

Stockport Engineering Training Association Limited  
(A company limited by guarantee)

Report of the Trustees and Consolidated Financial Statements

For the year ended 31 July 2021

Company Number 1512311

Registered Charity in England no 510493

**Stockport Engineering Training Association Limited**  
**Report and Consolidated Accounts**  
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**Stockport Engineering Training Association Limited**  
**Report of the Trustees**  
**for the year ended 31 July 2021**

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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 31st July 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

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

### **Chairs Report**

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

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

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

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

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

### **Our purpose and activities**

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

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

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

**Stockport Engineering Training Association Limited**  
**Report of the Trustees**  
**for the year ended 31 July 2021**

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

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

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

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

***Non-Charitable Activities***

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

***Adult Engineering Training***

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

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

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

***Safety and Short Courses***

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

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

**Stockport Engineering Training Association Limited**  
**Report of the Trustees**  
**for the year ended 31 July 2021**

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**Achievements, Performance and Covid-19**

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

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

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

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

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

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

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

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

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

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 2021**

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

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

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

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

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

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

Income decreased by £99,946 (£5,000 up on budget), however, after claiming £30,043 via the Governments CJRS furlough scheme, the net impact on the accounts was a reduction of £111,123. Despite the additional roof repairs costs above, expenditure was only over the original budget by £5,000. This had the result of reducing the budgeted loss of £67,000 to a loss of £37,742.

The CBILS loan of £120,000 had been agreed by the bank on the 20th July 2020 but, largely due to the fact that training picked up much faster than anticipated, had not been required by the year end. The agreement was to expire on the 20th January 2021 and so the loan was drawn down on this date even though it was still not required at this time.

The main building at Hammond Avenue, Stockport has been revalued in the year with an increase to £1,245,000 from £850,000.

The effect is that our consolidated balance sheet shows an even stronger picture with net current assets of £129,186 compared to £42,892 (2020) and total funds of £956,488 compared to £532,208 (2020).

**Post Balance Sheet Events**

As mentioned above the delay in th completion of the roof there was still a final payment of £33,000 to pay. The roof was finally completed in January 2022 and this expenditure will be incurred at that time.

**Stockport Engineering Training Association Limited**  
**Report of the Trustees**  
**for the year ended 31 July 2021**

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**Reserves Policy**

Reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned emergency repairs and other expenditure. The trustees consider that the ideal level of reserves as at 31st July 2021 would equate to between 3 and 6 months of non-course related expenditure. Three months being £342,000 based on 2021 levels. The trustees consider that this level of reserves would ensure that, given a significant drop in funding, they would be able to continue the Charity's current activities whilst alternate plans were implemented.

The Charities total reserves were £956,488 as at 31st July 2021. The free reserves, being those unrestricted funds not represented by fixed assets and their associated finance, were £49,443 at 31st July 2021 (£87,324 in 2020), an decrease of £37,881.

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

We consistently plan and monitor the financial performance of the charity in order to maintain reserve levels by:

- Setting Budgets
- Producing Cash flows
- Producing Monthly Management Accounts
- Setting Business Development Plan

**Investments Held**

The investments held by the charity are share capital held in it's two subsidiary companies:

- SETA Training and Advisory Services Limited - held in order to allow the charity to access other commercial training to supplement it's income.
- SETA Training (Cyprus) Limited - held in order to maintain our safety training presence in Cyprus when government policies changed and it would have been impossible with a Cyprus registered company.

**Plans for future periods**

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

Major funding changes in the Apprenticeship Levy should now settle down and provide some stability in the sector, we are still on the front line for any information that is released and we will monitor the potential threats and opportunities that may arise.

Covid-19 will continue to impact the Association in the future but we have contingency plans in place and will continue to adapt to the changes required and maximise any funding assistance that can be accessed.

**Stockport Engineering Training Association Limited**  
**Report of the Trustees**  
**for the year ended 31 July 2021**

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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**

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

**Directors and trustees**

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

Mr R G Howarth (Chairman)

Mr J R Moss (Treasurer)

Dr Moray Kidd

Mr N Carne

Company Secretary: Mr M C Field

**Key management personnel:**

Chief Executive:

Mr R M Prince

Financial Director

Mr M C Field

External Operations Director

Mrs J Burns

Internal Operations Director

Mr M Neild

Quality Director

Mr L Johnson

**Stockport Engineering Training Association Limited**  
**Report of the Trustees**  
**for the year ended 31 July 2021**

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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 £192,351 before distributions and SETA Training (Cyprus) Limited a small loss of £682.

**Pay policy for senior staff**

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

The Chief Executives remuneration is ultimately set by the Board.

**Stockport Engineering Training Association Limited**  
**Report of the Trustees**  
**for the year ended 31 July 2021**

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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.

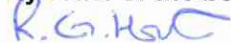
The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

13th April 2022

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

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**Opinion**

We have audited the financial statements of Stockport Engineering Training Association Limited (which comprises the Group and Parent Charitable Company) for the year ended 31 July 2021 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheet, the consolidated and charity statement of cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and parent charitable company's affairs as at 31 July 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Charities Act 2011.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

The other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of Trustees**

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

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

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

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

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

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

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

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

Despite appropriate planning and performing our work in accordance with International Auditing Standards, there are always inherent limitations that non-compliance is not detected. Non-compliance with laws and regulations is often further removed from the events and transactions reflected in the financial statements and material misstatements due to fraud can be deliberately concealed from auditors, for example through misrepresentation, forgery or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

This description forms part of our auditor's report.

### **Use of our report**

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

*Mitten Clarke Audit Limited*

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

Date: 13th April 2022

**Stockport Engineering Training Association Limited**  
**Consolidated Statement of Financial Activities**  
**(Incorporating a Consolidated Income and Expenditure Account)**  
**for the year ended 31 July 2021**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
<b>INCOME</b>					
<i>Donations and legacies</i>	3	98,543	-	98,543	109,720
<b><i>Income from trading activities</i></b>	4	655,963	-	655,963	548,049
<i>Investment income</i>	4	16	-	16	120
<b><i>Income from charitable activities:</i></b>	5	940,030	-	940,030	1,147,786
<b>Total income</b>		<u>1,694,552</u>	<u>-</u>	<u>1,694,552</u>	<u>1,805,675</u>
<b>EXPENDITURE</b>					
<b><i>Expenditure on raising funds</i></b>	6	627,084	-	627,084	551,950
<b><i>Expenditure on charitable activities</i></b>	7	1,106,188	-	1,106,188	1,256,562
<b>Total Expenditure</b>		<u>1,733,272</u>	<u>-</u>	<u>1,733,272</u>	<u>1,808,512</u>
<b>NET EXPENDITURE</b>	9	(38,720)	-	(38,720)	(2,837)
Gains/(Losses) on revaluation of Fixed Assets		463,000		463,000	
<b>Net movement of funds for the year</b>		<u>424,280</u>	<u>-</u>	<u>424,280</u>	<u>(2,837)</u>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		532,208	-	532,208	595,093
<b>Funds balances carried forward</b>		<u>956,488</u>	<u>-</u>	<u>956,488</u>	<u>592,256</u>

**Stockport Engineering Training Association Limited**  
**Consolidated Balance Sheet**  
**as at 31 July 2021**

	Notes	2021 £	2020 £
<b>FIXED ASSETS</b>			
Tangible assets	12	1,376,754	958,944
<b>CURRENT ASSETS</b>			
Stocks	14	15,170	9,451
Debtors	15	317,583	263,014
Cash at bank and in hand		152,546	163,074
		<u>485,299</u>	<u>435,539</u>
<b>CREDITORS</b>			
Amounts falling due within one year	16	(356,113)	(392,647)
<b>NET CURRENT ASSETS</b>		<u>129,186</u>	<u>42,892</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,505,940</u>	<u>1,001,836</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	17	(549,452)	(469,628)
<b>NET ASSETS</b>		<u>956,488</u>	<u>532,208</u>
<b>FUNDS</b>			
General funds	21	956,488	532,208
<b>TOTAL FUNDS</b>		<u>956,488</u>	<u>532,208</u>

**Stockport Engineering Training Association Limited**  
**Consolidated Balance Sheet**  
**as at 31 July 2021**

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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 2021.

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

The trustees acknowledge their responsibility for

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

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

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

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

The financial statements were approved by the board of Trustees on the 13th April 2022 and were signed on its behalf by:



Mr. R G Howarth  
Chairman

**Stockport Engineering Training Association Limited**  
**Charity Balance Sheet**  
**as at 31 July 2021**

	Notes	2021 £	2020 £
<b>FIXED ASSETS</b>			
Tangible assets	12	1,376,754	958,944
Investments	13	1,853	1,901
		<u>1,378,607</u>	<u>960,845</u>
<b>CURRENT ASSETS</b>			
Debtors	15	131,172	91,143
Cash at bank and in hand		30,784	18,043
		<u>161,956</u>	<u>109,186</u>
<b>CREDITORS</b>			
Amounts falling due within one year	16	(109,163)	(128,978)
		<u>52,793</u>	<u>(19,792)</u>
<b>NET CURRENT LIABILITIES</b>			
		<u>1,431,400</u>	<u>941,053</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
<b>CREDITORS</b>			
Amounts falling due after more than one year	17	(549,452)	(469,628)
		<u>881,948</u>	<u>471,425</u>
<b>NET ASSETS</b>			
<b>FUNDS</b>			
General funds		881,948	471,425
		<u>881,948</u>	<u>471,425</u>
<b>TOTAL FUNDS</b>			

**Stockport Engineering Training Association Limited**  
**Charity Balance Sheet**  
**as at 31 July 2021**

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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 2021.

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


The trustees acknowledge their responsibility for:

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

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

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

The financial statements were approved by the board of Trustees on the 13th April 2022 and were signed on its behalf by:



Mr. R G Howarth  
Chairman

**Stockport Engineering Training Association Limited**  
**Statement of Cash Flows and Consolidated Statement of Cash Flows**  
**for the year ended 31 July 2021**

		Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
<b>Cash used in operating activities</b>	27	<u>(74,493)</u>	<u>184,497</u>	<u>(106,001)</u>	<u>124,097</u>
<b>Cash flows from investing activities</b>					
Interest Income		16	120	3	3
Purchase of tangible fixed assets		(15,875)	(20,078)	(15,875)	(20,078)
<b>Cash used in investing activities</b>		<u>(15,859)</u>	<u>(19,958)</u>	<u>(15,872)</u>	<u>(20,075)</u>
<b>Cash flows from financing activities</b>					
Increase (repayment) of borrowing		79,824	(45,709)	79,824	(45,709)
<b>Cash used in financing activities</b>		<u>79,824</u>	<u>(45,709)</u>	<u>79,824</u>	<u>(45,709)</u>
Increase/(decrease) in cash and cash equivalents in the year		<u>(10,528)</u>	<u>118,830</u>	<u>(42,049)</u>	<u>58,313</u>
Cash and cash equivalents at the beginning of the year		163,074	44,244	72,833	14,520
<b>Total cash and cash equivalents at the end of the year</b>		<u>152,546</u>	<u>163,074</u>	<u>30,784</u>	<u>72,833</u>

**Stockport Engineering Training Association Limited**  
**Notes to the Consolidated Accounts**  
**for the year ended 31 July 2021**

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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 Apprenticeship Levy and Non-Levy funding from the Education and Skills Funding Agency ("The ESFA"). In common with many funded charities, the adoption of the going concern basis is dependent on the charity receiving adequate funding. The charity currently has learners on programme until January 2026 and is able to draw down funding as we are registered on the Register of Apprenticeship Training Providers (RoATP). While the Trustees recognise the uncertainties inherent in predicting the timing and level of future funding beyond this date, they believe that adequate funding will be secured.

**Stockport Engineering Training Association Limited**  
**Notes to the Consolidated Accounts**  
**for the year ended 31 July 2021**

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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 2021**

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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>2021</b>	<b>2020</b>
	%	%
Engineering training income	6.5	6.0
Safety and short courses	15.2	15.4
Apprentice training	47.3	49.1
Non-Government funded apprentices	12.1	12.9
Schools/Study Programme Training	3.4	-
Services to members	-	0.7
Governance	15.5	15.9
<u>Training Centre expenses (Staff Time)</u>	<b>2021</b>	<b>2020</b>
	%	%
Engineering training income	16.6	14.2
Apprentice training	64.0	70.6
Non-Government funded apprentices	13.8	15.0
Schools/Study Programme Training	5.6	-
Services to members	-	0.2
Governance	-	-
<u>Short Course expenses (Staff Time)</u>	<b>2021</b>	<b>2020</b>
	%	%
Safety and short courses	100.0	97.6
Apprentice training	-	2.4
Non-Government funded apprentices	-	-
Schools/Study Programme Training	-	-
Services to members	-	-
<u>Group Services expenses (Staff Time)</u>	<b>2021</b>	<b>2020</b>
	%	%
Engineering training income	1.6	1.6
Safety and short courses	2.9	2.9
Apprentice training	82.8	82.8
Non-Government funded apprentices	11.3	11.3
Schools/Study Programme Training	-	-
Services to members	1.4	1.4
Governance	-	-
<u>Canteen expenses (Delegate Numbers)</u>	<b>2021</b>	<b>2020</b>
	%	%
Engineering training income	39.5	11.7
Safety and short courses	60.5	13.1
Apprentice training	-	75.1

**Stockport Engineering Training Association Limited**  
**Notes to the Consolidated Accounts**  
**for the year ended 31 July 2021**

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<u>Premises expenses (Floor Area)</u>	<b>2021</b>	<b>2020</b>
	<b>%</b>	<b>%</b>
Engineering training income	28.4	28.4
Safety and short courses	13.3	13.2
Apprentice training-Government funded	12.3	11.1
Apprentice training-Other funded	27.0	36.3
Schools/Study Programme Training	10.5	-
Services to members	-	1.4
Governance	8.5	9.6

**Governance costs**

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

**Leasing and hire purchase commitments**

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

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

**Pension costs**

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

**Tangible fixed assets and depreciation**

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

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

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

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

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Investments**

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

**Stockport Engineering Training Association Limited**  
**Notes to the Consolidated Accounts**  
**for the year ended 31 July 2021**

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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 2021**

**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.

	2021	2020
	£	£
Income	794,457	999,262
Gift aid from the subsidiary company	122,874	13,688
	<u>917,331</u>	<u>1,012,950</u>
Expenditure on charitable activities	(867,053)	(862,864)
Governance costs	(157,545)	(152,413)
Gains/(Losses) on revaluation of Fixed Assets	463,000	-
	<u>(561,598)</u>	<u>(1,015,277)</u>
<b>Net movement in funds</b>	<b>355,733</b>	<b>(2,327)</b>
Total funds brought forward	526,215	528,542
<b>Total funds carried forward</b>	<b><u>881,948</u></b>	<b><u>526,215</u></b>
<b>Funds</b>		
Unrestricted funds	881,948	526,215
	<u>881,948</u>	<u>526,215</u>

**3 DONATIONS AND LEGACIES**

	Unrestricted Funds	Restricted Funds	2021 Total	2020 Total
	£	£	£	£
Government Grant Income	98,543	-	98,543	109,720
	<u>98,543</u>	<u>-</u>	<u>98,543</u>	<u>109,720</u>

**4 INCOME FROM OTHER TRADING ACTIVITIES**

	Unrestricted Funds	Restricted Funds	2021 Total	2020 Total
	£	£	£	£
<b>Other trading activities</b>				
Membership subscriptions	3,089	-	3,089	4,940
Engineering training income	190,115	-	190,115	172,538
Safety and short courses	390,159	-	390,159	370,571
Schools/Study Programme Training	72,600	-	72,600	-
	<u>655,963</u>	<u>-</u>	<u>655,963</u>	<u>548,049</u>
<b>Investment income</b>				
Interest on cash deposits	16	-	16	120
	<u>16</u>	<u>-</u>	<u>16</u>	<u>120</u>

**Stockport Engineering Training Association Limited**  
**Notes to the Consolidated Accounts**  
**for the year ended 31 July 2021**

5	<b>INCOME FROM CHARITABLE ACTIVITIES</b>			
	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>2021 Total</b>	<b>2020 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Apprentice training-Government funded	761,839	-	761,839	917,469
Apprentice training-Other funded	177,254	-	177,254	220,717
Members services	937	-	937	9,600
	<u>940,030</u>	<u>-</u>	<u>940,030</u>	<u>1,147,786</u>
<b>6</b>	<b>EXPENDITURE ON RAISING FUNDS</b>			
	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>2021 Total</b>	<b>2020 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<i>Engineering training</i>				
Marketing	6,487	-	6,487	11,222
Staff costs	78,736	-	78,736	68,365
Training costs	18,569	-	18,569	19,852
Travel	7,643	-	7,643	13,994
Premises costs	47,061	-	47,061	35,796
Office and sundry costs	14,983	-	14,983	7,152
Depreciation	13,027	-	13,027	13,885
	<u>186,506</u>	<u>-</u>	<u>186,506</u>	<u>170,266</u>
<i>Safety and short courses</i>				
Marketing	9,530	-	9,530	9,270
Staff costs	204,444	-	204,444	188,265
Training costs	95,068	-	95,068	112,098
Travel	20,549	-	20,549	28,722
Premises costs	22,072	-	22,072	16,649
Office and sundry costs	22,576	-	22,576	18,133
Depreciation	7,288	-	7,288	8,547
	<u>381,527</u>	<u>-</u>	<u>381,527</u>	<u>381,684</u>
<i>Schools/Study Programme Training</i>				
Marketing	-	-	-	-
Staff costs	30,694	-	30,694	-
Training costs	2,667	-	2,667	-
Premises costs	17,460	-	17,460	-
Office and sundry costs	3,917	-	3,917	-
Depreciation	4,313	-	4,313	-
	<u>59,051</u>	<u>-</u>	<u>59,051</u>	<u>-</u>
<b>TOTAL</b>	<u><u>627,084</u></u>	<u><u>-</u></u>	<u><u>627,084</u></u>	<u><u>551,950</u></u>

**Stockport Engineering Training Association Limited**  
**Notes to the Consolidated Accounts**  
**for the year ended 31 July 2021**

**7 EXPENDITURE ON CHARITABLE ACTIVITIES**

	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
<i>Apprentice training-government funded</i>				
Marketing	6,659		6,659	5,483
Staff costs	612,135		612,135	696,698
Training costs	75,597		75,597	102,377
Travel	7,456		7,456	7,661
Premises costs	20,398		20,398	13,949
Office and sundry costs	35,312		35,312	42,154
Depreciation	6,575		6,575	8,211
	<u>764,132</u>	-	<u>764,132</u>	<u>876,533</u>
<i>Apprentice training-Other funded</i>				
Marketing	-	-		-
Staff costs	102,465	-	102,465	124,330
Training costs	6,756	-	6,756	10,228
Premises costs	44,860	-	44,860	45,792
Office and sundry costs	4,840	-	4,840	11,108
Depreciation	11,080	-	11,080	14,528
	<u>170,001</u>	-	<u>170,001</u>	<u>205,986</u>
<i>Member services</i>				
Marketing	-	-		-
Staff costs	-	-	-	2,597
Training costs	-	-	-	137
Premises costs	-	-	-	1,836
Office and sundry costs	-	-	-	1,775
Depreciation	-	-	-	1,487
	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,832</u>
Governance costs (note 7)	172,055	-	172,055	166,211
<b>TOTAL</b>	<u><u>1,106,188</u></u>	<u><u>-</u></u>	<u><u>1,106,188</u></u>	<u><u>1,256,562</u></u>

**8 GOVERNANCE COSTS**

	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Marketing	298	-	298	287
Staff costs	62,244	-	62,244	53,693
Training costs	3,113	-	3,113	252
Travel	4,669	-	4,669	5,335
Premises costs	14,106	-	14,106	12,109
Office and sundry costs	70,363	-	70,363	71,833
Depreciation	17,262	-	17,262	22,702
	<u>172,055</u>	<u>-</u>	<u>172,055</u>	<u>166,211</u>

**Stockport Engineering Training Association Limited**  
**Notes to the Consolidated Accounts**  
**for the year ended 31 July 2021**

<b>9</b>	<b>NET RESOURCES EXPENDED BEFORE TRANSFERS</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	This is stated after charging:		
	Depreciation	59,545	69,361
	Directors' remuneration	63,518	61,939
	Pension costs	32,367	34,224
	Auditors' remuneration	10,248	10,576
		<u>10,248</u>	<u>10,576</u>

**10 TRUSTEES' REMUNERATION AND BENEFITS**

Total remuneration paid to trustees' amounted to:

R.G Howarth	£1,500	(2020 £750)
J. R. Moss	£1,500	(2020 £1,500)
M. Kidd	£750	(2020 £0)
<b>Total</b>	<b>£3,750</b>	<b>(2020 £2,250)</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 2021 nor for the year ended 31 July 2020.

<b>11</b>	<b>STAFF COSTS</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Staff costs during the year amounted to:		
	Wages and salaries	949,435	998,467
	Social security costs	92,612	92,995
	Pension costs	32,367	34,224
		<u>1,074,414</u>	<u>1,125,686</u>

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

Apprentice training-government funded	12	8
Members services	1	3
Engineering training	8	10
Safety and short courses	4	3
Governance	7	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 (2020 - One), not including retirement benefits which are accruing under a money purchase scheme.

The key management personnel of the group comprise those of the charity, being the trustees, the chief executive and the company secretary. The total employee benefits of the key management personnel of the group were £110,717 (2020: £107,513).

The number of employees to whom retirement benefits were accruing was 34 (2020: 37)

The above includes holiday pay accrual amounting to £26,805 (2020 £35,006)

**Stockport Engineering Training Association Limited**  
**Notes to the Consolidated Accounts**  
**for the year ended 31 July 2021**

**12 TANGIBLE FIXED ASSETS - GROUP**

	Land and buildings £	Plant and machinery etc £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 August 2020	850,000	307,366	226,432	1,383,798
Additions		15,875	-	15,875
Deficit on revaluation	395,000	-		395,000
Disposals	-	(75,818)	(17,000)	(92,818)
At 31 July 2021	<u>1,245,000</u>	<u>247,423</u>	<u>209,432</u>	<u>1,701,855</u>
<b>Depreciation</b>				
At 1 August 2020	51,000	227,866	145,988	424,854
Charge for the year	17,000	22,551	19,994	59,545
Deficit on revaluation	(68,000)	-	-	(68,000)
On disposals	-	(75,818)	(15,480)	(91,298)
At 31 July 2021	<u>-</u>	<u>174,599</u>	<u>150,502</u>	<u>325,101</u>
<b>Net book value</b>				
At 31 July 2021	<u>1,245,000</u>	<u>72,824</u>	<u>58,930</u>	<u>1,376,754</u>
At 31 July 2020	<u>799,000</u>	<u>79,500</u>	<u>80,444</u>	<u>958,944</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:

	<b>2021</b>
	<b>£</b>
Historical cost	702,356
Aggregate depreciation	(228,345)
At 31 July 2021	<u>474,011</u>

Freehold land and buildings were valued on an open market basis at July 2021 by Roberts & Roberts Surveyors.

Cost or valuation at 31 July 2021 is represented by:

	<b>Land and Buildings £</b>
Historical cost	702,356
Revaluation 2006	555,825
Revaluation 2011	(495,858)
Revaluation 2017	87,677
Revaluation 2021	395,000
At 31 July 2021	<u>1,245,000</u>

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

	<b>Unlisted investment £</b>
<b>Cost</b>	
At 1 August 2020	1,901
Movement	(48)
At 31 July 2021	<u>1,853</u>
<b>Net book value</b>	
31 July 2021	1,853
31 July 2020	1,901

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

<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>2021 £</b>	<b>2020 £</b>
Turnover	898,371	800,823
Cost of sales and administration costs	(706,033)	(787,251)
Interest receivable	13	116
Interest payable		
Tax		
Net Profit	<u>192,351</u>	<u>13,688</u>
Amount gift aided to the charity	(122,874)	(13,688)
<b>Retained in subsidiary</b>	<u>69,477</u>	<u>-</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:	holding	Company Number: 224453
Ordinary shares of £1 each	100.00	
	<b>2021</b>	<b>2020</b>
	£	£
Aggregate capital and reserves	4,616	5,594
Profit/(Loss) for the period	<u>(682)</u>	<u>(519)</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>2021</b>	<b>2020</b>
	£	£
Turnover	1,711	12,750
Cost of sales and administration costs	(2,393)	(13,041)
Interest receivable		
Corporation Tax		(228)
Net Profit	<u>(682)</u>	<u>(519)</u>
Amount gift aided to the charity	-	-
<b>Retained in subsidiary</b>	<u>(682)</u>	<u>(519)</u>

<b>SETA International Limited</b>	(Incorporated in England and Wales)	
Nature of business: Dormant		
	%	
Class of shares:	holding	Company Number: 9992870
Ordinary shares of £1 each	99.80	
		<b>2021</b>
		£
Aggregate capital and reserves		1,000
Profit/(Loss) for the period		<u>-</u>

**14 STOCK**

	Group	Group	Charity	Charity
	2021	2020	2021	2020
		£	£	£
Centre materials	9,168	6,190	-	-
Registrations	900	1,627	-	-
Canteen	257	190	-	-
Stationery	613	842	-	-
Cleaning Materials	173	602	-	-
Course Books	4,059		-	-
	<u>15,170</u>	<u>9,451</u>	<u>-</u>	<u>-</u>

**Stockport Engineering Training Association Limited**  
**Notes to the Consolidated Accounts**  
**for the year ended 31 July 2021**

**15 DEBTORS**

	Group 2021	Group 2020	Charity 2021	Charity 2020
	£	£	£	£
Trade debtors	124,884	129,985	3,007	7,452
Government funding receivable	104,282	53,600	104,282	53,600
Amounts due from Group undertakings				4,411
Other taxes and social security costs	2,423		10,275	9,172
Prepayments and accrued income	79,282	71,625	7,301	9,109
Other debtors	6,712	7,804	6,307	7,399
	<u>317,583</u>	<u>263,014</u>	<u>131,172</u>	<u>91,143</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 2021	Group 2020	Charity 2021	Charity 2020
	£	£	£	£
Bank loan (secured)	34,399	22,414	34,399	22,414
Trade creditors	51,920	51,886	5,127	17,932
Obligations under finance lease and hire purchase contracts	5,858	21,695	5,858	21,695
Amounts owed to group undertakings and undertakings in which the company has a participating interest				
Accruals and deferred income	234,176	246,591	34,019	36,055
Other taxes and social security costs	24,124	40,652	24,124	22,673
Other creditors	5,636	9,409	5,636	8,209
	<u>356,113</u>	<u>392,647</u>	<u>109,163</u>	<u>128,978</u>

**Stockport Engineering Training Association Limited**  
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**17 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Bank loan (secured)	549,452	463,770	549,452	463,770
Obligations under finance lease and hire purchase contracts	-	5,858	-	5,858
	<u>549,452</u>	<u>469,628</u>	<u>549,452</u>	<u>469,628</u>
1-5 years	200,103	99,761	200,103	99,761
More than 5 years	349,349	369,867	349,349	369,867
	<u>549,452</u>	<u>469,628</u>	<u>549,452</u>	<u>469,628</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 2021 £	Group 2020 £
Balance as at 1 August 2020	169,912	196,754
Amount released to income earned from charitable activities	(169,912)	(196,754)
Amount deferred as at 31 July 2021	169,583	169,912
	<u>169,583</u>	<u>169,912</u>

**20 CALLED UP SHARE CAPITAL**

**SETA Training & Advisory Services Limited**

Alloted, issued and fully paid:

Class:	Nominal value:	2021 £	2020 £
Ordinary	£ 1	<u>1,000</u>	<u>1,000</u>

**SETA Training (Cyprus) Limited**

Alloted, issued and fully paid:

Class:	Nominal value:	2021 £	2020 £
Ordinary	€ 1	<u>853</u>	<u>899</u>

**Stockport Engineering Training Association Limited**  
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**21 FUNDS - GROUP**

	£	£	£	£
	Unrestricted Funds	Restricted Funds	Total	
	£	£	£	
Tangible fixed assets	1,376,754		1,376,754	
Net current (liabilities)/assets	129,186		129,186	
Deferred liabilities	(549,452)		(549,452)	
	<u>956,488</u>	<u>-</u>	<u>956,488</u>	
	<b>Balance at 1-Aug-2020</b>	<b>Income</b>	<b>Expenses</b>	<b>Transfers</b>
	£	£	£	£
<i>Restricted funds</i>				
Loan stock	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Unrestricted funds</i>				
General reserve	205,169	1,694,552	(1,733,272)	2,953
Revaluation reserve	327,039	463,000	-	(2,953)
Loan stock				-
	<u>532,208</u>	<u>2,157,552</u>	<u>(1,733,272)</u>	<u>-</u>
<b>TOTAL</b>	<u><u>532,208</u></u>	<u><u>2,157,552</u></u>	<u><u>(1,733,272)</u></u>	<u><u>-</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.

**22 Operating Leases**

	2021 £	2020 £
Within one year	13,113	12,645
Between two and five years	28,016	15,390
Greater than five year	5,668	-
	<u>46,797</u>	<u>28,035</u>

**23 RELATED PARTY TRANSACTIONS**

During the year the disposed of a company car, according to our policy this was offered to all staff to buy on a highest bidder basis, subject to market value. The car was ultimately sold to the Chief Executive (Russell Prince).

**Stockport Engineering Training Association Limited**  
**Notes to the Consolidated Accounts**  
**for the year ended 31 July 2021**

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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 2021	Group 2020	Charity 2021	Charity 2020
	£	£	£	£
Net movement in funds	424,280	(2,837)	355,733	(2,327)
Add back depreciation charge	59,545	69,361	59,545	69,361
Sale of Fixed Assets	2,500		2,500	
Less profit on disposal of FA	(980)		(980)	
Add back (Gains)/Losses on revaluation of Fixed Assets	(463,000)		(463,000)	-
Movement in Investments			48	(2)
Deduct interest income shown in investing activities	(16)	(120)	(3)	(3)
Decrease (increase) in stock	(5,719)	4,302	-	-
Decrease (increase) in debtors	(54,569)	131,430	(40,029)	31,974
Increase (decrease) in creditors	(36,534)	(17,639)	(19,815)	25,094
	<u>(74,493)</u>	<u>184,497</u>	<u>(106,001)</u>	<u>124,097</u>

