

REGISTERED COMPANY NUMBER: 01518396 (England and Wales)
REGISTERED CHARITY NUMBER: 510911

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020
FOR
SALFORD AND TRAFFORD ENGINEERING GROUP
TRAINING ASSOCIATION LIMITED**

Heywood Shepherd
Chartered Accountants
1 Park Street
Macclesfield
Cheshire
SK11 6SR

**SALFORD AND TRAFFORD ENGINEERING GROUP
TRAINING ASSOCIATION LIMITED**

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FOR THE YEAR ENDED 31 JULY 2020**

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**SALFORD AND TRAFFORD ENGINEERING GROUP
TRAINING ASSOCIATION LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 July 2020. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal activity of the Charity is the recruitment, training and support of young people in apprenticeships within the employer base and a variety of Government funded training initiatives are operated by the company and funded via the Education & Skills Funding Agency (ESFA).

A development plan is periodically prepared containing the strategic direction for the next three years and is reviewed annually. An annual Business Plan further documents specific activities and targets, which are then broken down into individual staff targets that are then reviewed monthly. A full progress review of the overall plan is undertaken quarterly by Management.

Public benefit

In planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance "public benefit: running a charity" (PB2).

STRATEGIC REPORT

Achievement and performance

Charitable activities

Overall Learner Success Rates for the year have again been excellent and remain above the average and as a result of strategies put in place to help learners achieve their apprenticeships on time, the Timely Success Rates have improved significantly. The Charity remains one of the top performing providers within the Greater Manchester area.

Financial review

Financial position

The results for the year are set out in the financial statements accompanying this document and it is the opinion of the Trustees that the company's assets are sufficient to fulfil the obligations of the Charity. During the year the Charity had a surplus of £125,276, as opposed to last years deficit of £41,026. The Charity expects to maintain a small surplus going forward.

Reserves policy

Reserves are unrestricted funds and are maintained at a level sufficient for the company to continue operation for 6 months should funding ever be withheld for any reason and the Trustees have invested reserve in low risk interest bearing accounts.

At the year end the total funds, which are all unrestricted, are £719,569 (2019 - £594,293) and represent approximately 4 months training expenditure. Of the unrestricted funds, £80,076 is represented by fixed assets of the Charity and would have to be disposed of to realise the total funds.

Currently there are no known factors that could affect future funding.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Salford and Trafford Engineering Group Training Association Limited is a company limited by Guarantee, governed by its Memorandum and Articles of Association which details objectives, powers and governance. It is a registered charity with the Charity Commission.

Recruitment and appointment of new trustees

trustees are appointed from member companies only and are elected in accordance with the Memorandum and Articles of Association. The Trustees form an Executive Committee who work on a voluntary basis.

Organisational structure

Strategic and operational management is undertaken by a management team, which is headed by the Chief Executive. Management and the Executive Committee meet quarterly to review performance and activity and for the Chief Executive to obtain authorisation in specific areas, i.e. finance and staffing.

Induction and training of new trustees

Training of new trustees is the responsibility of the Chief Executive, John Whitby, and the programme is adapted and tailored to individual needs.

**SALFORD AND TRAFFORD ENGINEERING GROUP
TRAINING ASSOCIATION LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Key management remuneration

This is reviewed annually by the Trustees who take into consideration performance reviews, external salary benchmarking studies and local competing market conditions where available.

Related parties

None of the Trustees receive remuneration or other benefit from their work with the Charity.

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.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

01518396 (England and Wales)

Registered Charity number

510911

Registered office

4th Floor, Duckworth House
Lancastrian Office Centre
Talbot Road, Stretford
Manchester
M32 0FP

Trustees

R M Nuttall
I McDonald
G Smith
C J Hatherall
T Clark

Company Secretary

I McDonald

Auditors

Heywood Shepherd
Chartered Accountants
1 Park Street
Macclesfield
Cheshire
SK11 6SR

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Salford and Trafford Engineering Group 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) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 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.

**SALFORD AND TRAFFORD ENGINEERING GROUP
TRAINING ASSOCIATION LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2020**

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

The trustees are responsible for keeping 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

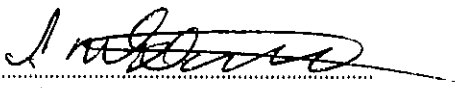
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Heywood Shepherd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 9 June 2021..... and signed on the board's behalf by:


.....
I McDonald - Secretary

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SALFORD AND TRAFFORD ENGINEERING GROUP
TRAINING ASSOCIATION LIMITED**

Opinion

We have audited the financial statements of Salford and Trafford Engineering Group Training Association Limited (the 'charitable company') for the year ended 31 July 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SALFORD AND TRAFFORD ENGINEERING GROUP
TRAINING ASSOCIATION LIMITED**

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

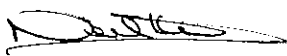
Our responsibilities for the audit of the financial statements

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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 members as a body, for our audit work, for this report, or for the opinions we have formed.



Mr N A Kennington (Senior Statutory Auditor)
for and on behalf of Heywood Shepherd
Chartered Accountants
1 Park Street
Macclesfield
Cheshire
SK11 6SR

Date: 9th June 2021

**SALFORD AND TRAFFORD ENGINEERING GROUP
TRAINING ASSOCIATION LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2020**

	Notes	2020 Unrestricted fund £	2019 Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities	3		
Training		2,457,585	2,074,331
Investment income	2	717	1,148
Other income		5,834	-
Total		2,464,136	2,075,479
 EXPENDITURE ON			
Charitable activities	4		
Training		2,344,845	2,116,505
 NET INCOME/(EXPENDITURE)		119,291	(41,026)
 RECONCILIATION OF FUNDS			
Total funds brought forward		594,293	635,319
 TOTAL FUNDS CARRIED FORWARD		713,584	594,293

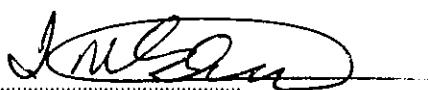
The notes form part of these financial statements

**SALFORD AND TRAFFORD ENGINEERING GROUP
TRAINING ASSOCIATION LIMITED**

**BALANCE SHEET
31 JULY 2020**

	Notes	2020 Unrestricted fund £	2019 Total funds £
FIXED ASSETS			
Tangible assets	9	80,076	88,140
CURRENT ASSETS			
Debtors	10	524,460	294,012
Cash at bank		436,992	539,615
		<u>961,452</u>	<u>833,627</u>
CREDITORS			
Amounts falling due within one year	11	(327,944)	(327,474)
NET CURRENT ASSETS		<u>633,508</u>	<u>506,153</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>713,584</u>	<u>594,293</u>
NET ASSETS		<u>713,584</u>	<u>594,293</u>
FUNDS			
Unrestricted funds	13	713,584	594,293
TOTAL FUNDS		<u>713,584</u>	<u>594,293</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 9th June 2021 and were signed on its behalf by:



I McDonald - Trustee

The notes form part of these financial statements

**SALFORD AND TRAFFORD ENGINEERING GROUP
TRAINING ASSOCIATION LIMITED**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2020**

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(96,646)</u>	<u>(120,760)</u>
Net cash used in operating activities		<u>(96,646)</u>	<u>(120,760)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(6,694)</u>	<u>(19,419)</u>
Interest received		<u>717</u>	<u>1,148</u>
Net cash used in investing activities		<u>(5,977)</u>	<u>(18,271)</u>
Change in cash and cash equivalents in the reporting period			
		<u>(102,623)</u>	<u>(139,031)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>539,615</u>	<u>678,646</u>
Cash and cash equivalents at the end of the reporting period		<u>436,992</u>	<u>539,615</u>

The notes form part of these financial statements

**SALFORD AND TRAFFORD ENGINEERING GROUP
TRAINING ASSOCIATION LIMITED**

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2020**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	119,291	(41,026)
Adjustments for:		
Depreciation charges	14,758	15,994
Interest received	(717)	(1,148)
Increase in debtors	(230,448)	(139,893)
Increase in creditors	470	45,313
Net cash used in operations	<u>(96,646)</u>	<u>(120,760)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.8.19 £	Cash flow £	At 31.7.20 £
Net cash			
Cash at bank	539,615	(102,623)	436,992
	<u>539,615</u>	<u>(102,623)</u>	<u>436,992</u>
Total	<u>539,615</u>	<u>(102,623)</u>	<u>436,992</u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The presentation currency of the financial statements is the Pound Sterling (£).

Going concern

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

Income

Income is recognised and included in the accounts when all of the following criteria are met: the Charity has entitlement to the funds, any performance conditions to the income have been met or are fully within the control of the charity, there is sufficient certainty that receipt of the income is considered probable and the amount can be measured reliably.

Income received in advance in respect of contracts performed over periods of more than one year, is recognised by reference to the value of contract activity performed in the current period, with the remaining income received in advance then being deferred. Deferred income is calculated by reference to the proportion of costs incurred for work performed to date, compared with the total estimated costs to completion.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the Bank.

Expenditure

All expenditure is recognised once there is a legal and constructive obligation to make a payment to a third part, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities, which includes expenditure associated with the provision of charitable services and include both the direct costs and support costs related to these activities.
- Support costs, which include those incurred in the governance of the Charity and its assets and are primarily related with constitutional and statutory requirements.
- Other expenses, which includes those items not falling into any other heading.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold premises	- 10% on cost
Teaching equipment	- 15% on reducing balance
Fixtures and equipment	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

Individual fixed assets costing over £1,000 or more are capitalised at cost.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

General funds entirely represent unrestricted funds that are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

**SALFORD AND TRAFFORD ENGINEERING GROUP
TRAINING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2020**

1. ACCOUNTING POLICIES - continued

Operating lease commitments

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Pension costs

The charitable company operated several defined contribution pension schemes during the year. Contributions payable to the charitable company's pension schemes are charged to the Statement of Financial Activities in the period to which they relate.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that 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. Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

2. INVESTMENT INCOME

	2020	2019
	£	£
Deposit account interest	717	1,148
	<u>717</u>	<u>1,148</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	2020	2019
	£	£
Activity		
Training		
ESFA and employer/member income and income from support services	<u>2,457,585</u>	<u>2,074,331</u>

**SALFORD AND TRAFFORD ENGINEERING GROUP
TRAINING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2020**

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 5) £	Totals £
Training	<u>2,296,045</u>	<u>48,800</u>	<u>2,344,845</u>

5. SUPPORT COSTS

	Governance costs £
Training	<u>48,800</u>

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020 £	2019 £
Auditors' remuneration	4,995	6,695
Auditors' remuneration for non audit work	9,483	8,893
Depreciation - owned assets	14,758	15,994
Other operating leases	<u>82,300</u>	<u>67,838</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 July 2020 nor for the year ended 31 July 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 July 2020 nor for the year ended 31 July 2019.

8. STAFF COSTS

	2020 £	2019 £
Wages and salaries	929,237	792,190
Social security costs	83,721	71,667
Other pension costs	48,239	40,651
	<u>1,061,197</u>	<u>904,508</u>

The average monthly number of employees during the year was as follows:

	2020	2019
Administrative staff	30	26
	<u>30</u>	<u>26</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020	2019
£60,001 - £70,000	1	1
	<u>1</u>	<u>1</u>

**SALFORD AND TRAFFORD ENGINEERING GROUP
TRAINING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2020**

8. STAFF COSTS - continued

The Charity consider the key management personnel comprises of the trustees, the Chief Executive Officer, Office Manager, Business Development Manager/Deputy Chief Executive, Contracts Quality Manager and the Group Training Manager. The total employment benefits excluding employer pension contributions of the key management personnel were £254,638 (2019 - £208,044).

9. TANGIBLE FIXED ASSETS

	Leasehold premises £	Teaching equipment £	Fixtures and equipment £	Motor vehicles £	Totals £
COST					
At 1 August 2019	18,333	42,322	106,890	20,991	188,536
Additions	-	6,694	-	-	6,694
At 31 July 2020	18,333	49,016	106,890	20,991	195,230
DEPRECIATION					
At 1 August 2019	7,326	19,471	56,110	17,489	100,396
Charge for year	1,833	4,432	7,617	876	14,758
At 31 July 2020	9,159	23,903	63,727	18,365	115,154
NET BOOK VALUE					
At 31 July 2020	9,174	25,113	43,163	2,626	80,076
At 31 July 2019	11,007	22,851	50,780	3,502	88,140

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	483,106	265,766
Other debtors	2,411	466
Prepayments	38,943	27,780
	524,460	294,012

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	230,997	173,157
Social security and other taxes	25,642	21,820
Other creditors	71,305	132,497
	327,944	327,474

**SALFORD AND TRAFFORD ENGINEERING GROUP
TRAINING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2020**

12. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	£	£
Within one year	78,227	57,927
Between one and five years	128,666	112,543
	<u>206,893</u>	<u>170,470</u>

13. MOVEMENT IN FUNDS

	At 1.8.19	Net movement in funds	At 31.7.20
	£	£	£
Unrestricted funds			
General fund	594,293	119,291	713,584
	<u>594,293</u>	<u>119,291</u>	<u>713,584</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	2,464,136	(2,344,845)	119,291
	<u>2,464,136</u>	<u>(2,344,845)</u>	<u>119,291</u>

Comparatives for movement in funds

	At 1.8.18	Prior year adjustment	Net movement in funds	At 31.7.19
	£	£	£	£
Unrestricted funds				
General fund	655,319	(20,000)	(41,026)	594,293
	<u>655,319</u>	<u>(20,000)</u>	<u>(41,026)</u>	<u>594,293</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	2,075,479	(2,116,505)	(41,026)
	<u>2,075,479</u>	<u>(2,116,505)</u>	<u>(41,026)</u>

**SALFORD AND TRAFFORD ENGINEERING GROUP
TRAINING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2020**

14. EMPLOYEE BENEFIT OBLIGATIONS

During the year the company contributed to personal pension schemes on behalf of the employees and a workplace pension scheme as required by legislation. The pension cost charge represents contributions payable by the company to the schemes and amounted to £48,239 (2018 - £40,651). At the year end there were no outstanding contributions payable.

15. RELATED PARTY DISCLOSURES

There were no related party transactions during the year.

16. DEFERRED INCOME

Deferred income relates to income received in advance in respect of contracts performed over more than one year and where contract activity has not been performed.

	2020 £	2019 £
Balance as at 1 August	-	53,450
Amount deferred in the year	-	-
Amount released to income earned from charitable activities	-	53,450
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

17. OTHER PENSION COSTS

The Scottish Life scheme is a money purchase scheme established in 1985. The scheme is approved as an 'exempt approved' scheme under the terms of ICTA 1988.

The most recent actuarial valuation was carried out as at 1 January 2019.

Contributions for the years ending 31 July 2014 through to 2016 was £47,000 per annum under the payment plan put in place to reduce the shortfall. The Actuarial Funding method and assumptions are based on a current unit method, demographic and various other actuarial assumptions. The present value of the scheme assets at 1 January 2020 was represented by Insurance policies of £656,276. Interest is credited on a daily basis at prevailing rates.

The value of the scheme assets and liabilities at 1 January 2019 was as follows:

	£
Total value of scheme assets	635,000
Liabilities - deferred members	<u>596,000</u>
Surplus	<u>39,000</u>

The Friends Life scheme has been transferred to Aviva as a workplace pension and the costs and charged to the income and expenditure account in the period to which they relate.

**SALFORD AND TRAFFORD ENGINEERING GROUP
TRAINING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2020**

18. CORPORATION TAX

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

19. LEGAL STATUS OF THE CHARITY

The Charity is a company limited by guarantee and has no share capital. In the event of the company being wound up, the liability in respect of the guarantee is limited to £20 per member of the Charity.

**SALFORD AND TRAFFORD ENGINEERING GROUP
TRAINING ASSOCIATION LIMITED**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2020**

	2020	2019
	funds	Total
	£	funds
		£
INCOME AND ENDOWMENTS		
Investment income		
Deposit account interest	717	1,148
Charitable activities		
ESFA and employer/member income and income from support services	2,457,585	2,074,331
Other income		
JRS Grant	5,834	-
Total incoming resources	2,464,136	2,075,479
EXPENDITURE		
Charitable activities		
Wages	929,237	792,190
Social security	83,721	71,667
Pensions	48,239	40,651
Rent	82,300	67,838
Utilities and service charge	32,151	30,572
Insurance	19,506	16,142
Repairs and maintenance	8,598	9,842
Telephone and fax	17,312	14,887
Postage	206	232
Advertising	4,289	7,228
Sundries	8,971	8,328
Establishment - other costs	5,659	8,191
Motor expenses	60,769	72,170
Motor vehicle leasing	67,221	61,270
College fees, expenses and trainee payments	754,896	734,782
Certification fees	56,873	41,855
Registration fees	24,818	30,390
Stationery and printing	12,094	13,713
Staff training	5,969	2,718
Computer costs	53,247	29,846
Bank charges	591	557
Bad debts	4,620	4,785
Depreciation	14,758	15,994
	2,296,045	2,075,848
Support costs		
Governance costs		
Auditors' remuneration	4,995	6,695
Auditors' remuneration for non audit work	9,483	8,893
Legal and professional fees	34,322	25,069
	48,800	40,657

This page does not form part of the statutory financial statements

**SALFORD AND TRAFFORD ENGINEERING GROUP
TRAINING ASSOCIATION LIMITED**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2020**

	2020	2019
	funds	Total
	£	funds
	£	£
Total resources expended	<u>2,344,845</u>	<u>2,116,505</u>
Net income/(expenditure)	<u>119,291</u>	<u>(41,026)</u>

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