

Company registration number 01372963 (England and Wales)

Charity registration number 507714 (England and Wales)

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

A handwritten signature in black ink, appearing to be 'W. Z. ...' with a large flourish at the end.

13-3-26

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

CONTENTS

	Page
Trustees' report	1 - 5
Independent auditor's report	6 - 8
Statement of financial activities	9 - 10
Balance sheet	11
Statement of cash flows	12
Notes to the financial statements	13 - 22

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SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

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

FOR THE YEAR ENDED 31 AUGUST 2025

Financial review

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

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

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

Reserves policy and Going Concern

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

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

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

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

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

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

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

Investment powers and policy

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

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



SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

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

FOR THE YEAR ENDED 31 AUGUST 2025

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

Mr D Bartell

Mr I Scurfield

Mr A Ramsey

Mr K Robson

Mr M Hutchinson

(Appointed 21 March 2025)

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

Induction and Training of Trustees

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

Pay Policy for senior staff

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

Trustees

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

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

Statement of trustees' responsibilities

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

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

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

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

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

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

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

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

Use of our report

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



Nicholas Cunningham MSc BSc FCCA (Senior Statutory Auditor)

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

Accountants

Fernwood House

Fernwood Road

Jesmond

Newcastle upon Tyne

Tyne and Wear

NE2 1TJ

England

Date: 1-4-2026.

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

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

FOR THE YEAR ENDED 31 AUGUST 2025

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

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2025

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

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

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

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

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

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

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

1.7 Fixed asset investments

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

1.8 Impairment of fixed assets

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

1.9 Cash and cash equivalents

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

1.10 Employee benefits

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

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

1.11 Retirement benefits

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

2 Critical accounting estimates and judgements

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

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

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

7 Expenditure on raising funds

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

8 Expenditure on charitable activities

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

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

12 Employees

The average monthly number of employees during the year was:

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

Employment costs

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

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

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

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

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

13 Taxation

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

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

17 Creditors: amounts falling due within one year

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

18 Retirement benefit schemes

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

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

19 Restricted funds

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

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

Capital grant fund

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

SUNDERLAND ENGINEERING TRAINING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

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

24 Analysis of changes in net funds

The charity had no material debt during the year.