | 956,488 |

| Name of Fund | Description, nature and purposes of the fund |
|---|---|
| General reserve | The 'free reserves' after allowing for all designated funds. |
| Revaluation reserve | The value of freehold property at market value in excess of carrying value at historical cost. |

## 22 Operating Leases

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Within one year | 13,113 | 12,645 |
| Between two and five years | 28,016 | 15,390 |
| Greater than five year | 5,668 | - |
| | 46,797 | 28,035 |

## 23 RELATED PARTY TRANSACTIONS

During the year the disposed of a company car, according to our policy this was offered to all staff to buy on a highest bidder basis, subject to market value. The car was ultimatley sold to the Chief Executive (Russell Prince).

## 24 ULTIMATE CONTROLLING PARTY

There was no ultimate controlling party during the year under review or the preceding year.

## 25 RECRUITMENT OF TRUSTEES

When recruiting new Trustees several factors are taken into account including the diversity of the present Board, current skill gaps on the Board, current employer representation. Recomendations may be made by the Chief Executive but the ultimate decision must be made by the existing Board.

## 26 MANAGEMENT REMUNERATION

Decisions on managment remuneration levels are made by the Chief Executive taking into account the job role, peer group salary evaluations, appraisals and advice from the Company Accountant.

The Chief Executives remuneration is ultimately set by the Board.

## 27 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|---|---|---|---|---|
| Net movement in funds | 424,280 | (2,837) | 355,733 | (2,327) |
| Add back depreciation charge | 59,545 | 69,361 | 59,545 | 69,361 |
| Sale of Fixed Assets | 2,500 | | 2,500 | |
| Less profit on disposal of FA | (980) | | (980) | |
| Add back (Gains)/Losses on revaluation of Fixed Assets | (463,000) | | (463,000) | - |
| Movement in Investments | | | 48 | (2) |
| Deduct interest income shown in investing activities | (16) | (120) | (3) | (3) |
| Decrease (increase) in stock | (5,719) | 4,302 | - | - |
| Decrease (increase) in debtors | (54,569) | 131,430 | (40,029) | 31,974 |
| Increase (decrease) in creditors | (36,534) | (17,639) | (19,815) | 25,094 |
| | (74,493) | 184,497 | (106,001) | 124,097 |

THE STOCKPORT ENGINEERING TRAINING ASSOCIATION

England & Wales - Charity number 510493

# Accounts

# Stockport Engineering Training Association Limited
(A company limited by guarantee)

## Report of the Trustees and Consolidated Financial Statements

## For the year ended 31 July 2020

Company Number 1512311

Registered Charity in England no 510493

**Stockport Engineering Training Association Limited**
**Report and Consolidated Accounts**
**Contents**

**Stockport Engineering Training Association Limited**
**Report of the Trustees**
**for the year ended 31 July 2020**

The trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiaries for the year ending 31July 2020 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

## Chairs Report

The SETA team continue with the same enthusiasm and hard work to carry on the business developement and consolidation of plans previously put into practice.
The next phase of the planned improvements to develop the delivery of the academic progamme have been completed to consolidate HNC so as to retain and achieve continuity of students within the organistion with consideration to develop through to HND level.
Recent years issues with funding sources have largely been resolved either by legislation or by in company initiatives, thus reducing SETA's vulnerability. Our Operational Board (OB) continue to monitor all changes in funding rules and will plan alternative solutions for any issues that may arise.
The organisation continues to deliver a wide range of training initiatives to meet our customer demands across apprenticeships, adult skills and health and safety in line with both recognised national and international standards. The courses are delivered across the UK and overseas as required and to a customer base ranging from small to multinational organisations.

The budgeted targets for the year were very much on track for first three periods, then we were hit by the Covid 19 pandemic and restrictions which came into force in March 2020, many booked courses were cancelled without notice, with the consequential effect on reducing final quarter income. The OB acted with initiative and integrity to review what (and how) could be delivered under the circumstances and restrictions imposed by Government legislation. The Apprentice Training Programmes continued to achieve timely outcomes with a great deal of strategic and logistical planning. However it was necessary to put some of our staff onto the Governments Furlough scheme.
Consequently the budgeted profit set in the business plan was not met, however with prudent accounting and financial planning together with the actions of the OB the final result shows a small loss for the year.

Despite the difficulties in the year, targets set by the board and management team have generally been achieved, and although the targeted profits were not met we belive we have performed well in circumstances that are beyond our control. We will pursue initiatives to develop the business and continually review these through strategic discussion at planned board meetings.
I thank our stakeholders, Board Members, Chief Executive, Operational Board and all the hardworking staff who make it a privilege to chair SETA and their commitment to the success of the organisation, as we provide the education training and support to our clients and their employees.

## Our purpose and activities

The principal objective of the Charity is to maintain, improve and advance education by promoting the training and education for employed people and those intending to be employed in industry and commerce as shown in the Memorandum and Articles of the Association.
- Member companies of the Association have priority access to this service for their identified needs.
- The strategies for achieving the objectives are to build on the success we have already achieved and to maximise the potential apprentice recruitment figure of 120 including a cohort of SETA sponsored apprentices.
- To promote and develop SETA Cyprus and SETA International through the acquisition of training contracts in Europe and the Middle East.
- Meet the challenge and succession planning for key personnel from qualified and competent replacements.
- Improve Adult Learning Budget initiative for employers.

The Charity does not carry out significant fundraising activities, the main income for the Charity is via Government funded Apprenticeship training which is supported by commercial training activities.

### *Public Benefit*

The Trustees confirm that they have, when and where necessary to do so, paid regard to the Charity Commissioner's Guidance on Public Benefit when considering and making its decisions.

SETA is ideally placed to offer its funded services to the whole of the Greater Manchester and surrounding catchment area.

### *Membership*

We currently have 19 member companies.

### *Apprentice Training*

The considerable changes in the education system continue to have a major impact on SETA. The introduction of the New Apprenticeship Levy and funding system that was implemented in 2017 caused some confusion and lack of confidence in the system, this seems to be turning around now with numbers increasing for Levy paying employers. The drive by the government to sign up on new Apprenticeship Standards from Frameworks continues with Frameworks finally being withdrawn on the 31st July 2020.

The number of Standards available continues to grow and we continue to expand our portfolio where available. After we were unsuccessful in our bid for Non-Levy funding from 1st April 2018 we managed to secure a subcontract arrangement with Eastleigh College to continue to provide Apprenticeships to small employers. The Government finally released Non-Levy funding via the Digital Apprenticeship Service on the 1st January 2020 and we have managed to utilise this system before Covid hit, this means that we do not have to rely on subcontracting moving forward.

Apprentice Training is one of the Charity's main sources of income. This relies on the Charity's recruitment of apprentices for member companies and clients. Recruitment - initial assessment, interviewing and selection of young people on behalf of the Association's members and clients is undertaken to support their criteria for employment.

### *Non-Charitable Activities*

These are done to support charitable activities and to provide members with services required.

### *Adult Engineering Training*

Adult Skills programmes tailored to suit the employing company's needs continue to grow in today's environment of multi-skilled workforces. Many are using the NVQ system to gain formal qualifications of their competences. We will respond to the needs of companies investing in workforce development via purpose designed programmes. Contacts with the newly created Skills Academies should assist in the marketing and delivering of core skills for which there is a regular and potentially larger market.

New opportunies continue to be monitored, this included starting delivery of the new 18th Edition Electrical course in 2019 that is still proving very popluar.

### *Safety and Short Courses*

Health, safety and environment related courses for industry and commerce are in constant demand throughout the UK, European and the Middle East.

SETA has responded to this and has set up SETA International to grow links with partners in these areas, particularly in Cyprus, Greece, Turkey, Africa and Eastern Europe. E-portfolio - NVQ Level 5 in Occupational Health and Safety practice is still increasing in numbers.

## Achievements, Performance and Covid-19

2019/20 started off very strongly for us with all sides of the business looking very likely to surpass their budgets. When Covid-19 hit us it forced the closure of the Training Accademy on the 23rd March. All Commercial course delivery ceased as did Apprentice practical training. We moved quickly to ensure that as many apprentices as possible remained on program to secure continued income from the ESFA, this included:

1) Setting remote training for BTEC/HNC via Zoom
2) Tasking learners on practial lessons with completion of job "write ups" via their E-portfolio
3) Completion of additional online training courses, including Safeguarding, EDI, etc

SETA utilised the Coronavirus Job Retention Scheme to Furlough all staff that could not work from home and reviewed this on a weekly basis.

Once the lockdown was eased, after a Covid risk assesment and safety measure being implemented, the training centre re-opened on the 15th June 2020 with much reduced numbers. Those staff that were required were brought back from Furlough and numbers were monitored regularly, all BTEC delivery remained remote. Commercial courses seemed to pick up very quickly with them being run remotely where possible.

Apprenticeship starts were looking to surpass the previous years total of 124 until Covid-19 hit in March, the total for 2020 finished at 97.

We have been hit by some apprentice redundancies since the year end but have minimised the impact by utilising the ESFA special funding rules to continue training and gain alternative employment for the learners.

The number of learners starting stand alone NVQ's paid directly by their employers decreased from 24 to 13 this year, these also started late in the year due to companies uncertainty over Covid-19.

Demand for the The Level 4 Higher National Certificate (HNC) in Engineering still continued to be strong with 15 commencing year one and 21 returning to complete year two. This is a natural progression for Apprentices after achieving the Level 3 National Certificate and is a full commercial charge to employers.

We are still looking to expand to HND over the next couple of years.

## Financial Review

The principal funding sources for Stockport Engineering Training Association Ltd are received from the Educations and Skills Funding Agency for Levy funded apprenticeships. This is supplemented via employer contributions, where they require training over and above the framework or the learner only qualifies for part funding. The new Non-Levy funding system that was released in January 2020 means that we are no longer reliant on our subcontract agreement with Eastleigh College to fund apprenticeships for small employers. Those learners registered with Eastleigh will continue with them until completion.

This funding is supported by other training income being generated through the charity's subsidiary trading companies, these allow us to operate in other markets that would not normally be accessible to the charity. These include:

1) Commercial Engineering Training - This had an increased budget for 2020 of £240,000 and was on target to meet this up until February 2020. Covid-19 ensured this finished £86,000 down at the year end.
2) Health & Safety courses - This was £39,000 above budget to February 2020 but finished £55,000 under budget.
3) Commercial NVQ training.
4) SETA International - On target to achieve an increased budget up unitl February 2020 but finished £50,000 under budget.

All profits from the commercial training are gift-aided back to the Charity to aid it in fulfilling its charitable aims, £13,688 has been gift aided in 2020. (£143,380 in 2019)

The financial result for the period was a net decrease in funds of £2,837 (2019 : £60,048). Due to the re-classification of Government Apprenticeship Income (See Note 21), restricted funds decreased by £40,988 (2019: decrease £8,018) and unrestricted funds increased by £38,151 (2019: decreased £52,030).

Income decreased by £244,510 (£290,000 down on budget), this was purely down to the impact of Covid-19, however after claiming £109,720 via the Governments CJRS furlough scheme, the net impact on the accounts was a reduction of £134,790. We did, however, manage to keep expenditure under the original budget by £153,000 due to cost saving measures. This had the result of mitigating the impact of Covid to the small loss of £2,837.

Our consolidated balance sheet continues to show a strong picture since the refinance was completed in February 2016 with net current assets of £42,892 compared to £42,155 in 2019.

Budgets have been set for the next year as:

| **Year** | **2021** |
|---|---|
| Turnover | £1,657,500 |
| Expenditure | £1,724,600 |

Covid-19 and the economic climate will still have an effect on the Charity achieving its objectives, due to the nature of the business we operate but we continue to monitor the risks and impacts and adapt accordingly.

At the year end we had secured a Coronavirus Business Interuption Loan facility (CBILS) of £120,000 to ensure SETA has enough capital to survive the pandemic. This had not been required yet but was drawn down on the 21st January 2021.

The past few years has been a period of much change in the apprenticeship delivery area, including the move from Frameworks (which were finally withdrawn on the 31st July 2020) to Standards and massive changes in funding. We are in a strong position moving forward with the delivery of Standards and, despite Covid, hope to see some stability come back to the area in the future.

**Post Balance Sheet Events**

The CBILS loan of £120,000 had been agreed by the bank on the 20th July 2020 but, largely due to the fact that training picked up much faster than anticipated, had not been required by the year end. The agreement was to expire on the 20th January 2021 and so the loan was drawn down on this date even though it was still not required at this time.

During January and February 2021 it became apparent that the main roof of the workshop was deteriorating faster than anticipated and running repairs were no longer an option. Even though it was not included in the budget It was agreed that quotes would be collected for a full replacement and preparations made to move ahead with this before July 2021. Quotes have been received to date in the region of £90,000 to £110,000 and we are just entering final negotiations.

**Reserves Policy**

Reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned emergency repairs and other expenditure. The trustees consider that the ideal level of reserves as at 31st July 2020 would equate to between 3 and 6 months of non-course related expenditure. Three months being £341,000 based on 2020 levels. The trustees consider that this level of reserves would ensure that, given a significant drop in funding, they would be able to continue the Charity's current activities whilst alternate plans were implemented.

The Charities total reserves were £532,208 as at 31st July 2020. The free reserves, being those unrestricted funds not represented by fixed assets and their associated finance, were £87,324 at 31st July 2020 (£48,905 in 2019), an increase of £38,419. (£40,988 of this increase was related to the reclassification of Governemnt Apprenticehsip income from Restricted to Non-Restricted - Note 21). Note that £44,109 of this finance is repayable within twelve months.

We were in a strong position to improve this in 2020 but Covid-19 had a major impact on this. We do still aim to bring these up to ideal level over the next five years.

We consistently plan and monitor the financial performance of the charity in order to maintain reserve levels by:
- Setting Budgets
- Producing Cash flows
- Producing Monthly Management Accounts
- Setting Business Development Plan

**Investments Held**

The investments held by the charity are share capital held in it's two subsidiary companies:
- SETA Training and Advisory Services Limited - held in order to allow the charity to access other commercial training to supplement it's income.
- SETA Training (Cyprus) Limited - held in order to maintain our safety training presence in Cyprus when government policies changed and it would have been impossible with a Cyprus registered company.

## Plans for future periods

Our future plans are detailed in our business development plan. A concerted effort is being made to promote all SETA courses to existing clients and members companies.

Major funding changes in the Apprenticeship Levy should now settle down and provide some stability in the sector, we are still on the front line for any information that is released and we will monitor the potential threats and opportunities that may arise.

Covid-19 will continue to impact the Association in the future but we have contingency plans in place and will continue to adapt to the changes required and maximise any funding assistance that can be accessed.

**Stockport Engineering Training Association Limited**
**Report of the Trustees**
**for the year ended 31 July 2020**

## Reference and administrative details

**Company Number:**
1512311

**Charity Number:**
510493

**Registered Office:**
18 Hammond Avenue
Whitehill Industrial Estate
South Reddish
Stockport
SK4 1PQ

**Bankers**
The Royal Bank of Scotland Plc
1 Great Underbank
Stockport
SK1 1LN

**Auditors**
Lloyd Piggott Limited
Chartered Accountants and Statutory Auditors
St George's House
56 Peter Street
Manchester
M2 3NQ

**Directors and trustees**

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The trustees and officers serving during the year and since the year end were as follows:

Mr R G Howarth (Chairman)
Mr J R Moss (Treasurer)
Dr Moray Kidd
Mr N Carne - Appointed 15th June 2020

Company Secretary: Mr M C Field

**Key management personnel:**

| | |
|---|---|
| Chief Executive: | Mr R M Prince |
| Financial Director | Mr M C Field |
| External Operations Director | Mrs J Burns |
| Internal Operations Director | Mr M Neild |
| Quality Director | Mr L Johnson |

## Structure, Governance and Management

### Governing Document

The charity is controlled by its memorandum and articles of association and constitutes a limited company, limited by guarantee as deemed by the Companies Act 2006.

### Recruitment and Appointment of New Directors and Trustees

The Directors of the Company are elected annually at the Company's Annual General Meeting. At each Annual General Meeting one third of the Elected Board Members for the time being, or if their number is not a multiple of 3 then the nearest one third, retires from office. If there is only one Elected Board Member who is subject to retirement by rotation, he/she retires. The Elected Board Members who are to retire in every year are those who have been longest in office since their last election or appointment, but as between persons who became Elected Board Members on the same day those to retire (unless they otherwise agree among themselves) are deemed by lot. A retiring Board Member is eligible for re-election, but does not serve more than 3 consecutive 3 year terms or, in the case of an Officer, 2 consecutive 3 year terms. Each Trustee is elected and voted into office by the members and office of Chairman, Deputy and Treasurer similarly elected. The Association is a member led organisation and the Trustees are mindful of meeting their needs. Currently there are five Trustees, all holding non-executive office and meet formally every four months.

### Induction and Training of Directors and Trustees

New Directors and Trustees are given training upon election, subject to their existing skills and knowledge. A tailored programme of training takes place for each new Director and Trustee. It provides trustees with suitable and sufficient help and guidance on how the Charity works.

### Organisational Structure

Overall responsibility for the Charity's strategy and direction rests with the Board of Management, which comprises all Directors. The carrying out of day to day activities is delegated to the staff under the management of the Chief Executive. There are no specific significant restrictions regarding the way the Charity can operate.

The Charities decisions are ultimately made by the Board of Directors, there are bi-monthly meetings when discussions take place and decisions are then filtered down to the staff concerned by their line managers.

### Subsidiaries

The Charity has two trading subsidiaries, SETA Training & Advisory Services Ltd and SETA Training (Cyprus) Ltd whose accounts are reported separately, and are consolidated into these accounts.

Both these companies were set up to perform trading activities to provide funds for the charity. As stated in the notes SETA Training and Advisory Services Ltd made a profit of £13,688 before distributions and SETA Training (Cyprus) Limited a small loss of £519.

### Pay policy for senior staff

Decisions on management remuneration levels are made by the Chief Executive taking into account the job role, peer group salary evaluations, appraisals and advice from the Company Accountant.

The Chief Executives remuneration is ultimately set by the Board.

**Risk Management**

The Trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Board has carried out a review of the major risks to which the Charity is exposed and has put in place controls and activities to mitigate those risks which are within their control to influence.

## Trustees' responsibilities in relation to the financial statements

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and

- the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**By order of the board of trustees**

R.G. H

Mr. R G Howarth
Chairman

15th April 2021

We have audited the financial statements of Stockport Engineering Training Association Limited (which comprises the Group and Parent Charitable Company) for the year ended 31 July 2020 on pages 12 to 33. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Group and Charitable Company's Trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Opinion on financial statements**
In our opinion the financial statements:

- give a true and fair view of the state of the group and parent charitable company's affairs as at 31 July 2020 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 and Charities Act 2011.

**Basis of 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

We have nothing to report in this regard.

**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 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 has 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 group and its environment obtained in the course of the audit, we have not identified material misstatements within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and proper 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 Trustees' responsibilities statement, the Trustees' (who are also the directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group and Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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**

The Trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website. This description forms part of our auditors' report.

Lloyd Piggott Limited

Lloyd Piggott Limited
Chartered Accountants and Statutory Auditor
St George's House
56 Peter Street
Manchester
M2 3NQ

Date: 26th April 2021

**Stockport Engineering Training Association Limited**
**Consolidated Statement of Financial Activities**
**(Incorporating a Consolidated Income and Expenditure Account)**
**for the year ended 31 July 2020**

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Total 2020 £ | Total 2019 £ |
|---|---|---|---|---|---|
| **INCOME** | | | | | |
| *Donations and legacies* | 3 | 109,720 | - | 109,720 | - |
| ***Income from trading activities*** | 4 | 548,049 | - | 548,049 | 795,875 |
| *Investment income* | 4 | 120 | - | 120 | 73 |
| ***Income from charitable activities:*** | 5 | 1,147,786 | - | 1,147,786 | 1,144,517 |
| **Total income** | | 1,805,675 | - | 1,805,675 | 1,940,465 |
| **EXPENDITURE** | | | | | |
| ***Expenditure on raising funds*** | 6 | 551,950 | - | 551,950 | 746,698 |
| ***Expenditure on charitable activities*** | 7 | 1,256,562 | - | 1,256,562 | 1,253,815 |
| **Total Expenditure** | | 1,808,512 | - | 1,808,512 | 2,000,513 |
| **NET INCOME/(EXPENDITURE)** | 9 | (2,837) | - | (2,837) | (60,048) |
| Transfers between funds | | 40,988 | (40,988) | - | - |
| Gains/(Losses) on revaluation of Fixed Assets | | - | | | |
| **Net movement of funds for the year** | | 38,151 | (40,988) | (2,837) | (60,048) |
| **RECONCILIATION OF FUNDS** | | | | | |
| Total funds brought forward | | 494,057 | 40,988 | 535,045 | 595,093 |
| **Funds balances carried forward** | | 532,208 | - | 532,208 | 535,045 |

**Stockport Engineering Training Association Limited**
**Consolidated Balance Sheet**
**as at 31 July 2020**

| | Notes | | 2020 £ | | 2019 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 12 | | 958,944 | | 1,008,227 |
| | | | | | |
| **CURRENT ASSETS** | | | | | |
| Stocks | 14 | 9,451 | | 13,753 | |
| Debtors | 15 | 263,014 | | 394,444 | |
| Cash at bank and in hand | | 163,074 | | 44,244 | |
| | | 435,539 | | 452,441 | |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 16 | (392,647) | | (410,286) | |
| **NET CURRENT (LIABILITIES)ASSETS** | | | 42,892 | | 42,155 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | | 1,001,836 | | 1,050,382 |
| **CREDITORS** | | | | | |
| Amounts falling due after more than one year | 17 | | (469,628) | | (515,337) |
| **NET ASSETS** | | | 532,208 | | 535,045 |
| | | | | | |
| **FUNDS** | | | | | |
| Restricted funds | 21 | | - | | 40,988 |
| General funds | 21 | | 532,208 | | 494,057 |
| **TOTAL FUNDS** | | | 532,208 | | 535,045 |

**Stockport Engineering Training Association Limited**
**Consolidated Balance Sheet**
**as at 31 July 2020**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 July 2020.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibility for

(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006; and
(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Section 394 and 395 and which otherwise comply with the requirements of any Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of section 144 of the Charities Act 2011.

These financial statements have been prepared in accordance with the Companies Act 2006 and with the Financial Reporting standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements were approved by the board of Trustees on the 15th April 2021
and were signed on its behalf by:

R.G.H

Mr. R G Howarth
Chairman

**Stockport Engineering Training Association Limited**
**Charity Balance Sheet**
**as at 31 July 2020**

| | Notes | | 2020 £ | | 2019 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 12 | | 958,944 | | 1,008,227 |
| Investments | 13 | | 1,901 | | 1,899 |
| | | | 960,845 | | 1,010,126 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 15 | 91,143 | | 123,117 | |
| Cash at bank and in hand | | 72,833 | | 18,043 | |
| | | 163,976 | | 141,160 | |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 16 | (128,978) | | (103,884) | |
| **NET CURRENT (LIABILITIES)ASSETS** | | | 34,998 | | 37,276 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | | 995,843 | | 1,047,402 |
| **CREDITORS** | | | | | |
| Amounts falling due after more than one year | 17 | | (469,628) | | (515,337) |
| **NET ASSETS** | | | 526,215 | | 532,065 |
| **FUNDS** | | | | | |
| Restricted funds | | | - | | 40,988 |
| General funds | | | 526,215 | | 491,077 |
| **TOTAL FUNDS** | | | 526,215 | | 532,065 |

**Stockport Engineering Training Association Limited**
**Charity Balance Sheet**
**as at 31 July 2020**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 July 2020.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibility for:

(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006; and
(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of section 144 of the Charities Act 2011.

These financial statements have been prepared in accordance with the Companies Act 2006 and with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements were approved by the board of Trustees on the 15th April 2021
and were signed on its behalf by:

Mr. R G Howarth
Chairman

**Stockport Engineering Training Association Limited**
**Statement of Cash Flows and Consolidated Statement of Cash Flows**
**for the year ended 31 July 2020**

| | | Group 2020 £ | Group 2019 £ | Charity 2020 £ | Charity 2019 £ |
|---|---|---|---|---|---|
| **Cash used in operating activities** | 27 | **184,497** | **(33,465)** | **124,097** | **67,492** |
| **Cash flows from investing activities** | | | | | |
| Interest Income | | 120 | 73 | 3 | 3 |
| Purchase of tangible fixed assets | | (20,078) | (21,583) | (20,078) | (21,583) |
| **Cash provided by (used in) investing activites** | | **(19,958)** | **(21,510)** | **(20,075)** | **(21,580)** |
| **Cash flows from financing activites** | | | | | |
| Increase (repayment) of borrowing | | (45,709) | (49,435) | (45,709) | (49,435) |
| **Cash used in financing activites** | | **(45,709)** | **(49,435)** | **(45,709)** | **(49,435)** |
| Increase/(decrease) in cash and cash equivalents in the year | | **118,830** | **(104,410)** | **58,313** | **(3,523)** |
| Cash and cash equivalents at the beginning of the year | | 44,244 | 148,654 | 14,520 | 18,043 |
| **Total cash and cash equivalents at the end of the year** | | **163,074** | **44,244** | **72,833** | **14,520** |

## 1 ACCOUNTING POLICIES

***Basis of preparation of accounts***

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 (FRS 102) (effective January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Stockport Engineering Training Association Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s) and with the exception of investments which are included at market value.

**Preparation of the accounts on a going concern basis**

The Trustees believe it is appropriate to prepare the accounts of the company on a going concern basis.

The COVID-19 pandemic and the government's measures to contain the virus have negatively impacted on the charity's performance since March 2020. As explained in the Trustees' Annual Report, through the use of the government's Coronavirus Job Retention Scheme, Coronavirus Business Interruption Loan Scheme, cost saving measures and increased use of online remote learning tools, the trustees have mitigated this impact as best they can and are satisfied that there are no material uncertainties to cast doubt over the charity's ability to continue as a going concern

The charity also receives part of its income in the form of a contract from the Education and Skills Funding Agency ("The ESFA"). In common with many funded charities, the adoption of the going concern basis is dependent on the charity receiving adequate funding. The charity currently has this funding secured until 31 July 2021. While the Trustees recognise the uncertainties inherent in predicting the timing and level of future funding beyond this date, they believe that adequate funding will be secured.

**Group financial statements**

The consolidated accounts incorporate the results of Stockport Engineering Training Association Limited ('the Charity') and its subsidiary undertakings; SETA Training & Advisory Services Limited and SETA Training (Cyprus) Limited; on a line-by-line basis.

The consolidated entity is referred to as 'the Group'. No separate company Statement of Financial Activities (SOFA) has been prepared for the Charity as permitted by section 408 of the Companies Act

***Income***

Income is included in the SOFA when the charity is entitled to the income and when it is probable that income will be received and the amount can be measured reliably. Donations in kind are recognised at their value to the charity when they are received. No amounts are included for services donated by volunteers.

Income comprise:

Donations and legacies

| | |
|---|---|
| *Legacies* | Pecuniary legacies are recognised as receivable once probate has been granted and notification has been received. Residuary legacies are recognised as receivable once probate has been granted, provided that sufficient information has been received to enable valuation of the Charity's entitlement. |
| *Donations* | Donations are accounted for as they are received. |
| *Gift Aid* | Gift Aid is included based on amounts recovered or recoverable at the accounting date. |

Activities for raising funds

| | |
|---|---|
| *Membership subscription* | Membership subscription income (which is not considered to be donations) is accounted for on an accrual basis. |
| *Engineering training* | Income from providing training and courses are accounted for on an accrual basis. |
| *Safety training* | Income from providing training and courses are accounted for on an accrual basis. |
| *Schools training* | Income from providing training and courses are accounted for on an accrual basis. |
| Investment income | Investment income is accounted for on an accrual basis. |

Income from charitable activities

| | |
|---|---|
| *Apprentice training – Government funded* | Government funding is recognised when the Charity is entitled to receipt on an accrual basis. |
| *Apprentice training – Other funded* | Income is recognised when the Charity is entitled to receipt on an accrual basis. |
| *members services* | Income from providing training and courses are accounted for on an accrual basis. |
| Government Grant Income | Coronavirus Job Retention Scheme Furlough income is claimed and accounted for in the month that it relates to. |

***Expenditure and basis of allocation***
Expenditure is accounted for on an accruals basis. Overheads and other costs not directly attributable to a particular charitable activity category are apportioned over the relevant on the basis of management estimates attributable to that activity in the year, which is calculated as follows:

| Administrative expenses (Staff Time) | 2020 | 2019 |
|---|---|---|
| | % | % |
| Engineering training income | 6.0 | 7.0 |
| Safety and short courses | 15.4 | 26.4 |
| Apprentice training | 49.1 | 33.0 |
| Non-Government funded apprentices | 12.9 | 17.3 |
| Schools Training | - | - |
| Services to members | 0.7 | 2.0 |
| Governance | 15.9 | 14.3 |

| Training Centre expenses (Staff Time) | 2020 | 2019 |
|---|---|---|
| | % | % |
| Engineering training income | 14.2 | 15.9 |
| Apprentice training | 70.6 | 62.0 |
| Non-Government funded apprentices | 15.0 | 18.0 |
| Schools Training | - | - |
| Services to members | 0.2 | 4.1 |
| Governance | - | - |

| Short Course expenses (Staff Time) | 2020 | 2019 |
|---|---|---|
| | % | % |
| Safety and short courses | 97.6 | 100.0 |
| Apprentice training | 2.4 | - |
| Non-Government funded apprentices | - | - |
| Schools Training | - | - |
| Services to members | - | - |

| Group Services expenses (Staff Time) | 2020 | 2019 |
|---|---|---|
| | % | % |
| Engineering training income | 1.6 | 9.0 |
| Safety and short courses | 2.9 | 1.2 |
| Apprentice training | 82.8 | 72.0 |
| Non-Government funded apprentices | 11.3 | 16.3 |
| Schools Training | - | - |
| Services to members | 1.4 | 1.5 |
| Governance | - | - |

| Canteen expenses (Delegate Numbers) | 2020 | 2019 |
|---|---|---|
| | % | % |
| Engineering training income | 11.7 | 15.3 |
| Safety and short courses | 13.1 | 22.6 |
| Apprentice training | 75.1 | 62.1 |

| Premises expenses (Floor Area) | 2020 | 2019 |
|---|---|---|
| | % | % |
| Engineering training income | 28.4 | 30.0 |
| Safety and short courses | 13.2 | 10.9 |
| Apprentice training-Government funded | 11.1 | 13.0 |
| Apprentice training-Other funded | 36.3 | 31.8 |
| Schools Training | - | - |
| Services to members | 1.4 | 5.4 |
| Governance | 9.6 | 8.9 |

***Governance costs***

Governance costs comprises the expenditure on governance of the charity including audit fees, legal advice for trustees, costs of trustee meetings and an apportionment of relevant staff costs based on time spent on governance-related matters.

***Leasing and hire purchase commitments***

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet. The assets are depreciated over their expected useful lives.

Rentals under operating leases are charged to the statement of financial activities as they fall due.

***Pension costs***

The company operates a defined contribution pension scheme for the present employees. Contributions are charged to the SOFA as they become payable in accordance with the rules of the scheme

***Tangible fixed assets and depreciation***

All fixed assets are held for charitable use and are stated at cost less depreciation with all repairs written off as occurred.

Land and buildings are held at market value. Land and buildings are revalued regularly to ensure the carrying value is not materially different from a fair value at the end of the reporting period.

Depreciation is provided at rates calculated to write off the cost of tangible fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | |
|---|---|
| Freehold Property | 2% straight line |
| Motor Vehicles | 25% reducing balance |
| Plant and Machinery | 15% reducing balance |
| Computer Equipment | 20% straight line |
| Office Equipment | 25% reducing balance |

***Stocks***

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

***Investments***

Subsidiary companies are valued at cost, with any resulting gains or losses on exchange included in the SOFA.

***Taxation***
The activities of the Charity are exempt from corporation taxation under section 505 of the Income and Corporation Taxes Act 1988 to the extent that they are applied to the organisation's charitable objectives.

The trading subsidiaries do not generally pay UK corporation tax because their policy is to pay taxable profits as Gift Aid to the Charity. Foreign tax incurred by overseas subsidiaries is charged as it is incurred.

***Funds***
Unrestricted funds are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds is charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income and gains are allocated to the appropriate fund.

***Foreign currencies***
Transactions in foreign currencies are recorded at the rate of exchange prevailing at the date of the transaction. Foreign currency balances are translated into sterling at the exchange rates prevailing at the balance sheet date. Any resulting gains or losses on exchange are included in the SOFA.

Profits and losses of foreign subsidiaries are translated to sterling at average rates of exchange. The opening net assets and profit and loss accounts of those subsidiaries are retranslated to year end rates; exchange differences arising on the retranslation are taken to reserves.

**Debtors**
Debtors are normally recognised at their transaction price, provision for Bad Debts has been included for the year.

**Creditors and Provisions**
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

## 2 FINANCIAL PERFOMANCE OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1. The Consolidated Statement of Financial Activities is for the Group as a whole. The figures below are the equivalent figures for the Charity only, excluding other Group companies.

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Income | 999,262 | 764,257 |
| Gift aid from the subsidiary company | 13,688 | 143,380 |
| | 1,012,950 | 907,637 |
| Expenditure on charitable activities | (862,864) | (823,991) |
| Governance costs | (152,413) | (153,534) |
| Gains/(Losses) on revaluation of Fixed Assets | - | - |
| | (1,015,277) | (977,525) |
| **Net movement in funds** | (2,327) | (69,888) |
| Total funds brought forward | 528,542 | 598,430 |
| **Total funds carried forward** | 526,215 | 528,542 |
| **Funds** | | |
| Restricted funds | - | 40,988 |
| Unrestricted funds | 526,215 | 487,554 |
| | 526,215 | 528,542 |

## 3 DONATIONS AND LEGACIES

| | Unrestricted Funds | Restricted Funds | 2020 Total | 2019 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Government Grant Income | 109,720 | - | 109,720 | - |
| | 109,720 | - | 109,720 | - |

## 4 INCOME FROM OTHER TRADING ACTIVITIES

| | Unrestricted Funds | Restricted Funds | 2020 Total | 2019 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Other trading activities** | | | | |
| Membership subscriptions | 4,940 | - | 4,940 | 1,833 |
| Engineering training income | 172,538 | - | 172,538 | 255,659 |
| Safety and short courses | 370,571 | - | 370,571 | 538,383 |
| | 548,049 | - | 548,049 | 795,875 |
| **Investment income** | | | | |
| Interest on cash deposits | 120 | - | 120 | 73 |

## 5 INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted Funds | Restricted Funds | 2020 Total | 2019 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Apprentice training-Government funded | 917,469 | | 917,469 | 826,700 |
| Apprentice training-Other funded | 220,717 | - | 220,717 | 271,301 |
| Members services | 9,600 | - | 9,600 | 46,516 |
| | 1,147,786 | - | 1,147,786 | 1,144,517 |

## 6 EXPENDITURE ON RAISING FUNDS

| | Unrestricted Funds | Restricted Funds | 2020 Total | 2019 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| *Engineering training* | | | | |
| Marketing | 11,222 | - | 11,222 | 10,316 |
| Staff costs | 68,365 | - | 68,365 | 120,177 |
| Training costs | 19,852 | - | 19,852 | 30,342 |
| Travel | 13,994 | - | 13,994 | 9,615 |
| Premises costs | 35,796 | - | 35,796 | 39,642 |
| Office and sundry costs | 7,152 | - | 7,152 | 9,278 |
| Depreciation | 13,885 | - | 13,885 | 15,266 |
| | 170,266 | - | 170,266 | 234,636 |
| *Safety and short courses* | | | | |
| Marketing | 9,270 | - | 9,270 | 42,026 |
| Staff costs | 188,265 | - | 188,265 | 205,785 |
| Training costs | 112,098 | - | 112,098 | 177,958 |
| Travel | 28,722 | - | 28,722 | 36,653 |
| Premises costs | 16,649 | - | 16,649 | 14,427 |
| Office and sundry costs | 18,133 | - | 18,133 | 26,282 |
| Depreciation | 8,547 | - | 8,547 | 8,931 |
| | 381,684 | - | 381,684 | 512,062 |
| TOTAL | 551,950 | - | 551,950 | 746,698 |

## 7 EXPENDITURE ON CHARITABLE ACTIVITIES

| | Unrestricted Funds | Restricted Funds | 2020 Total | 2019 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| *Apprentice training-government funded* | | | | |
| Marketing | 5,483 | | 5,483 | 6,386 |
| Staff costs | 696,698 | | 696,698 | 599,175 |
| Training costs | 102,377 | | 102,377 | 105,590 |
| Travel | 7,661 | | 7,661 | 10,191 |
| Premises costs | 13,949 | | 13,949 | 17,229 |
| Office and sundry costs | 42,154 | | 42,154 | 41,325 |
| Depreciation | 8,211 | | 8,211 | 9,814 |
| | 876,533 | - | 876,533 | 789,710 |
| *Apprentice training-Other funded* | | | | |
| Marketing | - | - | | - |
| Staff costs | 124,330 | - | 124,330 | 178,343 |
| Training costs | 10,228 | - | 10,228 | 15,233 |
| Travel | - | - | | |
| Premises costs | 45,792 | - | 45,792 | 42,068 |
| Office and sundry costs | 11,108 | - | 11,108 | 5,853 |
| Depreciation | 14,528 | - | 14,528 | 12,996 |
| | 205,986 | - | 205,986 | 254,493 |
| *Member services* | | | | |
| Marketing | - | - | | |
| Staff costs | 2,597 | - | 2,597 | 27,634 |
| Training costs | 137 | - | 137 | 2,707 |
| Travel | - | - | | |
| Premises costs | 1,836 | - | 1,836 | 7,213 |
| Office and sundry costs | 1,775 | - | 1,775 | 1,585 |
| Depreciation | 1,487 | - | 1,487 | 3,043 |
| | 7,832 | - | 7,832 | 42,182 |
| Governance costs (note 7) | 166,211 | - | 166,211 | 167,430 |
| TOTAL | 1,256,562 | - | 1,256,562 | 1,253,815 |

## 8 GOVERNANCE COSTS

| | Unrestricted Funds | Restricted Funds | 2020 Total | 2019 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Marketing | 287 | - | 287 | 353 |
| Staff costs | 53,693 | - | 53,693 | 49,698 |
| Training costs | 252 | - | 252 | 622 |
| Travel | 5,335 | - | 5,335 | 7,115 |
| Premises costs | 12,109 | - | 12,109 | 11,780 |
| Office and sundry costs | 71,833 | - | 71,833 | 69,018 |
| Depreciation | 22,702 | - | 22,702 | 28,844 |
| | 166,211 | - | 166,211 | 167,430 |

## 9 NET RESOURCES EXPENDED BEFORE TRANSFERS

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| This is stated after charging: | | |
| Depreciation | 69,361 | 78,894 |
| Directors' remuneration | 61,939 | 63,117 |
| Pension costs | 34,224 | 34,479 |
| Auditors' remuneration | 10,576 | 10,866 |

## 10 TRUSTEES' REMUNERATION AND BENEFITS

Total remuneration paid to trustees' amounted to:

| | | |
|---|---|---|
| R.G Howarth | £750 | (2019 £1,500) |
| J. R. Moss | £1,500 | (2019 £1,500) |
| **Total** | **£2,250** | **(2019 £3,000)** |

This has been agreed with the Charities Commission due to the additional time involved in being a Director of the Trading subsidiary company SETA Training and Advisory Services Limited

There were no trustees' expenses or other benefits for the year ended 31 July 2020 nor for the year ended 31 July 2019.

## 11 STAFF COSTS

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Staff costs during the year amounted to: | | |
| Wages and salaries | 998,467 | 1,035,764 |
| Social security costs | 92,995 | 103,364 |
| Pension costs | 34,224 | 34,479 |
| | 1,125,686 | 1,173,607 |

The average number of employees during the year, including full time equivalents of part time employees, was:

| | 2020 | 2019 |
|---|---|---|
| Apprentice training-government funded | 8 | 8 |
| Members services | 3 | 3 |
| Engineering training | 10 | 10 |
| Safety and short courses | 3 | 3 |
| Governance | 8 | 8 |
| | 32 | 32 |

The employees performed training, administrative and management functions.

The emoluments of one member of staff, including benefits in kind, is within the range £60,000 to £69,999 (2019 - One), not including retirement benefits which are accruing under a money purchase scheme.

The key management personnel of the group comprise those of the charity, being the trustees, the chief executive and the company secretary. The total employee benefits of the key management personnel of the group were £107,513 (2019: £108,868).

The number of employees to whom retirement benefits were accruing was 37 (2019: 35)

The above includes holiday pay accrual amounting to £35,006 (2019 £20,704)

## 12 TANGIBLE FIXED ASSETS

| | Land and buildings £ | Plant and machinery etc £ | Motor vehicles £ | Total £ |
|---|---|---|---|---|
| **Cost or valuation** | | | | |
| At 1 August 2019 | 850,000 | 690,447 | 226,432 | 1,766,879 |
| Additions | | 20,078 | - | 20,078 |
| Disposals | - | (403,159) | - | (403,159) |
| At 31 July 2020 | 850,000 | 307,366 | 226,432 | 1,383,798 |
| **Depreciation** | | | | |
| At 1 August 2019 | 34,000 | 605,479 | 119,173 | 758,652 |
| Charge for the year | 17,000 | 25,546 | 26,815 | 69,361 |
| On disposals | - | (403,159) | - | (403,159) |
| At 31 July 2020 | 51,000 | 227,866 | 145,988 | 424,854 |
| **Net book value** | | | | |
| At 31 July 2020 | 799,000 | 79,500 | 80,444 | 958,944 |
| At 31 July 2019 | 816,000 | 84,968 | 107,259 | 1,008,227 |

All fixed assets held are used for direct charitable purposes.

Except under an order of the registrar, no deposition by the proprietor of the land is to be registered without the consent of the proprietor of the Charge in favour of the Royal Bank of Scotland Plc. referred to in the Charges Register.

If the freehold land and building had not been revalued they would have been included at the following historical cost:

| | 2020 £ |
|---|---|
| Cost | 702,356 |
| Aggregate depreciation | (230,395) |
| At 31 July 2020 | 471,961 |

Freehold land and buildings were valued on an open market basis at July 2017 by Roberts & Roberts Surveyors.

Cost or valuation at 31 July 2020 is represented by:

| | Land and Buildings £ |
|---|---|
| Cost | 542,323 |
| Valuation | 640,000 |
| Valuation | (420,000) |
| Valuation | 87,677 |
| At 31 July 2020 | 850,000 |

## 13 INVESTMENTS

| | Unlisted investment £ |
|---|---|
| **Cost** | |
| At 1 August 2019 | 1,899 |
| Movement | 2 |
| At 31 July 2020 | 1,901 |
| **Net book value** | |
| 31 July 2020 | 1,901 |
| 31 July 2019 | 1,899 |

The company's investments at the balance sheet date in the share capital of companies include the following:

| Subsidiary Undertaking | Country of Incorporation | Class of Shares | % Held |
|---|---|---|---|
| SETA Training and Advisory Services Limited | England | Ordinary | 100% |
| SETA Training (Cyprus) Limited | Cyprus | Ordinary | 100% |
| SETA International Limited | England | Ordinary | 99.8% |

**SETA Training and Advisory Services Limited** (Incorporated in England and Wales)

Nature of business: Providing training for people employed or intending to be employed in industry and commerce.

| Class of shares: | % holding | Company Number: 03001863 |
|---|---|---|
| Ordinary shares of £1 each | 100.00 | |

| | 2020 £ | 2019 £ |
|---|---|---|
| Turnover | 746,174 | 1,161,789 |
| Cost of sales and administration costs | (732,602) | (1,016,992) |
| Interest receivable | 116 | 69 |
| Interest payable | | |
| Tax | | |
| Net Profit | 13,688 | 144,866 |
| Amount gift aided to the charity | (13,688) | (143,380) |
| **Retained in subsidiary** | - | 1,486 |

**SETA Training (Cyprus) Limited** (Incorporated in Cyprus)
Nature of business: Providing health and safety courses industry and commerce.

| Class of shares: | % holding | Company Number: 224453 |
|---|---|---|
| Ordinary shares of £1 each | 100.00 | |

| | 2020 £ | 2019 £ |
|---|---|---|
| Aggregate capital and reserves | 5,594 | 6,102 |
| Profit/(Loss) for the period | (519) | 9,878 |

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiaries. The summary financial performance of SETA Training (Cyprus) Limited alone is:

| | 2020 £ | 2019 £ |
|---|---|---|
| Turnover | 12,750 | 72,943 |
| Cost of sales and administration costs | (13,041) | (63,065) |
| Interest receivable | | |
| Corporation Tax | (228) | |
| Net Profit | (519) | 9,878 |
| Amount gift aided to the charity | - | - |
| **Retained in subsidiary** | (519) | 9,878 |

**SETA International Limited** (Incorporated in England and Wales)
Nature of business: Dormant

| Class of shares: | % holding | Company Number: 9992870 |
|---|---|---|
| Ordinary shares of £1 each | 99.80 | |

| | 2020 £ |
|---|---|
| Aggregate capital and reserves | 1,000 |
| Profit/(Loss) for the period | - |

## 14 STOCK

| | Group 2020 | Group 2019 £ | Charity 2020 £ | Charity 2019 £ |
|---|---|---|---|---|
| Centre materials | 6,190 | 7,040 | - | - |
| Protective clothing and equipment | | | - | - |
| Registrations | 1,627 | 4,066 | - | - |
| Canteen | 190 | 390 | - | - |
| Stationery | 842 | 1,142 | - | - |
| Cleaning Materials | 602 | 1,115 | - | - |
| Maintenance Materials | | | - | - |
| Course Books | | - | - | - |
| | 9,451 | 13,753 | - | - |

## 15 DEBTORS

| | Group 2020 £ | Group 2019 £ | Charity 2020 £ | Charity 2019 £ |
|---|---|---|---|---|
| Trade debtors | 129,985 | 261,480 | 7,452 | 11,125 |
| Government funding receivable | 53,600 | 49,416 | 53,600 | 49,416 |
| Amounts due from Group undertakings | | | 4,411 | 50,500 |
| Other taxes and social security costs | | | 9,172 | 1,957 |
| Prepayments and accrued income | 71,625 | 74,680 | 9,109 | 1,656 |
| Other debtors | 7,804 | 8,868 | 7,399 | 8,463 |
| | 263,014 | 394,444 | 91,143 | 123,117 |

On 4th December 1997 the directors of the charity executed a first legal charge over the book debts of the wholly owned subsidiary company.

The loan to the subsidiary company is the subject of a formal loan agreement between itself and the Charity dated 4th December 1997 and which is subject to the following:

a) Interest is to be charged at 1% over bank base rate and the loan is secured by a fixed charge over book and other debts of the wholly owned subsidiary company.

b) The loan is to be renegotiated in the interests of the Charity each year and shall be repayable to the Charity on the 31st July each year.

## 16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group 2020 £ | Group 2019 £ | Charity 2020 £ | Charity 2019 £ |
|---|---|---|---|---|
| Bank loan (secured) | 22,414 | 18,513 | 22,414 | 18,513 |
| Bank overdraft (secured) | | | | |
| Trade creditors | 51,886 | 35,432 | 17,932 | 4,074 |
| Obligations under finance lease and hire purchase contracts | 21,695 | 29,225 | 21,695 | 29,225 |
| Accruals and deferred income | 246,591 | 277,046 | 36,055 | 24,808 |
| Other taxes and social security costs | 40,652 | 46,205 | 22,673 | 24,599 |
| Other creditors | 9,409 | 3,865 | 8,209 | 2,665 |
| | 392,647 | 410,286 | 128,978 | 103,884 |

## 17 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | Group 2020 £ | Group 2019 £ | Charity 2020 £ | Charity 2019 £ |
|---|---|---|---|---|
| Bank loan (secured) | 463,770 | 487,785 | 463,770 | 487,785 |
| Obligations under finance lease and hire purchase contracts | 5,858 | 27,552 | 5,858 | 27,552 |
| | 469,628 | 515,337 | 469,628 | 515,337 |
| 1-5 years | 133,267 | 145,470 | 133,267 | 145,470 |
| More than 5 years | 336,361 | 369,867 | 336,361 | 369,867 |
| | 469,628 | 515,337 | 469,628 | 515,337 |

## 18 SECURITY

On 29 April 2002 the directors of the charity executed a first legal charge over the book debts of the wholly owned subsidiary company.

The bank loan and overdraft is secured by a legal charge over the freehold property of the company.

## 19 Deferred Income

Deferred income comprises advanced sales for courses, quarterly membership and monitoring which are carried out post year end.

| | Group 2020 £ | Charity 2019 £ |
|---|---|---|
| Balance as at 1 August 2019 | 196,754 | 135,323 |
| Amount released to income earned from charitable activities | (196,754) | (135,323) |
| Amount deferred as at 31 July 2020 | 169,912 | 196,754 |
| | 169,912 | 196,754 |

## 20 CALLED UP SHARE CAPITAL

**SETA Training & Advisory Services Limited**

Alloted, issued and fully paid:

| Class: | Nominal value: | | 2020 £ | 2019 £ |
|---|---|---|---|---|
| Ordinary | £ | 1 | 1,000 | 1,000 |

**SETA Training (Cyprus) Limited**

Alloted, issued and fully paid:

| Class: | Nominal value: | | 2020 £ | 2019 £ |
|---|---|---|---|---|
| Ordinary | € | 1 | 901 | 899 |

## 21 FUNDS - GROUP

| | Unrestricted Funds | Restricted Funds | Total |
|---|---|---|---|
| | £ | £ | £ |
| Tangible fixed assets | 917,601 | 41,343 | 958,944 |
| Net current (liabilities)/assets | | 42,892 | 42,892 |
| Deferred liabilities | (469,628) | | (469,628) |
| | 447,973 | 84,235 | 532,208 |

| | Balance at 1-Aug-2019 | Income | Expenses | Transfers | Balance 31 July 2020 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| *Restricted funds* | | | | | |
| Apprentice training-government fund | 40,988 | - | - | (40,988) | - |
| Loan stock | - | - | - | - | - |
| | 40,988 | - | - | (40,988) | - |
| *Unrestricted funds* | | | | | |
| General reserve | 164,065 | 1,805,675 | (1,808,512) | 43,941 | 205,169 |
| Revaluation reserve | 329,992 | - | - | (2,953) | 327,039 |
| Loan stock | | | | - | - |
| | 494,057 | 1,805,675 | (1,808,512) | 40,988 | 532,208 |
| TOTAL | 535,045 | 1,805,675 | (1,808,512) | - | 532,208 |

| Name of Fund | Description, nature and purposes of the fund |
|---|---|
| General reserve | The 'free reserves' after allowing for all designated funds. |
| Revaluation reserve | The value of freehold property at market value in excess of carrying value at historical cost. |
| Apprentice training-government fund | The "surplus" on government funded apprentices related to all learners still "in learning" at the year end where restrictions may apply to the funding until completion of the apprenticeship. |

The Charity have reviewed the treatment of Government funded Apprenticeship income in the year. The outcome of the review was that the income is now received under a contract basis rather than grant income and, as such, should not be treated as Restricted income. The way this funding is now received removes the potential for "Clawbacks" from the ESFA. The transfer between funds relates to the removal of the above funds from restricted income.

## 22 Operating Leases

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Within one year | 12,645 | 12,645 |
| Between two and five years | 15,390 | 28,035 |
| | 28,035 | 40,680 |

## 23 RELATED PARTY TRANSACTIONS

There was no related party transactions in the period.

## 24 ULTIMATE CONTROLLING PARTY

There was no ultimate controlling party during the year under review or the preceding year.

## 25 RECRUITMENT OF TRUSTEES

When recruiting new Trustees several factors are taken into account including the diversity of the present Board, current skill gaps on the Board, current employer representation. Recomendations may be made by the Chief Executive but the ultimate decision must be made by the existing Board.

## 26 MANAGEMENT REMUNERATION

Decisions on managment remuneration levels are made by the Chief Executive taking into account the job role, peer group salary evaluations, appraisals and advice from the Company Accountant.

The Chief Executives remuneration is ultimately set by the Board.

## 27 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | Group 2020 £ | Group 2019 £ | Charity 2020 £ | Charity 2019 £ |
|---|---|---|---|---|
| Net movement in funds | (2,837) | (60,048) | (2,327) | (69,888) |
| Add back depreciation charge | 69,361 | 78,894 | 69,361 | 78,894 |
| Less profit on disposal of FA | | | | |
| Add back (Gains)/Losses on revaluation of Fixed Assets | | | | - |
| Movement in Investments | | | (2) | (7) |
| Deduct interest income shown in investing activities | (120) | (73) | (3) | (3) |
| Decrease (increase) in stock | 4,302 | (3,301) | - | - |
| Decrease (increase) in debtors | 131,430 | (110,204) | 31,974 | 84,303 |
| Increase (decrease) in creditors | (17,639) | 61,267 | 25,094 | (25,807) |
| | 184,497 | (33,465) | 124,097 | 67,492 |