

Charity registration number 507714 (England and Wales)

Company registration number 01372963

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

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

LEGAL AND ADMINISTRATIVE INFORMATION

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

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

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SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2024

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

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

Objectives and activities

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

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

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

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

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

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

Fundraising

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

Public benefit

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

Achievements and performance

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

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

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

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

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

FOR THE YEAR ENDED 31 AUGUST 2024

Financial review

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

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

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

Reserves policy

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

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

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

Investment powers and policy

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

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

Risk management strategy

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

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

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

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

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

FOR THE YEAR ENDED 31 AUGUST 2024

Plans for future periods

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

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

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

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

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

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

Structure, governance and management

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

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

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

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

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

Mr D Bartell

Mr I Scurfield

Mr A Ramsey

Mr S Cellend

Mr K Robson

Mr M Hutchinson

(Resigned 16 February 2024)

(Appointed 9 February 2024)

(Appointed 21 March 2025)

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

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

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

FOR THE YEAR ENDED 31 AUGUST 2024

Induction and Training of Trustees

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

Pay Policy for senior staff

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

Trustees

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

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

Statement of trustees' responsibilities

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

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

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

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

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

Auditor

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

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

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

FOR THE YEAR ENDED 31 AUGUST 2024

Disclosure of information to auditor

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

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



.....
Mr D Bartell
Trustee

Date: 15/5/25

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

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

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

Use of our report

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



Nicholas Cunningham MSc BSc ACCA (Senior Statutory Auditor)

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

Accountants

Fernwood House

Fernwood Road

Jesmond

Newcastle upon Tyne

Tyne and Wear

NE2 1TJ

England

Date: 22-5-2025

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2024

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

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

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

BALANCE SHEET

AS AT 31 AUGUST 2024

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

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



Mr D Bartell
Trustee

Company registration number 01372963 (England and Wales)

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2024

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

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

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

Charity information

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

1.1 Accounting convention

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

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

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

1.2 Going concern

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

1.3 Charitable funds

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

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

1.4 Income

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

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

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

1.5 Expenditure

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

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

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

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

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

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

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

1.7 Fixed asset investments

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

1.8 Impairment of fixed assets

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

1.9 Cash and cash equivalents

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

1.10 Employee benefits

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

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

1.11 Retirement benefits

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

2 Critical accounting estimates and judgements

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

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

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

3 Income from donations and legacies

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

4 Income from charitable activities

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

5 Income from investments

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

6 Other income

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

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

7 Expenditure on raising funds

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

8 Expenditure on charitable activities

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

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

9 Support costs allocated to activities

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

Analysed between:

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

10 Net movement in funds

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

11 Trustees

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

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

12 Employees

The average monthly number of employees during the year was:

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

Employment costs

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

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

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

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

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

13 Taxation

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

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

14 Tangible fixed assets

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

15 Fixed asset investments

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

16 Debtors

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

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

17 Creditors: amounts falling due within one year

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

18 Creditors: amounts falling due after more than one year

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

19 Government grants

Deferred income is included in the financial statements as follows:

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

20 Retirement benefit schemes

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

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

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

21 Restricted funds

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

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

Capital grant fund

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

22 Unrestricted funds

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

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

23 Analysis of net assets between funds

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

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

23 Analysis of net assets between funds

(Continued)

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

24 Operating lease commitments

Lessee

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

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

25 Related party transactions

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

26 Cash generated from operations

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

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

27 Analysis of changes in net funds

The charity had no material debt during the year.

