

Charity registration number SC016904 (Scotland)

Company registration number SC047161 (Scotland)

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

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EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 JULY 2023

The Directors present their annual report and financial statements for the year ended 31 July 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Association's Memorandum and Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 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).

Objectives and activities

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.

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

Achievements and performance

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

Financial review

Income has increased from £438k to £546k approximately in the year. Expenditure has increased from £477k to £575k in the year. This has resulted in a deficit of £29k in the year compared with a deficit of £38.5k in the prior year. This is slightly higher than expectations tied to higher costs for additional starts.

Going concern

As we have moved through the year 2022-23 generally the requirement for apprentices to take up the vacant roles in engineering companies for the imminent years ahead continue to transform the intake numbers currently. The intake in the year past was 63, which again was the largest number for 35+ years and looking into 2022-23 this number looks like being circa 70. We also must deal with the lag of around a third of a year's income still in our system which will take until 2023 to 2024 to permeate through but it will not be 100% recovered. This is due to the percentage success rate; this tells us it sits at around 70% therefore depending on when the unsuccessful candidates drop out will reduce the monies to be claimed. Also, the curtailing any Health and Safety Training both in house and out in the field is generally still in effect thus cutting off this stream of income to include the loss of ancillary training staff in the process.

Our staffing during the year 2022-23 was made up as follows, the CEO, Training Manager, Two Assessors and Administrator. Recruitment remains extremely difficult due to both financial constraints and a very shallow pool of qualified candidates. It will be expected to recruit further over the next 12 months for the viability of the association in the coming years ahead.

In light of our current contract with SDS covering three-year period beginning 1st April 2021 taking us through to 31st March 2024 with 35 starts attached to each year and each year having a value of approximately £263k, this should maintain the bulk of our income this will give the association stability during that period going forward. However, on a positive note the intakes for 2021-22 and 2022-23 were for 56 and 63, this with the current year 2023 -24 indicating an intake of approximately 70 becoming a reality would increase our SDS income above the current forecast of £263k to around £370k Then next year 2024-25 is looking steady even at this early stage.

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

Reserves policy

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 £218,182 (2022: £242,390) which equates to approximately 6-7 months (2022: 8) operating expenditure.

Investment policy

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

Risk policy

Having regard to the Scottish Charity Regulator 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.

Plans for future periods

For the immediate future to recruit additional staff to enable the association to provide the appropriate service to our companies with the increase in uptake in recent years and expected intake in the next SDS year 2024-25. This is in line with the development statement that follows.

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 two of our well-established member companies have projected intakes of 10 each year over the next two apprenticeship intake year for 2023 following up on the previous intake from the past year. In addition, another well-known organisation have indicated intakes over the next three years for 20 apprentices in total to 2024. We have also had former members return to us with variable numbers in terms of intakes.
- We also have two companies relatively new to Edeta taking on apprentices through ourselves in 2023 and are a welcome addition to our portfolio. These are Ferrier Pumps (Edinburgh, Aberdeen & Glasgow); NHS SMART Centre.

Structure, governance and management

The Association is a company limited by guarantee registered with the Scottish Charity Regulator. EDETA (Edinburgh & District Engineering Training Association) was set up in 1966. The name was then changed in 2003 to "Edinburgh and District Employers' Training Association Limited". Originally located in Dock Street, the Association moved to Kinraid Park in January 2002.

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 and First Aid at Work courses.

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

Recruitment and appointment of trustees

A Board of Directors appointed from member companies of the Association governs EDEIA. 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 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 who then reports to the Board of Directors.

None of the Directors has any beneficial interest in the company.

Company Information

Registered Company Number

SC047161

Registered Charity Number

SC016904

Registered Office and Principal Office

Fleming House
Kinnaid Park
Edinburgh
EH15 3RD

Directors

| | |
|------------------------------------|----------------------------|
| Mr Alan Hook (Chairman) | Bruntons Aero Products Ltd |
| Mr Ian Alton (Vice Chairperson) | Veolia Water |
| Mr James McGeechan | MacTaggart Scott Ltd |
| Mr Andrew Haston | Heriot Watt University |
| Mrs Michelle Quinn (Hon Treasurer) | Almond Engineering |

Secretary

Mr Brian Thorpe

Auditors

Thomson Cooper
22 Stafford Street
Edinburgh
EH3 7BD

Solicitors

Thorntons Law
Citypoint
65 Haymarket Terrace 3rd Floor
Edinburgh
EH12 5HD

Bankers

Virgin Money
83 George Street
Edinburgh
EH2 3ES

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

Statement of Directors' responsibilities

The directors, who also act as trustees for the charitable activities of #cd2, are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in operation.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Thomson Cooper were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

Disclosure of information to auditor

Each of the Directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Directors' report was approved by the Board of Directors.

Mr A Hook

Director

7 December 2023

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE DIRECTORS OF EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

Opinion

We have audited the financial statements of Edinburgh and District Employers Training Association Limited (the 'Association') for the year ended 31 July 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 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 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 Association 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 Directors' 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 Association's ability to continue as a going concern for a period of at least twelve 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 other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 inconsistencies or apparent material misstatements, we are required to determine whether 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.

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE DIRECTORS OF EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Directors' report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the statement of Directors' responsibilities, the Directors 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 Association'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 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 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.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: existence and timing of recognition of grant income and the posting of transactions to the correct funds. We discussed these risks with management, designed audit procedures to test the timing and existence of donations and grant income, including reviewing of grant paperwork and terms and conditions, reviewing the allocation of costs against the correct funding and reviewed areas of judgement for indicators of management bias.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the officers and other management (as required by the auditing standards). We focused on specific laws and regulations which may have a direct material effect on the financial statements or operation of the charity, including the Charities and Trustees Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), and the Care Inspectorate.

We assessed the extent of compliance of the laws and regulations identified above by inspecting any legal correspondence, the Care Inspectorate report and making enquiries of management.

We reviewed the laws and regulations in areas that directly affect the financial statements including financial and taxation legislation and considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE DIRECTORS OF EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

With the exception of any known or possible non-compliance with relevant and significant laws and regulations, and as required by the auditing standards, our work in respect of these was limited to enquiry of the officers and management of the company.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. However, the primary responsibility for the prevention and detection of fraud rests with the trustees. To address the risk of fraud we identified internal controls established to identify risk, performed analytical procedures to identify unusual movements, assessed any judgements and assumptions made in determining accounting estimates, reviewed journal entries for unusual transactions and identified related parties.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

The financial statements of Edinburgh and District Employers Training Association Limited for the year ended 31 July 2022 was unaudited and an independent examination was conducted by BDO LLP.

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 charity's directors, as a body, in accordance with Section 44(1) (c) of the Charities and Trustees Investment (Scotland) Act and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Fiona Haro (Senior Statutory Auditor)
for and on behalf of Thomson Cooper, Statutory Auditors
Dunfermline

11 December 2023

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JULY 2023

| | | Total | Total |
|--|-------|----------|----------|
| | | 2023 | 2022 |
| | Notes | £ | £ |
| Income from: | | | |
| Charitable activities | 2 | 542,536 | 437,641 |
| Investments | 3 | 3,577 | 467 |
| Total income | | 546,113 | 438,108 |
| Expenditure on: | | | |
| Charitable activities | 4 | 575,269 | 476,758 |
| Net expenditure for the year/ Net movement in funds | | (29,156) | (38,650) |
| Fund balances at 1 August 2022 | | 247,338 | 285,988 |
| Fund balances at 31 July 2023 | | 218,182 | 247,338 |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

BALANCE SHEET

AS AT 31 JULY 2023

| | Notes | 2023 £ | £ | 2022 £ | £ |
|---|-------|----------------|----------------|----------------|----------------|
| Fixed assets | | | | | |
| Tangible assets | 9 | | 9,013 | | 4,998 |
| Investments | 10 | | 150,000 | | 150,000 |
| | | | <u>159,013</u> | | <u>154,998</u> |
| Current assets | | | | | |
| Debtors | 11 | 9,613 | | 1,935 | |
| Cash at bank and in hand | | 149,956 | | 163,736 | |
| | | <u>159,569</u> | | <u>165,671</u> | |
| Creditors: amounts falling due within one year | 12 | (100,400) | | (73,331) | |
| Net current assets | | | <u>59,169</u> | | <u>92,340</u> |
| Total assets less current liabilities | | | <u>218,182</u> | | <u>247,338</u> |
| Income funds | | | | | |
| Unrestricted funds | | | <u>218,182</u> | | <u>247,338</u> |
| | | | <u>218,182</u> | | <u>247,338</u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Directors on 7 December 2023

Mr A Hook
Trustee

Company registration number SC047161

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2023

| | Notes | 2023 £ | £ | 2022 £ | £ |
|---|-------|-----------|----------|-----------|---------|
| Cash flows from operating activities | | | | | |
| Cash absorbed by operations | 16 | | (11,524) | | (3,146) |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (5,833) | | - | |
| Investment income received | | 3,577 | | 467 | |
| Net cash (used in)/generated from investing activities | | | (2,256) | | 467 |
| Net cash used in financing activities | | | - | | - |
| Net decrease in cash and cash equivalents | | | (13,780) | | (2,679) |
| Cash and cash equivalents at beginning of year | | | 163,736 | | 166,415 |
| Cash and cash equivalents at end of year | | | 149,956 | | 163,736 |

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies

Charity information

Edinburgh and District Employers Training Association Limited is a private company limited by guarantee incorporated in Scotland. The registered office is Fleming House, Kinnaird Park, Edinburgh, EH15 3RD.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Association's Memorandum and Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The Association is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Association. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Directors have a reasonable expectation that the Association has adequate resources to continue in operational existence for the next 12 months. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Directors in furtherance of their charitable objectives.

1.4 Income

Income is recognised when the Association is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Revenue grants are included within income for 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.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies (Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Items below £1,000 are not capitalised.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|------------------------|-------------------|
| Leasehold improvements | 10% straight line |
| Plant and equipment | 20% straight line |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are measured at transaction price excluding transaction costs due to being unlisted and therefore a reliable estimate of the fair value cannot be obtained.

1.8 Impairment of fixed assets

At each reporting end date, the Association reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The Association has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Association's balance sheet when the Association becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Association's contractual obligations expire or are discharged or cancelled.

1.11 Taxation

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

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Association is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Charitable activities

| | 2023 £ | 2022 £ |
|-------------------------------------|----------------|----------------|
| Provision of training and education | 234,181 | 257,827 |
| Training grants | 293,904 | 168,668 |
| Course fees | 2,331 | 3,856 |
| Validation fees | 10,920 | 5,440 |
| Other income | 1,200 | 1,850 |
| | <u>542,536</u> | <u>437,641</u> |

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

3 Investments

| | 2023 £ | 2022 £ |
|---------------------|-----------|-----------|
| Interest receivable | 3,577 | 467 |

4 Charitable activities

| | 2023 £ | 2022 £ |
|--|----------------|----------------|
| Staff costs | 142,641 | 123,582 |
| Provision of training and education | 241,338 | 268,196 |
| | <u>383,979</u> | <u>391,778</u> |
| Share of support costs (see note 5) | 185,890 | 80,939 |
| Share of governance costs (see note 5) | 5,400 | 4,041 |
| | <u>575,269</u> | <u>476,758</u> |

5 Support costs

| | Support costs £ | Governance costs £ | 2023 £ | Support costs £ | Governance costs £ | 2022 £ |
|--------------------------------|--------------------|--------------------------|----------------|--------------------|--------------------------|---------------|
| Staff costs | 59,535 | - | 59,535 | 52,963 | - | 52,963 |
| Depreciation | 1,818 | - | 1,818 | 1,250 | - | 1,250 |
| Premises costs | 84,432 | - | 84,432 | 22,502 | - | 22,502 |
| General expenses | 37,293 | - | 37,293 | 4,224 | - | 4,224 |
| Accountancy fees | 2,812 | - | 2,812 | - | - | - |
| Audit fees | - | 5,400 | 5,400 | - | - | - |
| Independent examination fee | - | - | - | - | 4,041 | 4,041 |
| | <u>185,890</u> | <u>5,400</u> | <u>191,290</u> | <u>80,939</u> | <u>4,041</u> | <u>84,980</u> |

Governance costs includes payments to the auditors of £5,400 for audit fees.

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

| | | | |
|----------|------------------------------|-------------|-------------|
| 6 | Net movement in funds | 2023 | 2022 |
| | | £ | £ |

Net movement in funds is stated after charging/(crediting)

Fees payable to the company's auditor for the audit of the company's financial statements

5,400

-

Depreciation of owned tangible fixed assets

1,818

1,250

7 Directors

None of the Directors (or any persons connected with them) received any remuneration or benefits from the Association during the year.

8 Employees

The average monthly number of employees during the year was:

| | | |
|-------------------------------|---------------|---------------|
| | 2023 | 2022 |
| | Number | Number |
| Training services | 3 | 2 |
| Management and administration | 2 | 3 |
| Total | 5 | 5 |

Employment costs

| | | |
|-----------------------|-------------|-------------|
| | 2023 | 2022 |
| | £ | £ |
| Wages and salaries | 175,144 | 151,734 |
| Social security costs | 14,312 | 16,356 |
| Other pension costs | 8,993 | 8,455 |
| | 198,449 | 176,545 |

Key management personnel

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 £65,611 (2022: £62,604).

The number of employees whose annual remuneration was more than £60,000 is as follows:

| | | |
|-------------------|---------------|---------------|
| | 2023 | 2022 |
| | Number | Number |
| £60,000 - £70,000 | 1 | 1 |

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

9 Tangible fixed assets

| | Leasehold improvements £ | Plant and equipment £ | Total £ |
|------------------------------------|--------------------------------|-----------------------------|----------------|
| Cost | | | |
| At 1 August 2022 | 149,501 | 93,726 | 243,227 |
| Additions | - | 5,833 | 5,833 |
| | <u>149,501</u> | <u>99,559</u> | <u>249,060</u> |
| At 31 July 2023 | 149,501 | 99,559 | 249,060 |
| Depreciation and impairment | | | |
| At 1 August 2022 | 149,501 | 88,728 | 238,229 |
| Depreciation charged in the year | - | 1,818 | 1,818 |
| | <u>149,501</u> | <u>90,546</u> | <u>240,047</u> |
| At 31 July 2023 | 149,501 | 90,546 | 240,047 |
| Carrying amount | | | |
| At 31 July 2023 | - | 9,013 | 9,013 |
| | <u>-</u> | <u>9,013</u> | <u>9,013</u> |
| At 31 July 2022 | - | 4,998 | 4,998 |
| | <u>-</u> | <u>4,998</u> | <u>4,998</u> |

10 Fixed asset investments

| | National Savings Bonds £ |
|---------------------------------|--------------------------------|
| Cost or valuation | |
| At 1 August 2022 & 31 July 2023 | 150,000 |
| Carrying amount | |
| At 31 July 2023 | 150,000 |
| | <u>150,000</u> |
| At 31 July 2022 | 150,000 |
| | <u>150,000</u> |

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

11 Debtors

| | 2023 £ | 2022 £ |
|---|--------------|--------------|
| Amounts falling due within one year: | | |
| Trade debtors | 9,613 | 1,935 |
| | <u>9,613</u> | <u>1,935</u> |

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

12 Creditors: amounts falling due within one year

| | 2023 | 2022 |
|------------------------------------|----------------|---------------|
| | £ | £ |
| Other taxation and social security | 6,397 | 3,789 |
| Trade creditors | 83,034 | 63,448 |
| Other creditors | 1,541 | 721 |
| Accruals and deferred income | 9,428 | 5,373 |
| | <u>100,400</u> | <u>73,331</u> |

13 Unrestricted funds

These are unrestricted funds which are material to the Association's activities made up as follows:

| | Movement in funds | | | Balance at 31 July 2023 |
|--------------|-----------------------------|-----------------------|-----------------------|----------------------------|
| | Balance at 1 August 2022 | Incoming resources | Resources expended | |
| | £ | £ | £ | £ |
| General fund | 247,338 | 546,113 | (575,269) | 218,182 |
| | <u>247,338</u> | <u>546,113</u> | <u>(575,269)</u> | <u>218,182</u> |

| | Movement in funds | | | Balance at 31 July 2022 |
|--------------|-----------------------------|-----------------------|-----------------------|----------------------------|
| | Balance at 1 August 2021 | Incoming resources | Resources expended | |
| | £ | £ | £ | £ |
| General fund | 285,988 | 438,108 | (476,758) | 247,338 |
| | <u>285,988</u> | <u>438,108</u> | <u>(476,758)</u> | <u>247,338</u> |

14 Operating lease commitments

At the reporting end date the Association had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2023 | 2022 |
|----------------------------|----------------|--------------|
| | £ | £ |
| Within one year | 59,972 | 8,987 |
| Between two and five years | 119,943 | - |
| | <u>179,915</u> | <u>8,987</u> |

EDINBURGH AND DISTRICT EMPLOYERS TRAINING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

15 Related party transactions

During the year the charity provided services totalling £54,808 (2022: £51,330) to companies with which it shares common directorships. At the balance sheet date, a total of £2,344 (2022: £3,760) was owed by these companies. All these transactions were completed at an arm's length basis and details of each company are set out below.

Bruntons Aero Products Ltd who Alan Hook is a director of was provided a service of £50 during the year.

Veolia Water was provided a service totalling £8,873 during the year, whereby Ian Alton shares a directorship.

MacTaggart Scott Ltd who James McGeechan is a director of was provided services totalling £36,392 during the year and £480 was still owed to Edinburgh and District Employers Training Association Ltd at 31 July 2023.

Heriot Watt University was provided services during the year totalling £8,563 whereby Andrew Haston shares a directorship. At 31 July 2023, Heriot Watt University owed to Edinburgh and District Employers Training Association Ltd £1,864.

Almond Engineering who Michelle Quinn shares a directorship with was provided services totalling £930 during the year.

| 16 Cash generated from operations | 2023 £ | 2022 £ |
|---|-----------------|----------------|
| Deficit for the year | (29,156) | (38,650) |
| Adjustments for: | | |
| Investment income recognised in statement of financial activities | (3,577) | (467) |
| Depreciation and impairment of tangible fixed assets | 1,818 | 1,250 |
| Movements in working capital: | | |
| (Increase)/decrease in debtors | (7,678) | 4,187 |
| Increase in creditors | 27,069 | 30,534 |
| Cash absorbed by operations | (11,524) | (3,146) |

17 Analysis of changes in net funds

The Association had no debt during the year.

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