

Company Number: SC047161
Charity Number: SC016904

**EDINBURGH AND DISTRICT EMPLOYERS TRAINING
ASSOCIATION LIMITED
(BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

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EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

COMPANY INFORMATION

Directors	Mr Alan Hook Mr Ian Alton Miss Michelle Seymour Mr Andrew Haston Mr Brian Shanks Mr Fraser McNeil	(Chairperson) (Vice Chairperson)
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Secretary	Mr Brian Thorpe
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Company Number	SC047161
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Charity Number	SC016904
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Registered Office	Fleming House Kinnaird Park Edinburgh EH15 3RD
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Auditor	BDO LLP Citypoint 65 Haymarket Terrace Edinburgh EH12 5HD
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Solicitors	Stuart & Stuart 23 Rutland Street Edinburgh EH21 2RN
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Bankers	Clydesdale Bank Plc 4 Bernard Street Edinburgh EH6 6PX
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EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED
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EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

DIRECTORS' REPORT YEAR ENDED 31 JULY 2020

The Directors submit their report and the financial statements for the year ended 31 July 2020.

Principal activity and review of the business

The principal activity of the company during the year continued to be that of the supply of training services.

The background of EDETA

EDETA (Edinburgh & District Engineering Training Scheme) was set up in 1966. The name was then changed in 2003 to "Edinburgh and District Employers' Training Association Limited". It is a Limited Company with charitable status under the Companies Acts, 1948 to 1967. EDETA was initially located in Dock Street and moved to Kinnaird Park in January 2002.

The Chief Executive Officer reports to a Board of Directors appointed from member companies of the Association.

For over fifty years the main activity of the Association has been the provision of training for engineering apprenticeships and also health and safety training.

EDETA is approved to deliver Engineering Apprenticeships; Engineering Leadership to VQ standards, a variety of Health and Safety courses, Forklift Truck Instruction and First Aid at Work courses.

Governance

EDETA is governed by a Board of Directors appointed from member companies of the Association. The Directors are nominated by the member companies and are elected to the Board by the existing Directors. The nominee attends a meeting as an observer prior to election as part of the induction process. Further briefing is given by the Chief Executive as to the background of the Association and the responsibilities of the Directors.

The Board meets four times a year on a voluntary basis when the Chief Executive Officer gives a report on the Association activities, budgets are considered and fees for services are fixed. Any requests for capital equipment is made and authorised if appropriate by the board.

The day to day management of the Association is the responsibility of the Chief Executive Officer.

Directors who served during the year were:

Mr Alan Hook (Chairman)	Bruntons Aero Products Ltd
Mr Ian Alton (Vice Chairperson)	Veolia Water
Mr Andrew Haston	Heriot Watt University
Mrs Michelle Quinn	Almond Engineering
Mr Brian Shanks	MacTaggart Scott Ltd
Mr Fraser McNeil	NHS Lothian
Mr John Hay (Hon Treasurer)	MacTaggart Scott Ltd (resigned 5 December 2019)
Mr Norman Lee	NHS Lothian (resigned 5 December 2019)

None of the Directors had any notifiable interest in the company at any time during the Year.

Mr Brian Thorpe (Secretary) EDETA

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

DIRECTORS' REPORT YEAR ENDED 31 JULY 2020

The Objectives of the Association

- Advance the theoretical and practical education and training of persons working or intending to work in industry and other organisations.
- Provide training, instruction and carry out the assessing and verification of training.
- Provide the most effective, efficient and economic training.
- Continue to improve the quality of training offered.
- Market the services offered effectively.
- Train and assist staff to develop their skills and expertise.
- Be aware of changing needs in industry and commerce to ensure that the training and courses delivered are appropriate.
- Not to discriminate against persons in employment, seeking employment or in training with the Association.
- Ensure training carried out by or on behalf of the Association is done within the appropriate Awarding Body; Health and safety regulations and current legislation.
- Finance the organisation by charging fees and obtaining grants for training.

Going Concern

In December 2019, disease COVID-19 caused by a coronavirus started circulating across the globe, and was declared a pandemic in March 2020. On the 13th March, the UK Government advised against all nonessential travel and for individuals to stay at home.

This has caused a significant change to the activities and results of the association during 2020 and will continue into 2021. This is in the main due to our inability to carry out our normal function of progressing apprentices in a range of companies and environments. This also had the immediate effect of curtailing any Health and Safety Training both in house and out in the field effectively cutting off this stream of income.

We have seen a fall in income, from Skills Development Scotland to July 20, of approximately 34% from our estimates. This is expected to recover in 2020-21 as 90+% of apprentice visits have been reinstated. Our course fee income fell by 16% on budgeted figures for this year, and is expected to reduce by approximately 80% in the next financial year, compared to our initial estimates, with the previous and current restrictions in place on social distancing and movement.

In addition, our current staffing just prior to lockdown has changed due to staff leaving for other employment, retirement and ill health. The restrictions made recruitment extremely difficult due to financial constraints; this is expected to lift gently as 2021 unfolds.

We have prepared budgets/forecasts for 2020-21 and 2021-22 which account for reduced income streams as a consequence of the pandemic. We have had confirmation from SDS that the Association has been awarded a new contract for a three-year period beginning 1st April (though this contract is assessed annually and renewed at SDS' discretion) with 35 starts attached to each year. The expected income from this contract should maintain the bulk of our income, which will give the Association stability during that period going forward.

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

DIRECTORS' REPORT YEAR ENDED 31 JULY 2020

Going Concern (continued)

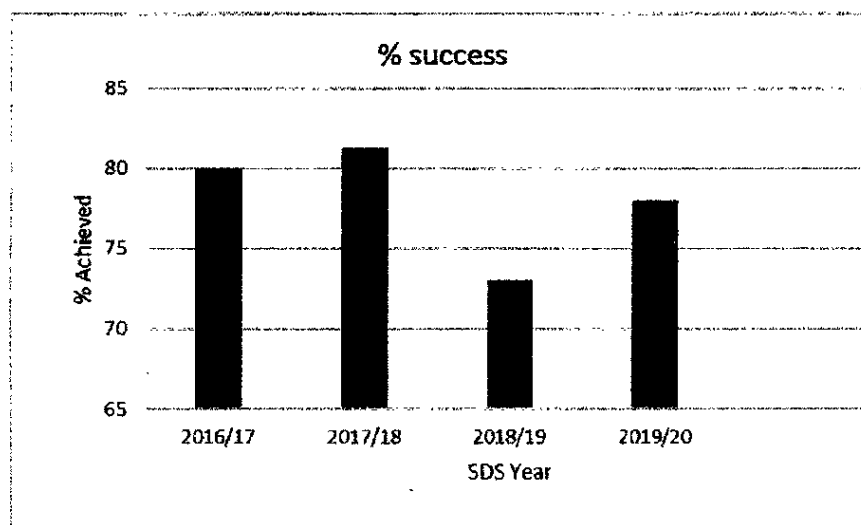
This, in conjunction with the existing reserves of the Association means we have considered the going concern assessment and have concluded that it remains appropriate to prepare the financial statements on a going concern basis.

Financial Review

Income has decreased from £437,178 to £325,095 in the year. Expenditure has decreased from £423,775 to £411,346 in the year. This has resulted in a deficit of £86,251 in the year compared with a surplus of £13,403 in the prior year. This is well below expectations as outlined above in respect to the impact of COVID-19 the operating figures are similarly affected.

Performance during the past year

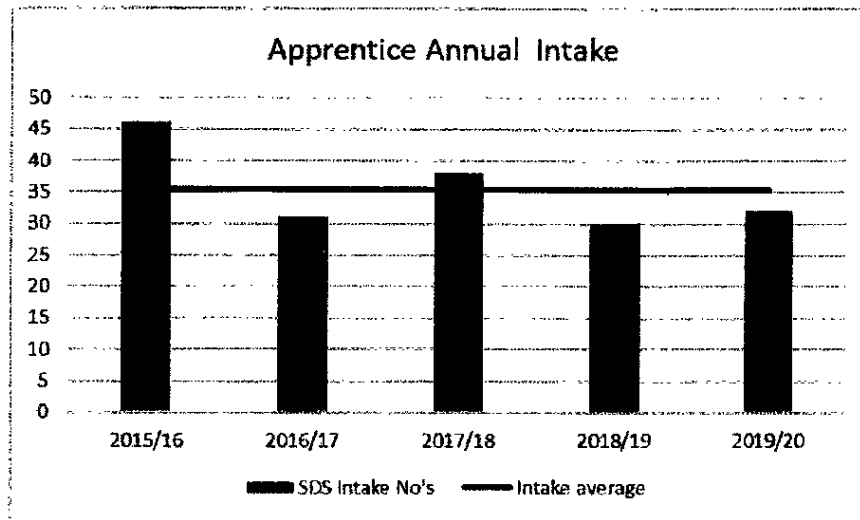
Apprentice Training – There are currently one hundred and forty-three apprentices on the Skills Development Scotland funded Skill Seeker Training Scheme. Our success rate over the past three years for apprentices achieving their Modern Apprenticeship was 80% for 2016/17, 81% for 2017/18 and 73% for 2018/19 and 78% for 2019/20. The 78% is an increase of 5% from last year and exceeds the new benchmark of 75% set by SDS. Skills Development Scotland continues to consider EDETA to be a low risk category training provider.



The chart above plots the association's performance in terms of percentage success in apprentices achieving their qualifications in relation to the SDS sponsored programmes. It shows that the performance remains consistently above the 70% mark and stands comparison with the majority of providers across Scotland.

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

DIRECTORS' REPORT YEAR ENDED 31 JULY 2020



The Association's apprentice intake is key to our business plans and the chart above shows an average of 35 in numbers taken on in the last five years this matches the application in our annual bid for an SDS contact. The figures recorded over 5 years now suggest that somewhere between 30 and 40 is now the norm.

Health and Safety Training – The association has maintained in the past 12 months up to February a good level of numbers in Training Courses delivered particularly out in the field and continues to provide good quality Training in the following areas First Aid, Fork Lift Truck, MEWPS, NPORS, IOSH Working and Managing Safely, Safety Passport Alliance and many more. Since March due to COVID-19 the courses have been non-existent *Note see going concern above.

EDETA continues to be an approved training provider for the Nuclear Skills Academy and as a result has retained up some business on the apprenticeship side.

EDETA in the past twelve months has worked hard to consolidate its apprenticeship programs with a steady intake in the past year maintaining a steady level and encouraging others to participate.

Developments and actions being considered for this coming year

- Continue to encourage new and existing customers to use the services provided by EDETA.
- Membership a good response was received from our companies that use our services as many renewed membership and newer companies became members of the association.
- Marketing the Association services to encourage employers to recruit apprentices who have not done so in the past. This will be an ongoing exercise throughout the year.
- Continue to develop the good relationship we have with the employers, apprentices, delegates attending courses and the Colleges.
- Looking forward MacTaggart Scott have projected intakes of 10 each year over the next four apprenticeship intake years from 2020 to 2023. Also the Scottish Prison Service have indicated intakes over the next three years for 20 apprentices in total to 2023.

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

DIRECTORS' REPORT YEAR ENDED 31 JULY 2020

Reserves

The reserve fund represents a build-up of surpluses from past operating results and represents the free reserves of the company. The directors have reviewed the requirement to maintain a level of free reserves and have concluded that the most appropriate level is between six and twelve months of operational expenditure. The current level of free reserves after allowing for fixed assets is £315,718 (2019 - £400,037) which equates to approximately 9.2 (2019 - 11.5) months operating expenditure.

Risk Policy

Having regard to the Charity Commission requirements on risk, the charity has undertaken an assessment of the major risks facing the charity, in particular those relating to the operations, finances and staffing of the charity and are satisfied that systems are in place to mitigate the exposure to major risks.

Investments

The directors whilst adopting a low risk policy increased our investment in Income bonds whilst maximising the annual return for the investment.

Auditor

It is the director's assessment that there is no relevant audit information which the auditor has not been made aware of and they have taken all necessary steps to ensure that the auditor has been made aware of all relevant audit information.

BDO LLP is eligible for re-appointment as auditor to the company and a resolution proposing its re-appointment will be proposed at the AGM.

Basis of preparation

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The directors are responsible for preparing the directors' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

On behalf of the board



A Hook
Director

17 March 2021

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES YEAR ENDED 31 JULY 2020

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company and charity law requires the directors to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law and charity law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources of the charity for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 charity will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND DIRECTORS OF EDINBURGH
AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED (BY GUARANTEE)**

Opinion

We have audited the financial statements of Edinburgh and District Employees Training Association Limited ("the Charitable Company") for the year ended 31 July 2020 which comprise the statement of financial activities, the balance sheet and the 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, including Financial Reporting Standard 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 Charitable Company's affairs as at 31 July 2020 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

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 Auditor's 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 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 related 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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND DIRECTORS OF EDINBURGH
AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED (BY GUARANTEE)**

Other Information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises the directors' report. The Directors are responsible for the other information.

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 Directors' Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report 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 misstatement in the Strategic report or the Director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion;

- proper and 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND DIRECTORS OF EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED (BY GUARANTEE)

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors (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 Directors 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 Directors 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 Directors either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://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 Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company's directors, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and directors those matters we are required to state to them in an auditor's 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, the Charitable Company's members as a body and the Charitable Company's directors as a body, for our audit work, for this report, or for the opinions we have formed.

Martin Gill (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Edinburgh, UK
17 March 2021

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

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

	Notes	2020 £	2019 £
Income from:			
Investments		2,126	2,065
Charitable activities:			
Provision of training and education		306,259	435,113
Other income:			
Coronavirus job retention scheme		16,710	-
Total income	3	325,095	437,178
Expenditure on:			
Charitable activities:			
Provision of training and education		411,346	423,775
Total Expenditure	4	411,346	423,775
Net (expenditure)/income for the year	7	(86,251)	13,403
Reconciliation of funds			
Total funds brought forward		409,779	396,376
Total funds carried forward	15	323,528	409,779

All income and expenditure in the current and prior year related to unrestricted funds.

All income and expenditure relates to continuing operations.

The notes on pages 12 to 18 form part of these financial statements.

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED**BALANCE SHEET
AS AT 31 JULY 2020**

	Notes	2020	2019
		£	£
FIXED ASSETS			
Tangible	8	7,810	9,762
Investments	9	150,000	150,000
		<u>157,810</u>	<u>159,762</u>
CURRENT ASSETS			
Debtors	10	57,145	79,333
Cash at bank and in hand		163,265	220,249
		<u>220,410</u>	<u>299,582</u>
CREDITORS: amounts falling due within one year	11	(54,692)	(49,565)
NET CURRENT ASSETS		<u>165,718</u>	<u>250,017</u>
NET ASSETS		<u>323,528</u>	<u>409,779</u>
Represented by:			
Unrestricted funds	15	<u>323,528</u>	<u>409,779</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved and authorised for issue by the board on 17 March 2021

Signed on behalf of the board of directors



A Hook
Director

The notes on pages 12 to 18 form part of these financial statements.

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2020

1. ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

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 section 1a) (effective 1 January 2015) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 section 1a), the Charity and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006.

Assets and liabilities are recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The preparation of the financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the charity to exercise judgement in applying the entity accounting policies (see Note 2 below).

Edinburgh and District Employers Training Association Limited constitutes a public benefit entity as defined by FRS102.

The company is limited by guarantee and was incorporated in Scotland, UK. The company registration number and registered office is noted on the company information page within these financial statements. The principal activity is stated in the directors' report.

The functional currency of the company is pounds sterling and the level of rounding applied is to the nearest £1.

(b) Going concern

The charity has reserves of £325,343 (2019: £409,779) which includes cash and debtors of £222,225 (2019: £299,582) and investments of £150,000 (2019: £150,000) which can be converted into cash if required.

In December 2019, disease COVID-19 caused by a coronavirus started circulating across the globe, and was declared a pandemic in March 2020. On the 13th March, the UK Government advised against all nonessential travel and for individuals to stay at home.

This has caused a significant change to the activities and results of the association during 2020 and will continue into 2021. This is in the main due to our inability to carry out our normal function of progressing apprentices in a range of companies and environments. This also had the immediate effect of curtailing any Health and Safety Training both in house and out in the field effectively cutting off this stream of income.

We have seen a fall in income, from Skills Development Scotland to July 20, of approximately 34% from our estimates. This is expected to recover in 2020-21 as 90+% of apprentice visits have been reinstated. Our course fee income fell by 16% on budgeted figures for this year, and is expected to reduce by approximately 80% in the next financial year, compared to our initial estimates, with the previous and current restrictions in place on social distancing and movement.

In addition, our current staffing just prior to lockdown has changed due to staff leaving for other employment, retirement and ill health. The restrictions made recruitment extremely difficult due to financial constraints; this is expected to lift gently as 2021 unfolds.

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2020**

1. ACCOUNTING POLICIES (continued)

(b) Going concern (continued)

We have prepared budgets/forecasts for 2020-21 and 2021-22 which account for reduced income streams as a consequence of the pandemic. We have had confirmation from SDS that the Association has been awarded a new contract for a three-year period beginning 1st April (though these contract is assessed annually and renewed at SDS' discretion) with 35 starts attached to each year. The expected income from this contract should maintain the bulk of our income, which will give the Association stability during that period going forward.

This, in conjunction with the existing reserves of the Association means we have considered the going concern assessment and have concluded that it remains appropriate to prepare the financial statements on a going concern basis.

(c) Income

Income comprises charges to Government bodies and private concerns for employee training facilities, courses etc. net of value added tax and is recognised in the Statement of Financial Activities either upon the completion of the relevant stage of the apprentice training or on the completion of the training course.

Course fees are recognised in the accounting period in which the course takes place.

Investment income is recognised in the period to which it relates.

Any income received in advance is treated as deferred income.

Coronavirus job retention scheme income has been recognised as other income and is accounted for as income in the period to which it relates.

(d) Grants

Revenue grants are included within turnover in the year in which they are due. Capital grants are credited to the Statement of Financial Activities in the year in which they are due.

(e) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at the following rates per annum on a straight line basis. Items below £1,000 are not capitalised.

Leasehold improvements	10%
Fixtures, fittings and equipment	20%

(f) Operating leases

Operating lease rentals are charged in the income and expenditure account on a straight line basis over the lease term.

(g) Investments

Investments are included in the balance sheet at cost as the investments are unlisted thus we cannot obtain a reliable estimate of the fair value.

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2020

1. ACCOUNTING POLICIES (continued)

(h) Taxation

The association has been granted charitable status by HMRC and has no current trading activities which are liable for corporate taxation.

(i) Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge in the income and expenditure account represents the amounts payable by the company to the fund in respect of the year.

(j) Expenditure

Direct costs consisting of training expenses are charged to the charitable activity. 65% of staff cost, premises cost and general expenses are also allocated to direct cost, the remaining 35% is allocated to support costs.

Governance costs are charged directly to the Statement of Financial Activities when incurred and consist of external audit fees and board expenses.

(k) Holiday pay

In applying FRS 102, the accounting policies now require the recognition of a liability for unpaid holiday pay. A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the discounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

(l) Cash and cash equivalents

Cash is represented by cash in hand. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Statement of Cash Flows, cash and cash equivalents are shown as cash in hand and are repayable on demand and form an integral part of the charity's cash management.

(m) Financial Instruments

The charitable company only enters into basic financial instruments. Financial assets are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment. Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2020

2. JUDGEMENTS AND ESTIMATES

In preparing these financial statements, the directors do not believe that any significant judgements or estimates were required.

3. INCOME

	2020 £	2019 £
Income from:		
Investments	2,126	2,065
Charitable activities		
Provision of training and education		
Training grants	193,855	279,831
Training fees	58,066	99,198
Course fees	46,593	35,802
Validation fees	6,455	17,120
Other	1,290	3,162
Total income from charitable activities	306,259	435,113
Other income		
Coronavirus job retention scheme	16,710	-
Total income	325,095	437,178

4. EXPENDITURE

	Activities undertaken £	Support costs (note 5) £	2020 Total £	2019 Total £
Charitable activities				
Provision of training and education	308,746	102,600	411,346	423,775
Total expenditure	308,746	102,600	411,346	423,775

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2020**

4. EXPENDITURE (CONTINUED)

	Activities undertaken	Support costs (note 5)	2019 Total	2018 Total
	£	£	£	£
Charitable activities				
Provision of training and education	305,653	117,122	423,775	499,305
Total expenditure	305,653	117,122	423,775	499,305

5. SUPPORT COST ALLOCATION

	Provision of training and education	
	2020 £	2019 £
Staff costs	60,734	73,539
Premises costs	25,037	21,610
General expenses	9,629	16,573
Governance costs – auditor's remuneration	7,200	5,400
	102,600	117,122

6. STAFF COSTS

	2020 £	2019 £
Wages and salaries	131,038	183,997
Social security costs	25,615	18,419
Pension costs	16,872	7,695
	173,525	210,111

The average number of employees, excluding directors, during the year analysed by function was as follows:

	2020 Number	2019 Number
Training services	2	2
Management and administration	3	4
	5	6

No director received any emoluments or reimbursed for expenses during the year (2019: none).

There were no employees who received remuneration in excess of £60,000 during the year to 31 July 2020 (2019 – None).

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2020**

7. NET EXPENDITURE

The net expenditure is stated after charging:

	2020 £	2019 £
Depreciation	1,952	2,441
Auditor's remuneration – audit fee	7,200	5,400
Operating lease rentals:		
- land and buildings	57,571	47,360
Pension cost	16,872	7,695

8. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 August 2019	149,501	93,726	243,227
At 31 July 2020	149,501	93,726	243,227
Depreciation			
At 1 August 2019	149,501	83,964	233,465
Charge in year	-	1,952	1,952
At 31 July 2020	149,501	85,916	235,917
Net book value			
At 31 July 2020	-	7,810	7,810
At 31 July 2020	-	9,762	9,762

9. FIXED ASSET INVESTMENTS

	National Savings Bonds £
Cost and valuation	
At 1 August 2019 and 31 July 2020	150,000

All fixed asset investments are unlisted and held within the United Kingdom.

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2020****10. DEBTORS**

	2020	2019
	£	£
Due within one year:		
Trade debtors	39,304	31,664
Prepayments and other debtors	17,841	47,669
	<u>57,145</u>	<u>79,333</u>

11. CREDITORS:**Amounts falling due within one year**

	2020	2019
	£	£
Trade creditors	38,303	31,101
Other tax and social security	2,647	5,304
Accruals and other creditors	12,473	11,664
Pension	1,269	1,496
	<u>54,692</u>	<u>53,864</u>

12. OTHER COMMITMENTS

As at 31 July 2020 the charity had total commitments under non-cancellable operating leases as follows:

	2020	2019
	£	£
Operating leases which expire:		
Within one year	34,170	34,170
Later than one year and not more than five years	8,987	43,251
Total commitment	<u>43,157</u>	<u>77,421</u>

13. TRANSACTIONS WITH RELATED PARTIES

During the year the charity provided services totalling £28,644 (2019 - £36,370) to companies with which it shares common directorships. At the balance sheet date a total of £9,842 (2019 - £10,262) was owed by these companies. During the year these companies made payments of £29,064 (2019 - £34,524). All transactions with these companies were completed at an arm's length basis.

Key management personnel are those with responsibilities for planning, directing and controlling the activities of the charity, directly or indirectly, including any director (whether executive or otherwise) of the charity. This definition includes directors and those members of staff who are the senior management personnel to whom the directors have delegated significant authority or responsibility in the day-to-day running of the charity. The total amount of remuneration for key management personnel is £62,797 (2019: £61,260).

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2020**

14. PENSION COSTS

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund.

Contributions made by the company to the scheme during the year amounted to £16,872 (2019: £7,695). Outstanding contributions at the year end are disclosed in note 11.

15. FUNDS

	£
UNRESTRICTED	
Funds at 1 August 2019	409,779
Net income for the year	(86,251)
Funds at 31 July 2020	<u>325,343</u>

16. FINANCIAL INSTRUMENTS

	2020	2019
	£	£
Unlisted investments measured at cost	150,000	150,000
Financial assets measured at amortised cost	<u>202,569</u>	<u>251,913</u>
	<u>352,569</u>	<u>401,913</u>
Financial liabilities measured at amortised cost	<u>52,045</u>	<u>47,244</u>

Unlisted investments measured at cost represent the National Savings Bond (note 9).

Financial assets at amortised cost represent cash at bank and trade debtors.

Financial liabilities at amortised cost represent trade creditors, accruals and pension creditor.