

**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**  
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**Stockport Engineering Training Association Limited**  
**Report of the Trustees**  
**for the year ended 31 July 2020**

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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 31 July 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 development and consolidation of plans previously put into practice.

The next phase of the planned improvements to develop the delivery of the academic programme have been completed to consolidate HNC so as to retain and achieve continuity of students within the organisation 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 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.

**Stockport Engineering Training Association Limited**  
**Report of the Trustees**  
**for the year ended 31 July 2020**

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***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 opportunities continue to be monitored, this included starting delivery of the new 18th Edition Electrical course in 2019 that is still proving very popular.

***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.

**Stockport Engineering Training Association Limited**  
**Report of the Trustees**  
**for the year ended 31 July 2020**

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**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 Academy 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 practical 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.

**Stockport Engineering Training Association Limited**  
**Report of the Trustees**  
**for the year ended 31 July 2020**

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**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 until 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:

<b>Year</b>	<b>2021</b>
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 Interruption 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.

**Stockport Engineering Training Association Limited**  
**Report of the Trustees**  
**for the year ended 31 July 2020**

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**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 Government Apprenticeship 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 its two subsidiary companies:

- SETA Training and Advisory Services Limited - held in order to allow the charity to access other commercial training to supplement its 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**

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**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

**Stockport Engineering Training Association Limited**  
**Report of the Trustees**  
**for the year ended 31 July 2020**

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**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.

**Stockport Engineering Training Association Limited**  
**Report of the Trustees**  
**for the year ended 31 July 2020**

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**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.

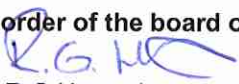
The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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

15th April 2021

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

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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.

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

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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.

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

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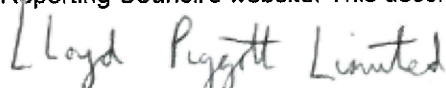
**Auditor's responsibilities for the audit of the financial statements**

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  
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 £
<b>INCOME</b>					
<i>Donations and legacies</i>	3	109,720	-	109,720	-
<b><i>Income from trading activities</i></b>	4	548,049	-	548,049	795,875
<i>Investment income</i>	4	120	-	120	73
<b><i>Income from charitable activities:</i></b>	5	1,147,786	-	1,147,786	1,144,517
<b>Total income</b>		<u>1,805,675</u>	<u>-</u>	<u>1,805,675</u>	<u>1,940,465</u>
<b>EXPENDITURE</b>					
<b><i>Expenditure on raising funds</i></b>	6	551,950	-	551,950	746,698
<b><i>Expenditure on charitable activities</i></b>	7	1,256,562	-	1,256,562	1,253,815
<b>Total Expenditure</b>		<u>1,808,512</u>	<u>-</u>	<u>1,808,512</u>	<u>2,000,513</u>
<b>NET INCOME/(EXPENDITURE)</b>	9	(2,837)	-	(2,837)	(60,048)
Transfers between funds		40,988	(40,988)	-	-
Gains/(Losses) on revaluation of Fixed Assets		-			
<b>Net movement of funds for the year</b>		<u>38,151</u>	<u>(40,988)</u>	<u>(2,837)</u>	<u>(60,048)</u>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		494,057	40,988	535,045	595,093
<b>Funds balances carried forward</b>		<u>532,208</u>	<u>-</u>	<u>532,208</u>	<u>535,045</u>

**Stockport Engineering Training Association Limited**  
**Consolidated Balance Sheet**  
**as at 31 July 2020**

	Notes	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible assets	12	958,944	1,008,227
<b>CURRENT ASSETS</b>			
Stocks	14	9,451	13,753
Debtors	15	263,014	394,444
Cash at bank and in hand		163,074	44,244
		<u>435,539</u>	<u>452,441</u>
<b>CREDITORS</b>			
Amounts falling due within one year	16	(392,647)	(410,286)
<b>NET CURRENT (LIABILITIES)ASSETS</b>			
		<u>42,892</u>	<u>42,155</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>1,001,836</u>	<u>1,050,382</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	17	(469,628)	(515,337)
<b>NET ASSETS</b>			
		<u>532,208</u>	<u>535,045</u>
<b>FUNDS</b>			
Restricted funds	21	-	40,988
General funds	21	532,208	494,057
<b>TOTAL FUNDS</b>			
		<u>532,208</u>	<u>535,045</u>

**Stockport Engineering Training Association Limited**  
**Consolidated Balance Sheet**  
**as at 31 July 2020**

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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

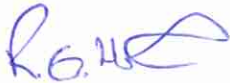
(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006; and

(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:



Mr. R G Howarth  
Chairman

**Stockport Engineering Training Association Limited**  
**Charity Balance Sheet**  
**as at 31 July 2020**

	Notes	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible assets	12	958,944	1,008,227
Investments	13	1,901	1,899
		<u>960,845</u>	<u>1,010,126</u>
<b>CURRENT ASSETS</b>			
Debtors	15	91,143	123,117
Cash at bank and in hand		72,833	18,043
		<u>163,976</u>	<u>141,160</u>
<b>CREDITORS</b>			
Amounts falling due within one year	16	(128,978)	(103,884)
<b>NET CURRENT (LIABILITIES)ASSETS</b>		<u>34,998</u>	<u>37,276</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>995,843</u>	<u>1,047,402</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	17	(469,628)	(515,337)
<b>NET ASSETS</b>		<u>526,215</u>	<u>532,065</u>
<b>FUNDS</b>			
Restricted funds		-	40,988
General funds		526,215	491,077
<b>TOTAL FUNDS</b>		<u>526,215</u>	<u>532,065</u>

**Stockport Engineering Training Association Limited**  
**Charity Balance Sheet**  
**as at 31 July 2020**

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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 £
<b>Cash used in operating activities</b>	27	<b>184,497</b>	<b>(33,465)</b>	<b>124,097</b>	<b>67,492</b>
<b>Cash flows from investing activities</b>					
Interest Income		120	73	3	3
Purchase of tangible fixed assets		(20,078)	(21,583)	(20,078)	(21,583)
<b>Cash provided by (used in) investing activities</b>		<b>(19,958)</b>	<b>(21,510)</b>	<b>(20,075)</b>	<b>(21,580)</b>
<b>Cash flows from financing activities</b>					
Increase (repayment) of borrowing		(45,709)	(49,435)	(45,709)	(49,435)
<b>Cash used in financing activities</b>		<b>(45,709)</b>	<b>(49,435)</b>	<b>(45,709)</b>	<b>(49,435)</b>
Increase/(decrease) in cash and cash equivalents in the year		<b>118,830</b>	<b>(104,410)</b>	<b>58,313</b>	<b>(3,523)</b>
Cash and cash equivalents at the beginning of the year		44,244	148,654	14,520	18,043
<b>Total cash and cash equivalents at the end of the year</b>		<b>163,074</b>	<b>44,244</b>	<b>72,833</b>	<b>14,520</b>

**Stockport Engineering Training Association Limited**  
**Notes to the Consolidated Accounts**  
**for the year ended 31 July 2020**

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**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.

**Stockport Engineering Training Association Limited**  
**Notes to the Consolidated Accounts**  
**for the year ended 31 July 2020**

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**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.

**Stockport Engineering Training Association Limited**  
**Notes to the Consolidated Accounts**  
**for the year ended 31 July 2020**

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***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>	<b>2020</b>	<b>2019</b>
	%	%
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
<u>Training Centre expenses (Staff Time)</u>	<b>2020</b>	<b>2019</b>
	%	%
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	-	-
<u>Short Course expenses (Staff Time)</u>	<b>2020</b>	<b>2019</b>
	%	%
Safety and short courses	97.6	100.0
Apprentice training	2.4	-
Non-Government funded apprentices	-	-
Schools Training	-	-
Services to members	-	-
<u>Group Services expenses (Staff Time)</u>	<b>2020</b>	<b>2019</b>
	%	%
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	-	-
<u>Canteen expenses (Delegate Numbers)</u>	<b>2020</b>	<b>2019</b>
	%	%
Engineering training income	11.7	15.3
Safety and short courses	13.1	22.6
Apprentice training	75.1	62.1

**Stockport Engineering Training Association Limited**  
**Notes to the Consolidated Accounts**  
**for the year ended 31 July 2020**

<u>Premises expenses (Floor Area)</u>	<b>2020</b>	<b>2019</b>
	<b>%</b>	<b>%</b>
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.

**Stockport Engineering Training Association Limited**  
**Notes to the Consolidated Accounts**  
**for the year ended 31 July 2020**

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***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.

**Stockport Engineering Training Association Limited**  
**Notes to the Consolidated Accounts**  
**for the year ended 31 July 2020**

**2 FINANCIAL PERFORMANCE 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
	<u>1,012,950</u>	<u>907,637</u>
Expenditure on charitable activities	(862,864)	(823,991)
Governance costs	(152,413)	(153,534)
Gains/(Losses) on revaluation of Fixed Assets	-	-
	<u>(1,015,277)</u>	<u>(977,525)</u>
<b>Net movement in funds</b>	<u>(2,327)</u>	<u>(69,888)</u>
Total funds brought forward	528,542	598,430
<b>Total funds carried forward</b>	<u>526,215</u>	<u>528,542</u>
<b>Funds</b>		
Restricted funds	-	40,988
Unrestricted funds	526,215	487,554
	<u>526,215</u>	<u>528,542</u>

**3 DONATIONS AND LEGACIES**

	Unrestricted Funds	Restricted Funds	2020 Total	2019 Total
	£	£	£	£
Government Grant Income	109,720	-	109,720	-
	<u>109,720</u>	<u>-</u>	<u>109,720</u>	<u>-</u>

**4 INCOME FROM OTHER TRADING ACTIVITIES**

	Unrestricted Funds	Restricted Funds	2020 Total	2019 Total
	£	£	£	£
<b>Other trading activities</b>				
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
	<u>548,049</u>	<u>-</u>	<u>548,049</u>	<u>795,875</u>
<b>Investment income</b>				
Interest on cash deposits	120	-	120	73

**Stockport Engineering Training Association Limited**  
**Notes to the Consolidated Accounts**  
**for the year ended 31 July 2020**

5	INCOME FROM CHARITABLE ACTIVITIES	Unrestricted	Restricted	2020	2019
		Funds	Funds	Total	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
		<u>1,147,786</u>	<u>-</u>	<u>1,147,786</u>	<u>1,144,517</u>
6	EXPENDITURE ON RAISING FUNDS	Unrestricted	Restricted	2020	2019
		Funds	Funds	Total	Total
		£	£	£	£
	<i>Engineering training</i>				
	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
		<u>170,266</u>	<u>-</u>	<u>170,266</u>	<u>234,636</u>
	<i>Safety and short courses</i>				
	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
		<u>381,684</u>	<u>-</u>	<u>381,684</u>	<u>512,062</u>
	TOTAL	<u>551,950</u>	<u>-</u>	<u>551,950</u>	<u>746,698</u>

**Stockport Engineering Training Association Limited**  
**Notes to the Consolidated Accounts**  
**for the year ended 31 July 2020**

**7 EXPENDITURE ON CHARITABLE ACTIVITIES**

	Unrestricted Funds	Restricted Funds	2020 Total	2019 Total
	£	£	£	£
<i>Apprentice training-government funded</i>				
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
	<u>876,533</u>	<u>-</u>	<u>876,533</u>	<u>789,710</u>
<i>Apprentice training-Other funded</i>				
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
	<u>205,986</u>	<u>-</u>	<u>205,986</u>	<u>254,493</u>
<i>Member services</i>				
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
	<u>7,832</u>	<u>-</u>	<u>7,832</u>	<u>42,182</u>
Governance costs (note 7)	166,211	-	166,211	167,430
<b>TOTAL</b>	<u><u>1,256,562</u></u>	<u><u>-</u></u>	<u><u>1,256,562</u></u>	<u><u>1,253,815</u></u>

**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
	<u>166,211</u>	<u>-</u>	<u>166,211</u>	<u>167,430</u>

**Stockport Engineering Training Association Limited**  
**Notes to the Consolidated Accounts**  
**for the year ended 31 July 2020**

<b>9</b>	<b>NET RESOURCES EXPENDED BEFORE TRANSFERS</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	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
		<u>10,576</u>	<u>10,866</u>

**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)
<b>Total</b>	<b>£2,250</b>	<b>(2019 £3,000)</b>

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.

<b>11</b>	<b>STAFF COSTS</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	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
		<u>1,125,686</u>	<u>1,173,607</u>

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

Apprentice training-government funded	8	8
Members services	3	3
Engineering training	10	10
Safety and short courses	3	3
Governance	8	8
	<u>32</u>	<u>32</u>

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)

**Stockport Engineering Training Association Limited**  
**Notes to the Consolidated Accounts**  
**for the year ended 31 July 2020**

**12 TANGIBLE FIXED ASSETS**

	Land and buildings £	Plant and machinery etc £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
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	<u>850,000</u>	<u>307,366</u>	<u>226,432</u>	<u>1,383,798</u>
<b>Depreciation</b>				
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	<u>51,000</u>	<u>227,866</u>	<u>145,988</u>	<u>424,854</u>
<b>Net book value</b>				
At 31 July 2020	<u>799,000</u>	<u>79,500</u>	<u>80,444</u>	<u>958,944</u>
At 31 July 2019	<u>816,000</u>	<u>84,968</u>	<u>107,259</u>	<u>1,008,227</u>

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	<u>471,961</u>

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	<u>850,000</u>

**Stockport Engineering Training Association Limited**  
**Notes to the Consolidated Accounts**  
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**13 INVESTMENTS**

	<b>Unlisted investment £</b>
<b>Cost</b>	
At 1 August 2019	1,899
Movement	2
At 31 July 2020	<u>1,901</u>
<b>Net book value</b>	
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:

<b>Subsidiary Undertaking</b>	<b>Country of Incorporation</b>	<b>Class of Shares</b>	<b>% Held</b>
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:	%	
Ordinary shares of £1 each	holding 100.00	Company Number: 03001863

	<b>2020 £</b>	<b>2019 £</b>
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	<u>13,688</u>	<u>144,866</u>
Amount gift aided to the charity	(13,688)	(143,380)
<b>Retained in subsidiary</b>	<u>-</u>	<u>1,486</u>

**Stockport Engineering Training Association Limited**  
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<b>SETA Training (Cyprus) Limited</b>	(Incorporated in Cyprus)	
Nature of business: Providing health and safety courses industry and commerce.		
Class of shares:	%	Company Number: 224453
Ordinary shares of £1 each	holding 100.00	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Aggregate capital and reserves	5,594	6,102
Profit/(Loss) for the period	<u>(519)</u>	<u>9,878</u>

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:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Turnover	12,750	72,943
Cost of sales and administration costs	(13,041)	(63,065)
Interest receivable		
Corporation Tax	(228)	
Net Profit	<u>(519)</u>	<u>9,878</u>
Amount gift aided to the charity	-	-
<b>Retained in subsidiary</b>	<u>(519)</u>	<u>9,878</u>

<b>SETA International Limited</b>	(Incorporated in England and Wales)	
Nature of business: Dormant		
Class of shares:	%	Company Number: 9992870
Ordinary shares of £1 each	holding 99.80	
		<b>2020</b>
		<b>£</b>
Aggregate capital and reserves		1,000
Profit/(Loss) for the period		<u>-</u>

**14 STOCK**

	Group	Group	Charity	Charity
	2020	2019	2020	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		-	-	-
	<u>9,451</u>	<u>13,753</u>	<u>-</u>	<u>-</u>

**Stockport Engineering Training Association Limited**  
**Notes to the Consolidated Accounts**  
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**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
	<u>263,014</u>	<u>394,444</u>	<u>91,143</u>	<u>123,117</u>

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
	<u>392,647</u>	<u>410,286</u>	<u>128,978</u>	<u>103,884</u>

**Stockport Engineering Training Association Limited**  
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**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
	<u>469,628</u>	<u>515,337</u>	<u>469,628</u>	<u>515,337</u>
1-5 years	133,267	145,470	133,267	145,470
More than 5 years	336,361	369,867	336,361	369,867
	<u>469,628</u>	<u>515,337</u>	<u>469,628</u>	<u>515,337</u>

**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
	<u>169,912</u>	<u>196,754</u>

**20 CALLED UP SHARE CAPITAL**

**SETA Training & Advisory Services Limited**

Allotted, issued and fully paid:

Class:	Nominal value:	2020 £	2019 £
Ordinary	£ 1	<u>1,000</u>	<u>1,000</u>

**SETA Training (Cyprus) Limited**

Allotted, issued and fully paid:

Class:	Nominal value:	2020 £	2019 £
Ordinary	€ 1	<u>901</u>	<u>899</u>

**Stockport Engineering Training Association Limited**  
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**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)		
	<u>447,973</u>	<u>84,235</u>	<u>532,208</u>		
	Balance at 1-Aug-2019	Income	Expenses	Transfers	Balance 31 July 2020
	£	£	£	£	£
<i>Restricted funds</i>					
Apprentice training-government fund	40,988	-	-	(40,988)	-
Loan stock	-	-	-	-	-
	<u>40,988</u>	<u>-</u>	<u>-</u>	<u>(40,988)</u>	<u>-</u>
<i>Unrestricted funds</i>					
General reserve	164,065	1,805,675	(1,808,512)	43,941	205,169
Revaluation reserve	329,992	-	-	(2,953)	327,039
Loan stock				-	-
	<u>494,057</u>	<u>1,805,675</u>	<u>(1,808,512)</u>	<u>40,988</u>	<u>532,208</u>
<b>TOTAL</b>	<u><u>535,045</u></u>	<u><u>1,805,675</u></u>	<u><u>(1,808,512)</u></u>	<u><u>-</u></u>	<u><u>532,208</u></u>

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
	<u>28,035</u>	<u>40,680</u>

**23 RELATED PARTY TRANSACTIONS**

There was no related party transactions in the period.

**Stockport Engineering Training Association Limited**  
**Notes to the Consolidated Accounts**  
**for the year ended 31 July 2020**

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**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. Recommendations may be made by the Chief Executive but the ultimate decision must be made by the existing Board.

**26 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 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)
	<u>184,497</u>	<u>(33,465)</u>	<u>124,097</u>	<u>67,492</u>

