

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

Report of the Trustees and Consolidated Financial Statements

For the year ended 30 July 2023

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 30 July 2023

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 30th July 2023 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 most difficult year for the business, following the failed OFSTED inspection as noted in the report for last year. The inspection took place in September 2022 an appeal against the Inadequate grading was unsuccessful in December 2022 and subsequently the ESFA apprenticeship funding ceased in March 2023. Up to this time there were two major initiatives in respect of the apprentice training; to ensure that the apprentices were least affected by the pending changes whilst under the Stockport Engineering Training Association (SETA) contract and to seek ongoing alternative provision with minimum disruption. The board is pleased to announce that after examining several options, agreement was reached with a privately owned business, Elevated Knowledge Ltd (EKL) to take over our contract and transfer virtually all the apprentices under their tuition. Almost all the SETA staff transferred employment to EKL who also signed a lease agreement to continue in the training centre premises from March 2023.

This has seen the demise of apprentice training under SETA contract in the organisation which commenced in 1966, however apprentice training is still very active in the intended purpose of the premises, under EKL contract, and contributing rental income to the business.

The subsidiary organisation SETA Training and Advisory Services (SETA H&S) has continued in business delivering its portfolio of Safety related courses across national standards. The staff members dedicated to this part of the business continue to be employed by the company. However, after extensive review the development of the international arm of this business has been discontinued in the year and we ceased that market in May 2023.

The consequence of this reorganisation resulted in the only loss of staff and redundancy of the Chief Executive.

In summary the trading for the year has been totally different than set out in the business plan, and the result of £63K Deficit has been achieved despite unforeseen costs and income streams. It can be reported that at the later part of the year there is reason for optimism in terms of financial performance going forward with current operation and organisation structure.

I thank our stakeholders, Board Members, Senior Management Team and all the hardworking staff who have had an extremely difficult year and accepted enforced changes to ensure continuation of the business who make it a privilege to chair SETA. We also look forward to the continued cooperation and support to EKL to provide the education training and support to clients and 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.
- 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 was via Government funded Apprenticeship training (until March 2023) and then subsequently by the provision of specialised training centre facilities which is supported by commercial training activities.

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Report of the Trustees
for the year ended 30 July 2023

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 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 was one of the Charity's main sources of income but, as mentioned in the Chairmans report above, The OFSTED result has forced us to discontinue this type of training. The Charity continues to support its Charitable aims by providing specialised training centre facilities.

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 were provided up until the transfer of provision to Elevated Knowledge. After this date the provision of Engineering training became impossible and was discontinued.

Safety and Short Courses

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

As mentioned in the Chairmans report, as part of the restructure after OFSTED, International delivery was reviewed in the year and was deemed to not to be cost effective and was discontinued in May 2023.

Stockport Engineering Training Association Limited
Report of the Trustees
for the year ended 30 July 2023

Achievements and Performance

2022/23 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.

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

The impact of the OFSTED inspection resulted in the Charity discontinuing Apprenticeship and Engineering Training.

Safety and Short Course delivery continued to perform well for the whole year and grew by 6%.

Financial Review

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.

The principal funding sources for Stockport Engineering Training Association Ltd was received from the Education and Skills Funding Agency for funded apprenticeships. This was supplemented via employer contributions, where they require training over and above the framework/Standard or the learner only qualifies for part funding. This area was blocked by the OFSTED grading and resulted in income dropping by £360,000 to £700,000.

Stockport Engineering Training Association Limited
Report of the Trustees
for the year ended 30 July 2023

This funding was 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 2023 of £215,000 and , despite being discontinued in February 2023, finished on £190,000 for the year
- 2) Health & Safety courses - This also had a increased budget of £405,000 and, despite the impact of OFSTED only finished £30,000 under budget.
- 3) Commercial NVQ training.
- 4) SETA International - This had a budget of £110,000 and finished on £99,000. Costs of delivery were deemed to be impactical to continue and the training was discontinued in the year.

All profits from the commercial training were gift-aided back to the Charity to aid it in fulfilling its charitable aims, £150,063 has been gift aided in 2023 (£185,288 in 2022).

The financial result for the period was a net deficit in funds of £62,774 (2022: deficit £43,939). Continuing operations resulted in a net deficit of £17,063 (£124,502 deficit in 2022) and discontinued operation resulted in a net deficit of £45,711 (£80,563 gain in 2022).

Continued operations Income increased by £107,141, discontinued operation income dropped by £351,814.

The effect is that our consolidated balance sheet still shows a positive picture with net current assets of £24,699 compared to £53,737 (2022) and total funds of £1,004,775 compared to £1,067,549 (2022).

Budgets had been set for the next year as:

Year	2024
Turnover	£582,500
Expenditure	£543,192

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 July 2023 would equate to between 3 and 6 months of non-course related expenditure. Three months being £77,000 based on 2023 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 £1,004,775 as at 31 July 2023. The free reserves, being those unrestricted funds not represented by fixed assets and their associated finance, were (£11,980) at 31 July 2023 ((£989) in 2022), a decrease of £10,991.

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 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. - Due to discontinuing these operations in 2023 we will aim to wind this company up as soon as possible.

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Report of the Trustees
for the year ended 30 July 2023

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.

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

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Report of the Trustees
for the year ended 30 July 2023

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 Financial Director. 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 £149,612 before distributions and SETA Training (Cyprus) Limited a small loss of £142.

Pay policy for senior staff

Decisions on management remuneration levels are made by the Board.

Stockport Engineering Training Association Limited
Report of the Trustees
for the year ended 30 July 2023

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 April 2024

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 30 July 2023 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 30 July 2023 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 Manchester Ltd.

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

Date: 25/04/2024

Stockport Engineering Training Association Limited
Consolidated Statement of Financial Activities
(Incorporating a Consolidated Income and Expenditure Account)
for the year ended 30 July 2023

	Notes	Unrestricted			Unrestricted		
		Continuing operations	Discontinued operations	Total 2023	Continuing operations (as restated)	Discontinued operations (as restated)	Total 2022
		£	£	£	£	£	£
INCOME							
<i>Donations and legacies</i>	3	-	-	-	7,621	-	7,621
<i>Income from trading activities</i>	4	511,682	246,664	758,346	483,005	239,141	722,146
<i>Investment income</i>	4	596	-	596	74	-	74
<i>Income from charitable activities:</i>	5	85,563	699,818	785,381	-	1,059,155	1,059,155
Total income		<u>597,841</u>	<u>946,482</u>	<u>1,544,323</u>	<u>490,700</u>	<u>1,298,296</u>	<u>1,788,996</u>
EXPENDITURE							
<i>Expenditure on raising funds</i>	6	415,703	198,436	614,139	453,487	224,030	677,517
<i>Expenditure on charitable activities</i>	7	199,201	793,757	992,958	161,715	993,703	1,155,418
Total Expenditure		<u>614,904</u>	<u>992,193</u>	<u>1,607,097</u>	<u>615,202</u>	<u>1,217,733</u>	<u>1,832,935</u>
NET EXPENDITURE		(17,063)	(45,711)	(62,774)	(124,502)	80,563	(43,939)
Gains/(Losses) on revaluation of Fixed Assets		-	-	-	155,000	-	155,000
Net movement of funds for the year		<u>(17,063)</u>	<u>(45,711)</u>	<u>(62,774)</u>	<u>30,498</u>	<u>80,563</u>	<u>111,061</u>
RECONCILIATION OF FUNDS							
Total funds brought forward				1,067,549			956,488
Funds balances carried forward		<u>(17,063)</u>	<u>(45,711)</u>	<u>1,004,775</u>	<u>30,498</u>	<u>80,563</u>	<u>1,067,549</u>

Stockport Engineering Training Association Limited
Consolidated Balance Sheet
as at 30 July 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Tangible assets	12	1,444,286	1,521,043
CURRENT ASSETS			
Stocks	14	2,950	20,942
Debtors	15	224,642	326,227
Cash at bank and in hand		80,692	155,526
		<u>308,284</u>	<u>502,695</u>
CREDITORS			
Amounts falling due within one year	16	(283,585)	(445,978)
NET CURRENT ASSETS		<u>24,699</u>	<u>56,717</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,468,985</u>	<u>1,577,760</u>
CREDITORS			
Amounts falling due after more than one year	17	(464,210)	(510,211)
NET ASSETS		<u>1,004,775</u>	<u>1,067,549</u>
FUNDS			
General funds	20	1,004,775	1,067,549
TOTAL FUNDS		<u>1,004,775</u>	<u>1,067,549</u>

Stockport Engineering Training Association Limited
Consolidated Balance Sheet
as at 30 July 2023

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 July 2023

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 April 2024 and were signed on its behalf by:



Mr. R G Howarth
Chairman

Stockport Engineering Training Association Limited
Charity Balance Sheet
as at 30 July 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Tangible assets	12	1,444,286	1,521,043
Investments	13	1,857	1,839
		<u>1,446,143</u>	<u>1,522,882</u>
CURRENT ASSETS			
Debtors	15	213,073	95,727
Cash at bank and in hand		12,002	6,776
		<u>225,075</u>	<u>102,503</u>
CREDITORS			
Amounts falling due within one year	16	(276,485)	(122,120)
NET CURRENT LIABILITIES		<u>(51,410)</u>	<u>(19,617)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,394,733</u>	<u>1,503,265</u>
CREDITORS			
Amounts falling due after more than one year	17	(464,210)	(510,211)
NET ASSETS		<u>930,523</u>	<u>993,054</u>
FUNDS			
Restricted funds		-	-
General funds		930,523	993,054
TOTAL FUNDS		<u>930,523</u>	<u>993,054</u>

Stockport Engineering Training Association Limited
Charity Balance Sheet
as at 30 July 2023

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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 April 2024 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 30 July 2023

		Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Cash used in operating activities	24	(11,408)	70,027	69,248	43,113
Cash flows from investing activities					
Interest Income		596	74	-	-
Purchase of tangible fixed assets		(18,021)	(27,880)	(18,021)	(27,880)
Cash used in investing activities		(17,425)	(27,806)	(18,021)	(27,880)
Cash flows from financing activities					
Increase (repayment) of borrowing		(46,001)	(39,241)	(46,001)	(39,241)
Cash used in financing activities		(46,001)	(39,241)	(46,001)	(39,241)
Increase/(decrease) in cash and cash equivalents in the year		(74,834)	2,980	5,226	(24,008)
Cash and cash equivalents at the beginning of the year		155,526	152,546	6,776	30,784
Total cash and cash equivalents at the end of the year		80,692	155,526	12,002	6,776

Stockport Engineering Training Association Limited
Notes to the Consolidated Accounts
for the year ended 30 July 2023

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

At the time of approval the trustees have a reasonable expectation that the charity has adequate resources to continue for the foreseeable future. In making the assessment they have considered a period of 12 months from the date of approval. The trustees therefore believe it is appropriate to prepare the financial statements on a going concern basis.

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.

Stockport Engineering Training Association Limited
Notes to the Consolidated Accounts
for the year ended 30 July 2023

Investment income	Investment income is accounted for on an accrual basis.
Income from charitable activities	
<i>Apprentice training – Government funded</i>	Government funding is recognised when the Charity is entitled to receipt on an accrual basis.
<i>Apprentice training – Other funded members services</i>	Income is recognised when the Charity is entitled to receipt on an accrual basis.
<i>rental income</i>	Income from providing training and courses are accounted for on an accrual basis.
	Income from providing a specialised training centre facility.
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

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>	2023	2022
	%	%
Engineering training income	6.7	6.9
Safety and short courses	18.7	16.3
Apprentice training	43.7	47.5
Non-Government funded apprentices	11.7	12.4
Rental Income	2.2	-
Services to members	-	1.6
Governance	17.0	15.3
<u>Training Centre expenses (Staff Time)</u>	2023	2022
	%	%
Engineering training income	26.5	25.1
Apprentice training	61.1	57.1
Non-Government funded apprentices	12.4	14.8
Rental Income	-	-
Services to members	-	3.0
Governance	-	-
<u>Short Course expenses (Staff Time)</u>	2023	2022
	%	%
Safety and short courses	100.0	100.0
Apprentice training	-	-
Non-Government funded apprentices	-	-
Rental Income	-	-
Services to members	-	-

Stockport Engineering Training Association Limited
Notes to the Consolidated Accounts
for the year ended 30 July 2023

<u>Group Services expenses (Staff Time)</u>	2023	2022
	%	%
Engineering training income	3.0	3.4
Safety and short courses	5.5	4.3
Apprentice training	78.9	79.1
Non-Government funded apprentices	10.7	8.9
Rental Income	-	-
Services to members	-	2.0
Governance	1.9	2.3
<u>Canteen expenses (Delegate Numbers)</u>	2023	2022
	%	%
Engineering training income	38.5	49.5
Safety and short courses	61.5	50.5
Apprentice training	-	-
<u>Premises expenses (Floor Area)</u>	2023	2022
	%	%
Engineering training income	26.8	29.8
Safety and short courses	14.3	15.3
Apprentice training-Government funded	5.5	17.9
Apprentice training-Other funded	12.2	24.5
Rental Income	32.7	-
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

Stockport Engineering Training Association Limited
Notes to the Consolidated Accounts
for the year ended 30 July 2023

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.

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.

Stockport Engineering Training Association Limited
Notes to the Consolidated Accounts
for the year ended 30 July 2023

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.

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.

	2023	2022
	£	£
Income	651,971	741,785
Gift aid from the subsidiary company	150,063	185,288
	<u>802,034</u>	<u>927,073</u>
Expenditure on charitable activities	(745,283)	(825,207)
Governance costs	(119,282)	(145,760)
Gains/(Losses) on revaluation of Fixed Assets		155,000
	<u>(864,565)</u>	<u>(815,967)</u>
Net movement in funds	<u>(62,531)</u>	<u>111,106</u>
Total funds brought forward	993,054	881,948
Total funds carried forward	<u>930,523</u>	<u>993,054</u>
Funds		
Unrestricted funds	930,523	993,054
	<u>930,523</u>	<u>993,054</u>

3 DONATIONS AND LEGACIES

	Continuing operations	Discontinued operations	2023 Total	2022 Total
	£	£	£	£
Donations	-	-	-	2,185
Government Grant Income	-	-	-	5,436
	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,621</u>

Stockport Engineering Training Association Limited
Notes to the Consolidated Accounts
for the year ended 30 July 2023

4 INCOME FROM OTHER TRADING ACTIVITIES	Continuing operations	Discontinued operations	2023 Total	2022 Total
	£	£	£	£
Other trading activities				
Membership subscriptions	-	1,438	1,438	3,027
Engineering training income	-	245,226	245,226	236,114
Safety and short courses	511,682	-	511,682	483,005
Schools/Study Programme Training	-	-		-
	<u>511,682</u>	<u>246,664</u>	<u>758,346</u>	<u>722,146</u>
Investment income				
Interest on cash deposits	596	-	596	74
	<u>596</u>	<u>-</u>	<u>596</u>	<u>74</u>
5 INCOME FROM CHARITABLE ACTIVITIES				
	Continuing operations	Discontinued operations	2023 Total	2022 Total
	£	£	£	£
Apprentice training-Government funded	-	567,720	567,720	833,617
Apprentice training-Other funded	-	132,098	132,098	194,025
Members services	-	-	-	31,513
Rental Income	85,563	-	85,563	
	<u>85,563</u>	<u>699,818</u>	<u>785,381</u>	<u>1,059,155</u>
6 EXPENDITURE ON RAISING FUNDS				
	Continuing operations	Discontinued operations	2023 Total	2022 Total
	£	£	£	£
<i>Engineering training</i>				
Marketing	-	3,606	3,606	8,353
Staff costs	-	68,109	68,109	105,535
Training costs	-	54,038	54,038	31,532
Travel	-	5,153	5,153	7,050
Premises costs	-	38,962	38,962	44,702
Office and sundry costs	-	11,798	11,798	18,346
Depreciation	-	16,770	16,770	8,512
	<u>-</u>	<u>198,436</u>	<u>198,436</u>	<u>224,030</u>
<i>Safety and short courses</i>				
Marketing	16,924	-	16,924	45,517
Staff costs	187,500	-	187,500	218,679
Training costs	130,048	-	130,048	117,164
Travel	28,353	-	28,353	21,052
Premises costs	20,787	-	20,787	22,970
Office and sundry costs	24,696	-	24,696	23,706
Depreciation	7,395	-	7,395	4,399
	<u>415,703</u>	<u>-</u>	<u>415,703</u>	<u>453,487</u>
TOTAL	<u><u>415,703</u></u>	<u><u>198,436</u></u>	<u><u>614,139</u></u>	<u><u>677,517</u></u>

Stockport Engineering Training Association Limited
Notes to the Consolidated Accounts
for the year ended 30 July 2023

7 EXPENDITURE ON CHARITABLE ACTIVITIES

	Continuing operations	Discontinued operations	2023 Total	2022 Total
	£	£	£	£
<i>Apprentice training-government funded</i>				
Marketing	-	3,858	3,858	5,146
Staff costs	-	370,880	370,880	598,713
Training costs	-	253,500	253,500	111,169
Travel	-	5,675	5,675	9,264
Premises costs	-	7,993	7,993	26,906
Office and sundry costs	-	25,551	25,551	33,368
Depreciation	-	3,668	3,668	5,379
	-	671,125	671,125	789,945
<i>Apprentice training-Other funded</i>				
Marketing	-	-	-	-
Staff costs	-	70,197	70,197	112,239
Training costs	-	23,920	23,920	11,419
Premises costs	-	17,733	17,733	36,812
Office and sundry costs	-	3,509	3,509	6,018
Depreciation	-	7,273	7,273	6,143
	-	122,632	122,632	172,631
<i>Member services</i>				
Staff costs	-	-	-	20,812
Training costs	-	-	-	2,344
Premises costs	-	-	-	5,979
Office and sundry costs	-	-	-	994
Depreciation	-	-	-	998
	-	-	-	31,127
<i>Rental Income</i>				
Staff costs	4,794	-	4,794	-
Premises costs	47,534	-	47,534	-
Depreciation	13,696	-	13,696	-
	66,024	-	66,024	-
Governance costs (note 7)	133,177	-	133,177	161,715
TOTAL	199,201	793,757	992,958	1,155,418

8 GOVERNANCE COSTS

	Continuing operations	Discontinued operations	2023 Total	2022 Total
	£	£	£	£
Marketing	80	-	80	110
Staff costs	44,065	-	44,065	57,755
Training costs	6,123	-	6,123	4,258
Travel	2,798	-	2,798	5,170
Premises costs	12,356	-	12,356	12,761
Office and sundry costs	59,490	-	59,490	69,594
Depreciation	8,265	-	8,265	12,067
	133,177	-	133,177	161,715

Stockport Engineering Training Association Limited
Notes to the Consolidated Accounts
for the year ended 30 July 2023

9 NET RESOURCES EXPENDED BEFORE TRANSFERS	2023	2022
	£	£
This is stated after charging:		
Depreciation	57,068	37,499
Directors' remuneration	73,438	64,617
Compensation to past directors for loss of office	29,290	
Pension costs	22,427	33,492
Auditors' remuneration	17,538	11,681
	<u>17,538</u>	<u>11,681</u>

10 TRUSTEES' REMUNERATION AND BENEFITS

Total remuneration paid to trustees' amounted to:

R.G Howarth	£1,500	(2022 £1,500)
J. R. Moss	£1,500	(2022 £1,500)
M. Kidd		(2022 £1,500)
Total	£3,000	(2022 £4,500)

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 30 July 2023 nor for the year ended 31 July 2022.

11 STAFF COSTS	2023	2022
	£	£
Staff costs during the year amounted to:		
Wages and salaries	653,739	984,196
Social security costs	64,088	92,611
Pension costs	22,426	33,492
	<u>740,253</u>	<u>1,110,299</u>

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

Apprentice training-government funded	5	11
Engineering training	5	9
Safety and short courses	4	4
Governance	3	7
	<u>17</u>	<u>31</u>

The employees performed training, administrative and management functions.

The above includes holiday pay accrual amounting to £4,751 (2022 £27,030)

The emoluments of one member of staff, including benefits in kind, is within the range £60,000 to £69,999 (2022 - 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 £136,765 (2022: £130,793).

The number of employees to whom retirement benefits were accruing was 4 (2022: 36)

Stockport Engineering Training Association Limited
Notes to the Consolidated Accounts
for the year ended 30 July 2023

12 TANGIBLE FIXED ASSETS - GROUP

	Land and buildings £	Plant and machinery etc £	Motor vehicles £	Total £
Cost or valuation				
At 31 July 2022	1,400,000	249,162	209,432	1,858,594
Additions		18,021	-	18,021
Disposals	-	(11,285)	(171,467)	(182,752)
At 30 July 2023	<u>1,400,000</u>	<u>255,898</u>	<u>37,965</u>	<u>1,693,863</u>
Depreciation				
At 31 July 2022	-	172,317	165,234	337,551
Charge for the year	28,000	21,777	7,290	57,067
On disposals	-	(4,404)	(140,637)	(145,041)
At 30 July 2023	<u>28,000</u>	<u>189,690</u>	<u>31,887</u>	<u>249,577</u>
Net book value				
At 30 July 2023	<u>1,372,000</u>	<u>66,208</u>	<u>6,078</u>	<u>1,444,286</u>
At 30 July 2022	<u>1,400,000</u>	<u>76,845</u>	<u>44,198</u>	<u>1,521,043</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:

	2023 £
Historical cost	702,356
Aggregate depreciation	(272,536)
At 30 July 2023	<u>429,820</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 30 July 2023 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 30 July 2023	<u>1,400,000</u>

Stockport Engineering Training Association Limited
Notes to the Consolidated Accounts
for the year ended 30 July 2023

13 INVESTMENTS - COMPANY

	Unlisted investment £
Cost	
At 31 July 2022	1,839
Movement	18
	<hr/>
At 30 July 2023	<u>1,857</u>
Net book value	
30 July 2023	1,857
30 July 2022	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 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	

	2023 £	2022 £
Turnover	889,239	1,044,512
Cost of sales and administration costs	(740,197)	(858,845)
Interest receivable	570	72
Interest payable		
Tax		
Net Profit	<hr/> <u>149,612</u>	<hr/> <u>185,739</u>
Amount gift aided to the charity	(150,063)	(185,288)
Retained in subsidiary	<hr/> <u>(451)</u>	<hr/> <u>451</u>

Stockport Engineering Training Association Limited
Notes to the Consolidated Accounts
for the year ended 30 July 2023

SETA Training (Cyprus) Limited	(Incorporated in Cyprus)	
Nature of business: Providing health and safety courses industry and commerce.		
Class of shares:	%	Company Number: 224453
Ordinary shares of £1 each	holding 100.00	
	2023	2022
	£	£
Aggregate capital and reserves	4,333	4,106
Profit/(Loss) for the period	<u>(142)</u>	<u>(436)</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:

	2023	2022
	£	£
Turnover	13,232	15,060
Cost of sales and administration costs	(13,086)	(15,101)
Interest receivable		
Corporation Tax	(4)	(395)
Net Profit	<u>142</u>	<u>(436)</u>
Amount gift aided to the charity	-	-
Retained in subsidiary	<u>142</u>	<u>(436)</u>

14 STOCK

	Group	Group	Charity	Charity
	2023	2022	2023	2022
		£	£	£
Centre materials		10,418	-	-
Registrations	255	2,554	-	-
Canteen		542	-	-
Stationery	580	980	-	-
Cleaning Materials	176	176	-	-
Course Books	1,939	6,272	-	-
	<u>2,950</u>	<u>20,942</u>	<u>-</u>	<u>-</u>

Stockport Engineering Training Association Limited
Notes to the Consolidated Accounts
for the year ended 30 July 2023

15 DEBTORS

	Group	Group	Charity	Charity
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	129,355	200,618	119,616	19,346
Government funding receivable		64,903		64,903
Other taxes and social security costs		-	6,108	3,562
Prepayments and accrued income	94,961	54,207	87,123	1,823
Other debtors	326	6,499	226	6,093
	<u>224,642</u>	<u>326,227</u>	<u>213,073</u>	<u>95,727</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
	2023	2022	2023	2022
	£	£	£	£
Bank loan (secured)	42,334	45,690	42,334	45,690
Trade creditors	10,917	53,413	1,648	2,963
Obligations under finance lease and hire purchase contracts	4,987	4,604	4,987	4,604
Amounts owed to group undertakings and undertakings in which the company has a participating interest			213,402	-
Accruals and deferred income	216,639	293,752	11,277	35,635
Other taxes and social security costs	7,864	41,147	1,993	25,856
Other creditors	844	7,372	844	7,372
	<u>283,585</u>	<u>445,978</u>	<u>276,485</u>	<u>122,120</u>

Stockport Engineering Training Association Limited
Notes to the Consolidated Accounts
for the year ended 30 July 2023

17 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Bank loan (secured)	462,011	503,025	462,011	503,025
Obligations under finance lease and hire purchase contracts	2,199	7,186	2,199	7,186
	<u>464,210</u>	<u>510,211</u>	<u>464,210</u>	<u>510,211</u>
1-5 years	155,735	140,344	155,735	160,862
More than 5 years	308,475	369,867	308,475	349,349
	<u>464,210</u>	<u>510,211</u>	<u>464,210</u>	<u>510,211</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 2023 £	Group 2022 £
Balance as at 31 July 2022	225,673	169,583
Amount released to income earned from charitable activities	(225,673)	(169,254)
Amount deferred as 30 July 2023	147,036	225,344
	<u>147,036</u>	<u>225,673</u>

Stockport Engineering Training Association Limited
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20 FUNDS - GROUP

	£	£	£	£
	Unrestricted Funds	Restricted Funds	Total	
	£	£	£	
Tangible fixed assets	1,444,286		1,444,286	
Net current (liabilities)/assets	24,699		24,699	
Liabilities due after one year	(464,210)		(464,210)	
	<u>1,004,775</u>	<u>-</u>	<u>1,004,775</u>	
	Balance at 1-Aug-2022	Income	Expenses	Transfers
	£	£	£	£
<i>Restricted funds</i>				
Loan stock	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Unrestricted funds</i>				
General reserve	111,416	1,544,323	(1,579,097)	(14,047)
Revaluation reserve	956,133	-	(28,000)	14,047
Loan stock			-	-
	<u>1,067,549</u>	<u>1,544,323</u>	<u>(1,607,097)</u>	<u>-</u>
TOTAL	<u><u>1,067,549</u></u>	<u><u>1,544,323</u></u>	<u><u>(1,607,097)</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.

21 Operating Leases

	2023	2022
	£	£
Within one year	9,683	11,312
Between two and five years	30,129	24,022
Greater than five year		-
	<u>39,812</u>	<u>35,334</u>

Stockport Engineering Training Association Limited
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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 Board of Directors taking into account the job role, peer group salary evaluations, appraisals and advice from the Financial Accountant.

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

	Group	Group	Charity	Charity
	2023	2022	2023	2022
	£	£	£	£
Net movement in funds	(62,774)	111,061	(62,531)	111,106
Add back depreciation charge	57,067	37,499	57,067	37,499
Sale of Fixed Assets	66,464	2,000	66,464	2,000
Less profit on disposal of FA	(28,753)	(908)	(28,753)	(908)
Add back (Gains)/Losses on revaluation of Fixed Assets	-	(155,000)	-	(155,000)
Movement in Investments			(18)	14
Deduct interest income shown in investing activities	(596)	(74)		-
Decrease (increase) in stock	17,992	(5,772)	-	-
Decrease (increase) in debtors	101,585	(8,644)	(117,346)	35,445
Increase (decrease) in creditors	(162,393)	89,865	154,365	12,957
	<u>(11,408)</u>	<u>70,027</u>	<u>69,248</u>	<u>43,113</u>

25 RELATED PARTY TRANSACTIONS

During the year, the company disposed of fixed assets for an amount of £9,922 to R.M Prince, a Director at the time of disposal. These goods were purchased on an arm's length basis and had a written down value of £6,313 at the time of disposal.

During the year, the company purchased services totalling £4,000 (2022 – £0) from Lyncfield Services Limited, a company in which Mr M. C. Field has a controlling interest. These services were purchased on an arm's length basis. There were no amounts outstanding to or from the company at the period end.