

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

Report of the Trustees and Consolidated Financial Statements

For the year ended 31 July 2022

Company Number 1512311

Registered Charity in England no 510493

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

Report of the Trustees

for the year ended 31 July 2022

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

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

Chairs Report

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

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

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

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

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

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

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

Our purpose and activities

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

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

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

Stockport Engineering Training Association Limited
Report of the Trustees
for the year ended 31 July 2022

Public Benefit

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

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

Membership

We currently have 19 member companies.

Apprentice Training

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

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

Non-Charitable Activities

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

Adult Engineering Training

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

New 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 2022

Achievements, Performance and Covid-19

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

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

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

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

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

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

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

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

Stockport Engineering Training Association Limited
Report of the Trustees
for the year ended 31 July 2022

Financial Review

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

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

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

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

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

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

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

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

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

Budgets had been set for the next year as:

Year	2023
Turnover	£2,180,000
Expenditure	£2,095,800

Post Balance Sheet Events

Stockport Engineering Training Association Limited
Report of the Trustees
for the year ended 31 July 2022

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

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

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

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

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

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

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

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

Stockport Engineering Training Association Limited
Report of the Trustees
for the year ended 31 July 2022

Reserves Policy

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

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

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

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

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

Investments Held

The investments held by the charity are share capital held in its two subsidiary companies:

- SETA Training and Advisory Services Limited - held in order to allow the charity to access other commercial training to supplement 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 member companies.

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

Stockport Engineering Training Association Limited
Report of the Trustees
for the year ended 31 July 2022

Reference and administrative details

Company Number:

1512311

Charity Number:

510493

Registered Office:

18 Hammond Avenue
Whitehill Industrial Estate
South Reddish
Stockport
SK4 1PQ

Bankers

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

Auditors

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

Directors and Trustees

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

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

Company Secretary: Mr M C Field

Key management personnel:

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

Stockport Engineering Training Association Limited
Report of the Trustees
for the year ended 31 July 2022

Structure, Governance and Management

Governing Document

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

Recruitment and Appointment of New Directors and Trustees

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

Induction and Training of Directors and Trustees

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

Organisational Structure

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

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

Subsidiaries

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

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

Pay policy for senior staff

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

The Chief Executives remuneration is ultimately set by the Board.

Stockport Engineering Training Association Limited
Report of the Trustees
for the year ended 31 July 2022

Risk Management

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

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

Trustees' responsibilities in relation to the financial statements

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

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

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

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

Statement as to disclosure to our auditors

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

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Board of Trustees



Mr. R G Howarth
Chairman

Date: 24th July 2023

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

Opinion

We have audited the financial statements of Stockport Engineering Training Association Limited (which comprises the Group and Parent Charitable Company) for the year ended 31 July 2022 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheet, the consolidated and charity statement of cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and parent charitable company's affairs as at 31 July 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

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

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

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

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

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

This description forms part of our auditor's report.

Use of our report

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

DJH Mitten Clarke Audit Limited

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

Date: 24 July 2023

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

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

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

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

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

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

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

The trustees acknowledge their responsibility for

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

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

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

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

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



Mr. R G Howarth
Chairman

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

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

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

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

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

The trustees acknowledge their responsibility for:

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

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

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

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



Mr. R G Howarth
Chairman

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

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

Stockport Engineering Training Association Limited
Notes to the Consolidated Accounts
for the year ended 31 July 2022

1 ACCOUNTING POLICIES

Basis of preparation of accounts

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

Preparation of the accounts on a going concern basis

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

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

Stockport Engineering Training Association Limited
Notes to the Consolidated Accounts
for the year ended 31 July 2022

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. The scheme ended in September 2021.

Expenditure and basis of allocation

Stockport Engineering Training Association Limited
Notes to the Consolidated Accounts
for the year ended 31 July 2022

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

<u>Administrative expenses (Staff Time)</u>	2022	2021
	%	%
Engineering training income	6.9	6.5
Safety and short courses	16.3	15.2
Apprentice training	47.5	47.3
Non-Government funded apprentices	12.4	12.1
Schools/Study Programme Training	-	3.4
Services to members	1.6	-
Governance	15.3	15.5
 <u>Training Centre expenses (Staff Time)</u>	 2022	 2021
	%	%
Engineering training income	25.1	16.6
Apprentice training	57.1	64.0
Non-Government funded apprentices	14.8	13.8
Schools/Study Programme Training	-	5.6
Services to members	3.0	-
Governance	-	-
 <u>Short Course expenses (Staff Time)</u>	 2022	 2021
	%	%
Safety and short courses	100.0	100.0
Apprentice training	-	-
Non-Government funded apprentices	-	-
Schools/Study Programme Training	-	-
Services to members	-	-
 <u>Group Services expenses (Staff Time)</u>	 2022	 2021
	%	%
Engineering training income	3.4	3.2
Safety and short courses	4.3	2.8
Apprentice training	79.1	80.4
Non-Government funded apprentices	8.9	8.2
Schools/Study Programme Training	-	1.6
Services to members	2.0	-
Governance	2.3	3.8
 <u>Canteen expenses (Delegate Numbers)</u>	 2022	 2021
	%	%
Engineering training income	49.5	39.5
Safety and short courses	50.5	60.5
Apprentice training	-	-

Stockport Engineering Training Association Limited
Notes to the Consolidated Accounts
for the year ended 31 July 2022

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

Governance costs

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

Leasing and hire purchase commitments

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

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

Pension costs

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

Tangible fixed assets and depreciation

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

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

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

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

Stocks

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

Investments

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

Stockport Engineering Training Association Limited
Notes to the Consolidated Accounts
for the year ended 31 July 2022

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 2022

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.

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

3 DONATIONS AND LEGACIES

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

4 INCOME FROM OTHER TRADING ACTIVITIES

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

Stockport Engineering Training Association Limited
Notes to the Consolidated Accounts
for the year ended 31 July 2022

5	INCOME FROM CHARITABLE ACTIVITIES	Unrestricted	Restricted	2022	2021
		Funds	Funds	Total	Total
		£	£	£	£
	Apprentice training-Government funded	833,617	-	833,617	761,839
	Apprentice training-Other funded	194,025	-	194,025	177,254
	Members services	31,513	-	31,513	937
		<u>1,059,155</u>	<u>-</u>	<u>1,059,155</u>	<u>940,030</u>
6	EXPENDITURE ON RAISING FUNDS				
		Unrestricted	Restricted	2022	2021
		Funds	Funds	Total	Total
		£	£	£	£
	<i>Engineering training</i>				
	Marketing	8,353	-	8,353	6,487
	Staff costs	105,535	-	105,535	78,736
	Training costs	31,532	-	31,532	18,569
	Travel	7,050	-	7,050	7,643
	Premises costs	44,702	-	44,702	47,061
	Office and sundry costs	18,346	-	18,346	14,983
	Depreciation	8,512	-	8,512	13,027
		<u>224,030</u>	<u>-</u>	<u>224,030</u>	<u>186,506</u>
	<i>Safety and short courses</i>				
	Marketing	45,517	-	45,517	9,530
	Staff costs	218,679	-	218,679	204,444
	Training costs	117,164	-	117,164	95,068
	Travel	21,052	-	21,052	20,549
	Premises costs	22,970	-	22,970	22,072
	Office and sundry costs	23,706	-	23,706	22,576
	Depreciation	4,399	-	4,399	7,288
		<u>453,487</u>	<u>-</u>	<u>453,487</u>	<u>381,527</u>
	<i>Schools/Study Programme Training</i>				
	Marketing	-	-	-	-
	Staff costs	-	-	-	30,694
	Training costs	-	-	-	2,667
	Premises costs	-	-	-	17,460
	Office and sundry costs	-	-	-	3,917
	Depreciation	-	-	-	4,313
		<u>-</u>	<u>-</u>	<u>-</u>	<u>59,051</u>
	TOTAL	<u>677,517</u>	<u>-</u>	<u>677,517</u>	<u>627,084</u>

Stockport Engineering Training Association Limited
Notes to the Consolidated Accounts
for the year ended 31 July 2022

7 EXPENDITURE ON CHARITABLE ACTIVITIES	Unrestricted Funds	Restricted Funds	2022 Total	2021 Total
	£	£	£	£
<i>Apprentice training-government funded</i>				
Marketing	5,146	-	5,146	6,659
Staff costs	598,713	-	598,713	612,135
Training costs	111,169	-	111,169	75,597
Travel	9,264	-	9,264	7,456
Premises costs	26,906	-	26,906	20,398
Office and sundry costs	33,368	-	33,368	35,312
Depreciation	5,379	-	5,379	6,575
	<u>789,945</u>	<u>-</u>	<u>789,945</u>	<u>764,132</u>
<i>Apprentice training-Other funded</i>				
Marketing	-	-	-	-
Staff costs	112,239	-	112,239	102,465
Training costs	11,419	-	11,419	6,756
Premises costs	36,812	-	36,812	44,860
Office and sundry costs	6,018	-	6,018	4,840
Depreciation	6,143	-	6,143	11,080
	<u>172,631</u>	<u>-</u>	<u>172,631</u>	<u>170,001</u>
<i>Member services</i>				
Marketing	-	-	-	-
Staff costs	20,812	-	20,812	-
Training costs	2,344	-	2,344	-
Premises costs	5,979	-	5,979	-
Office and sundry costs	994	-	994	-
Depreciation	998	-	998	-
	<u>31,127</u>	<u>-</u>	<u>31,127</u>	<u>-</u>
Governance costs (note 7)	161,715	-	161,715	172,055
TOTAL	<u><u>1,155,418</u></u>	<u><u>-</u></u>	<u><u>1,155,418</u></u>	<u><u>1,106,188</u></u>
8 GOVERNANCE COSTS				
	Unrestricted Funds	Restricted Funds	2022 Total	2021 Total
	£	£	£	£
Marketing	110	-	110	298
Staff costs	57,755	-	57,755	62,244
Training costs	4,258	-	4,258	3,113
Travel	5,170	-	5,170	4,669
Premises costs	12,761	-	12,761	14,106
Office and sundry costs	69,594	-	69,594	70,363
Depreciation	12,067	-	12,067	17,262
	<u>161,715</u>	<u>-</u>	<u>161,715</u>	<u>172,055</u>

Stockport Engineering Training Association Limited
Notes to the Consolidated Accounts
for the year ended 31 July 2022

9	NET RESOURCES EXPENDED BEFORE TRANSFERS	2022	2021
		£	£
	This is stated after charging:		
	Depreciation	37,499	59,545
	Directors' remuneration	64,617	63,518
	Pension costs	33,492	32,367
	Auditors' remuneration	11,681	10,248
		<u>11,681</u>	<u>10,248</u>

10 TRUSTEES' REMUNERATION AND BENEFITS

Total remuneration paid to trustees' amounted to:

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

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

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

11	STAFF COSTS	2022	2021
		£	£
	Staff costs during the year amounted to:		
	Wages and salaries	984,196	949,435
	Social security costs	92,611	92,612
	Pension costs	33,492	32,367
		<u>1,110,299</u>	<u>1,074,414</u>

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

Apprentice training-government funded	11	12
Members services	-	1
Engineering training	9	8
Safety and short courses	4	4
Governance	7	7
	<u>31</u>	<u>32</u>

The employees performed training, administrative and management functions.

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

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

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

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

Stockport Engineering Training Association Limited
Notes to the Consolidated Accounts
for the year ended 31 July 2022

12 TANGIBLE FIXED ASSETS - GROUP

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

	2022 £
Historical cost	702,356
Aggregate depreciation	(258,489)
At 31 July 2022	<u>443,867</u>

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

Cost or valuation at 31 July 2022 is represented by:

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

Stockport Engineering Training Association Limited
Notes to the Consolidated Accounts
for the year ended 31 July 2022

13 INVESTMENTS - COMPANY

	Unlisted investment £
Cost	
At 1 August 2021	1,853
Movement	(14)
	<u>1,839</u>
At 31 July 2022	<u>1,839</u>
Net book value	
31 July 2022	1,839
31 July 2021	1,853

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

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

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

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

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

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

Stockport Engineering Training Association Limited
Notes to the Consolidated Accounts
for the year ended 31 July 2022

SETA Training (Cyprus) Limited	(Incorporated in Cyprus)			
Nature of business: Providing health and safety courses industry and commerce.				
	%			
Class of shares:	holding	Company Number: 224453		
Ordinary shares of £1 each	100.00			
		2022	2021	
		£	£	
Aggregate capital and reserves		4,106	4,616	
Profit/(Loss) for the period		<u>(436)</u>	<u>(682)</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:

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

SETA International Limited	(Incorporated in England and Wales)			
Nature of business: Dormant				
	%			
Class of shares:	holding	Company Number: 9992870		
Ordinary shares of £1 each	99.80			
		2022		
		£		
Aggregate capital and reserves		1,000		
Profit/(Loss) for the period		<u>-</u>		

14 STOCK

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

Stockport Engineering Training Association Limited
Notes to the Consolidated Accounts
for the year ended 31 July 2022

15 DEBTORS

	Group	Group	Charity	Charity
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	200,618	124,884	19,346	3,007
Government funding receivable	64,903	104,282	64,903	104,282
Amounts due from Group undertakings				
Other taxes and social security costs	-	2,423	3,562	10,275
Prepayments and accrued income	54,207	79,282	1,823	7,301
Other debtors	6,499	6,712	6,093	6,307
	<u>326,227</u>	<u>317,583</u>	<u>95,727</u>	<u>131,172</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	Group	Charity	Charity
	2022	2021	2022	2021
	£	£	£	£
Bank loan (secured)	45,690	34,399	45,690	34,399
Trade creditors	53,413	51,920	2,963	5,127
Obligations under finance lease and hire purchase contracts	4,604	5,858	4,604	5,858
Accruals and deferred income	293,752	234,176	35,635	34,019
Other taxes and social security costs	41,147	24,124	25,856	24,124
Other creditors	7,372	5,636	7,372	5,636
	<u>445,978</u>	<u>356,113</u>	<u>122,120</u>	<u>109,163</u>

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17 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

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

18 SECURITY

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

19 Deferred Income

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

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

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20 FUNDS - GROUP

	£	£	£	£
	Unrestricted Funds	Restricted Funds	Total	
	£	£	£	
Tangible fixed assets	1,521,043		1,521,043	
Net current (liabilities)/assets	56,717		56,717	
Liabilities due after one year	(510,211)		(510,211)	
	<u>1,067,549</u>	<u>-</u>	<u>1,067,549</u>	
	Balance at 1-Aug-2021	Income	Expenses	Transfers
	£	£	£	£
<i>Restricted funds</i>				
Loan stock	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Unrestricted funds</i>				
General reserve	169,402	1,788,996	(1,832,935)	(14,047)
Revaluation reserve	787,086	155,000	-	14,047
Loan stock				-
	<u>956,488</u>	<u>1,943,996</u>	<u>(1,832,935)</u>	<u>-</u>
TOTAL	<u>956,488</u>	<u>1,943,996</u>	<u>(1,832,935)</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.

21 Operating Leases

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

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22 ULTIMATE CONTROLLING PARTY

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

23 MANAGEMENT REMUNERATION

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

The Chief Executives remuneration is ultimately set by the Board.

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

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

25 POST BALANCE SHEET EVENTS

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