

**SCIENCE, ENGINEERING AND MANUFACTURING
TECHNOLOGIES ALLIANCE**

**REPORT AND FINANCIAL
STATEMENTS**

YEAR ENDED 31 MARCH 2011



Registered in England and Wales

**- Company Number 2324869
- Charity Number 1000328**

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2011

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SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

**REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2011**

Auditors

haysmacintyre
Fairfax House
15 Fulwood Place
London WC1V 6AY

Investment Managers

Aberdeen Fund Management Ltd
One Bow Churchyard
London EC2M 9HH

Investment Advisors

Barnett Waddingham
138 Cheapside
London
EC2V 6BW

Property Managers

Fletcher King
Stratton House
Stratton Street
London W1X 5FE

Bankers

Barclays Bank plc
62/64 High Street
Watford WD17 2BT

Solicitors

Herbert Smith
Exchange House
Primrose Street
London EC2A 2HS

Charles Russell
8-10 New Fetter Lane
London EC4A 1RS

Bevan Kidwell
2nd Floor Baird House
15-17 St Cross St
London EC1N 8UW

Registered Office

14 Upton Road
Watford WD18 0JT

Board Members

A Cook - Chairman
Sir A Jones - Chairman (resigned 20/05/10)
G Althorpe (resigned 21/05/10)
I Gray
J Greenwell
A Imrie
D Byrne
D Haywood
M Stewart
J Bolton
H Hazell (resigned 10/12/10)
J Maier
H Scullion
I Mukerjee (appointed 20/05/10)
T Scuoler (appointed 23/05/10)

Chief Executive

P W Whiteman

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2011

REPORT OF DIRECTOR TRUSTEES

REFERENCE AND ADMINISTRATIVE DETAILS

The Science, Engineering and Manufacturing Technologies Alliance ("Semta") is a company limited by guarantee (company number 2324869) and does not have share capital. It is a registered charity (charity number 1000328) governed by its memorandum and articles of association. The charity owns the 100% of the allotted ordinary share capital of five trading subsidiaries who covenant their taxable profit to the charity.

The members of the Board who held office during the year were

A Cook – Chairman	
Sir A Jones – Chairman	(resigned 20/05/10)
G Althorpe	(resigned 21/05/10)
J Bolton *	
D Byrne*	
I Gray **	
J Greenwell	
H Hazell	(resigned 10/12/10)
D Haywood	
A Imrie ****	
J Maier	
I Mukerjee ***	(appointed 20/05/10)
T Scouler	(appointed 23/05/10)
H Scullion	
M Stewart	

- * Member of the Audit Committee
- ** Member and Chairman of the Audit Committee
- *** Member and Chairman of the Investment Committee
- **** Member and Chairman of the Remuneration and Nomination Committee

The Chief Executive, professional advisors and registered office of the charity are listed on page [2].
Mr A Cook took over as chairman from Sir A Jones on the 20th May 2010.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is governed by a Board of employers and a trade union representative. The members of the Board are trustees of the charity and also directors for the purposes of company law.

The Board meets quarterly to review progress against the agreed business plan and agree on future strategy. Responsibility for the management of the business is delegated to the Chief Executive.

There are three committees which submit reports to the full Board:

- Investment Committee
- Audit Committee
- Remuneration and Nomination Committee

As directors of the company, the Board members are responsible for overseeing the company's business in a manner consistent with its charitable objectives. They are also guarantors to the company. The key internal financial control procedures are summarised as follows:

Control environment

There is a clear organisational structure with well defined lines of responsibility and delegation of appropriate levels of authority.

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REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2011

REPORT OF DIRECTOR TRUSTEES (Continued)

Risk management:

Business strategy and business plans are reviewed by the Board. Detailed appraisals are undertaken and financial implications evaluated prior to all capital expenditure and projects. Risk assessments are considered by the Audit Committee.

Financial Reporting:

A comprehensive system of budgets and forecasts is in place, with quarterly monitoring and reporting of actual results against targets to the Board.

Control Procedures and Monitoring Systems:

Authority levels and procedures and other systems of internal financial control are documented, applied and regularly reviewed by the Audit Committee. In addition, the Audit Committee meets twice yearly with the external auditors to discuss audit planning and the results of their audit work. The auditors meet the Audit Committee in private session as part of this process.

Investment

The investment management is delegated to a professional management firm, supported by an independent advisor. The Committee's role is to review the performance of the investment managers and make recommendations to the Board on investment policy.

Remuneration:

Senior managers' remuneration is governed by the Remuneration and Nomination Committee.

Appointment of Board Members:

The appointment of Board members, for a maximum of two terms of three years, is made by members on the recommendation of the Remuneration and Nomination Committee, which is chaired by a Semta Board member and members who are suitably qualified representatives from industry.

New Board members undergo an induction to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, Semta's strategy and recent financial performance and the Committees and decision making process. Board members are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

PUBLIC BENEFIT

Like all other registered UK charities Semta operates for the public benefit, which is to increase take up of high quality, easily accessible, training programmes which match the need of employers. By improving skill levels in its workforce, the sector's UK businesses become increasingly competitive which benefits the economy as a whole.

In agreeing this statement of public benefit the Board confirm that they have paid due regard to the Charity Commission guidance. The charity's activities and achievements are set below.

OBJECTIVES AND ACTIVITIES

The objects of the charity are to promote and advance the education, training and skills development of the current and future workforce in the Science, Engineering and Manufacturing Technologies sectors.

To achieve this, Semta

- Carries out research and publishes labour market information on skills gaps and shortages
- Consults with employers to achieve a clear understanding and definition of the sector's priority skill needs
- Develops solutions to fill gaps in the education and training infrastructure
- Influences key stakeholders in the delivery networks to align education and training with these needs
- Supports the sector's employers who are seeking to identify high quality training that will meet their needs

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2011

REPORT OF DIRECTOR TRUSTEES (Continued)

The main objectives for the year were to

- Increase awareness of Semta's offer
- Engage with more employers, helping to raise their skills ambition
- Attract learners to the sector
- Work with stakeholders to support their understanding of the sectors needs and how they can make a positive contribution in meeting them
- Provide authoritative labour market information
- Review and update priorities outlined in sector skills agreements
- Develop provider capacity and capability
- Continue to develop high quality, cost effective support services to underpin the operational effectiveness of the organisation

ACHIEVEMENTS AND PERFORMANCE

Having consolidated Semta, The National Skills Academy for Manufacturing and Metaskill last year, the focus was in promoting a single point of support to employers, with Semta taking care of skills system complexities through improved stakeholder relationships

Operational benefits were also derived from the new integrated business model and a further organisational review, primarily of central and back office areas, formed a major part of a cost reduction programme to deliver a more sustainable and efficient cost base

Major achievements during the year included:

Supporting Employers

- Produced the following reports to champion employers' skills priorities
 - Advanced Manufacturing, UK Science Industries, Engineering sub-sector and Bioscience fact sheets, Sector Skills Assessment 2011
- Through the Sector Compact supported companies to develop 1200 training plans in England, 86% of them SMEs
- 233 company training plans were developed in Scotland and 163 in Wales
- Through the Engineering Training Council Northern Ireland held a range of employer support events
- Identified training for over 30,000 learners
- Piloted Skills Connector on-line diagnostic to help companies identify business focussed training
- The Four Nations Group reviewed progress and shared good practice on qualifications and apprenticeships
- To strengthen the employer voice, some 300 companies are now represented in the Semta Sector Strategy Groups, Regional Councils and the Four Nations group
- With close support from the National Composites Network, National Composites Centre and the Department for Business, Innovation and Skills, added a new Composites Sector Skills Group to the well established groups for Aerospace, Automotive, Bioscience, Electronics, Marine, Mechanical & Electrical and Metals
- With partners, Semta ran 30 Networking and Supply Chain events attended by 382 employers
- The Semta Board and Advisory Council, which are made up of senior representatives from employers across the sector, provided very positive input on policy and strategy
- To simplify the skills landscape for employers Semta entered into partnership agreements with ADS Group Ltd, SMMT, Cogent, Skills 4 Logistics, IMechE, UKEA, the Association of Learning Providers, and London South Bank University
- Semta promoted its single point of contact offer at 80 major events including
 - Farnborough Air Show, MACH 2010, Science & Innovation 2010, Seawork, LCV 2010, the Composites Engineering Show, MM Live, The Future of Apprenticeships, Metal Working Production Summit, Technical Skills for the 21st Century

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REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2011

REPORT OF DIRECTOR TRUSTEES (Continued)

- To encourage young people into the sector Semta had stands at
 - Big Bang, Skills NE, Skills NW, Skills London, Skills Scotland, Skills Yorkshire & Humber, Skills Cymru,
- To raise and promote sector skills priorities and raise profile of Semta supported the following
 - NMI Awards, British Engineering Excellence Awards, Business Report Made In The Midlands Awards, Best Factory Awards, The MX Awards 2010, Metal Working Production Awards, Metals Industry Apprentice of the Year, the Best Factory Conference
- To demonstrate the value of skills investment Semta produced 40 case studies, secured 50 skills champions and achieved almost 500 media/on-line articles

Government and Agencies

- Positive working relationships continue to be built with the UK Commission for Employment and Skills (UKCES) and the Department for Business Innovation and Skills (BIS)
- The Secretary of State issued Semta with the licence to be the Apprenticeship Issuing Authority for the Sector
- The Scottish Executive and Welsh Assembly continue to support Semta's work
- Semta continued to play a lead role in working with other SSC's in clusters which support Science, Engineering & Manufacturing and other apprenticeship policies
- Semta gave evidence to five major select committees and appeared before the Welsh Assembly to advise on the Implementation of the Economic Renewal Programme
- Semta contributed to 13 policy consultations including the Wolf Review of 14-19 vocational education, Meeting the Low Carbon Skills Challenge, the Growth Review Framework for Advanced Manufacturing, Skills for Sustainable Growth and A Simplified Further Education and Skills Funding System and Methodology

Education and Training Providers

- NSA-M delivered 20 new products including Pre-Employment, Apprenticeships, Technicians-Engineers-Scientists and Advanced Manufacturing Techniques There have been further enhancements to the Productivity and Competitiveness and Leadership and Management portfolios
- Semta completed the migration of the NVQs onto the Qualifications and Credit Framework
- Successfully launched the new Apprenticeship framework to meet the new Specification for Apprenticeship Standards for England and Wales
- Launched the National Apprenticeship Portal systems to meet legislative requirements
- The Semta offer to providers has been re-shaped and now offers a wide range of benefits along with a commitment to delivering learners for prospective provider partners
- The Apprenticeship Academy achieved its target of 360 apprentices in training
- To share employer priorities with higher education Semta ran a Best Practice event with Universities UK

Key Stakeholders

Partnerships and working with key stakeholders are key to simplifying skills investment for employers Semta worked with the following organisations to engage companies in their subsectors

- The Society of Motor Manufacturers and Traders
- The National Microelectronics Institute
- The Shipbuilders and Shiprepairers Association
- The newly formed ADS Group Ltd
- The Engineering Employers Federation
- The Confederation of British Industry

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2011

REPORT OF DIRECTOR TRUSTEES (Continued)

FINANCIAL REVIEW

The year continued to be one of consolidation following the integration of key activities of NSA-M and Metskill with those of Semta and the introduction of the cost reduction programme to establish a more sustainable and cost effective cost base for the business going forward. Equally focus also turned to the development of more sustainable income streams with the conclusion of the Sector Compact contract and loss of traditional sources of publically funded projects such as those with Regional Development Agencies which are to be closed.

The annual results were impacted by the following exceptional charges:

Semta Group's ITB Pension Fund Repayment of £2,400,000 (50% of the deficit) on 1 January 2011:

The results of the triennial valuation as at 31 March 2010 of the ITB Pension multi employer Fund were provided by the Pension Trustees in October 2010. As a member of a multi employer scheme Semta is not required to comply with the provisions of FRS 17. The net impact for Semta Group after the utilisation of Semta's credit reserve balances of £3,300,000 within the ITB Pension Fund was a deficit of £4,800,000. The Deficit Recovery Plan has been agreed for Semta Group with the ITB Pension Fund Trustees which required the payment of £2,400,000 (50% of the net deficit on 1 January 2011) with the balance to be paid by four equal annual instalments commencing in July 2014. The amount allocated and charged as an exceptional item to the Semta Group Income and Expenditure statement was £2,400,000 (Nil 2009/10).

Restructuring Costs:

Also included in the Semta Group's Income and Expenditure statement as an exceptional item is a restructuring charge of £1,366,000 (2009/10 £612,000) relating primarily to the redundancy and related staff costs arising from the 2010/11 cost reduction programme.

The total exceptional charges incurred in the Semta Group and its subsidiaries Income and Expenditure statements in 2010/11 are shown below:

£000's	2010/11			2009/10		
	Semta	Subsid Group	-aries	Semta	Subsid Group	-aries
Pension Deficit Repayment	1332	1068	2400	Nil	Nil	Nil
Restructuring Costs	945	421	1366	483	129	612
Total Exceptional Charges	<u>2277</u>	<u>1489</u>	<u>3766</u>	<u>483</u>	<u>129</u>	<u>612</u>

The final Group result is a deficit of £1,115,000 (2009/10 deficit of £480,000), before the above exceptional charges. The Group result after all exceptional charges was a deficit of £4,881,000 (2009/10 deficit of £1,092,000).

The Charity's funding is derived from supporting activities which address the productivity and skills development needs of employers and employees within Semta's remit. As the Sector Skills Council, Semta is under contract with the UK Commission for Employment and Skills (UKCES) to deliver agreed sector specific objectives.

The five trading subsidiaries produced a net surplus of £385,000 (2009/10 surplus of £1,414,000) after exceptional costs of £1,489,000 (2009/10 £129,000). The five subsidiaries produced an operating surplus of £1,874,000 (2009/10 deficit of £1,543,000) before such costs. The results of the trading subsidiaries are detailed in Note 2(b).

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

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REPORT OF DIRECTOR TRUSTEES (Continued)

RESERVES POLICY

The Board's policy, reviewed annually, is to maintain reserves at a level designed to generate £1m income per annum, to support the charitable activities of Semta, and to cover those specific liabilities not matched by specific assets plus 6 months normal operating expenditure related to our activities as a sector skills council. The general Reserve at the end of March 2011 was £26,943,000 (2009/10 £30,302,000) a reduction in the year of £3,359,000 (2009/10 increase £6,620,000).

An analysis of the movement in reserves is shown below

£000's	<u>2010/11</u> Semta Group	<u>2009/10</u> Semta Group
Net outgoing resources before other recognised gains and (losses)	(1,115)	(480)
Other recognised gains and (losses)		
Exceptional items	<u>(3,766)</u>	<u>(612)</u>
Sub Total	<u>(4,881)</u>	<u>(1,092)</u>
Realised and unrealised gains / (losses) on investments	<u>1,522</u>	<u>7,712</u>
Net Movement in Funds Increase / (Decrease)	<u>(3,359)</u>	<u>6,620</u>

INVESTMENT POLICY

SEMTA requires its investments to be managed actively in line with an agreed approach which ensures that an appropriate level of risk is adopted.

The attribution benchmark target set for the investment managers is to outperform the WPI +4% index, gross of fees. The return is measured over a three year rolling period. The performance of the portfolio is reviewed quarterly by the Investment Committee in conjunction with the investment managers. Market performance is monitored by Barnett Waddingham who provides reports to the Committee every quarter.

The Investment Fund generated an investment income of £775,000 (2009/10 £917,000).

The investment fund produced an overall positive return of 10.1% for the year which was 1.8ppt above the attribution benchmark target. Over the last three years the fund produced an annualised positive return of 7.0% which was 1.2ppt above the attribution benchmark target.

PLANS FOR FUTURE PERIODS

The directors and senior managers have worked together to review and update the five year strategic plan.

The top level aim is to

"Improve the skills level of the Sector in order to support growth and improve productivity "

The ambition is to

"Increase investment in skills by working with the Sector to match priority gaps in education and training with high quality solutions which add economic value"

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2011

REPORT OF DIRECTOR TRUSTEES (Continued)

The four key strategic objectives that support the top level aim are

- SSC – delivery of licence obligations as UKCES partner
- Improve Provision – Become the standard bearer for high quality education and training provision
- Commercial – Develop and build a sustainable business that supports and adds value to the Sector
- Improve Business Performance – Develop effective systems and processes that support the plan

Semta's trading subsidiaries will continue to contribute to the improvement of the Sector's skills and all of their profits will be allocated to support the delivery of the charity's objectives

DIRECTORS AND OFFICERS LIABILITY INSURANCE

As permitted under the Companies Act 2006 and under the company's articles of association, the charitable company has maintained insurance in respect of directors and officers liabilities incurred in connection with the discharge of their duties

STATEMENT OF TRUSTEE (BOARD MEMBER) RESPONSIBILITIES

The trustees (who are also directors of Semta for the purposes of company law) are responsible for preparing the Trustees' 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 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 group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing these financial statements, the trustees 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,
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy, at any time, the financial position of the charitable company and 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

In so far as we are aware

- There is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2011

REPORT OF DIRECTOR TRUSTEES (Continued)

RISK REVIEW

The Board has considered the major external business risks to which the group is exposed and where possible strategies have been developed to mitigate those risks. The Risk Register is regularly reviewed by the Audit Committee and strategic risks are reported to the Board annually. Investment risk is managed by the Investment Committee in conjunction with the group's investment and property managers.

AUDITORS

In accordance with the Companies Act 2006, a resolution will be proposed at the Annual General Meeting that Haysmacintyre will be reappointed as auditors to the company for the ensuing year.

By order of the Board



P Whiteman
Chief Executive &
Company Secretary
Semta Ltd
14 Upton Road
Watford WD18 0JT
~~20~~ May ~~2010~~
26 2011

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

We have audited the financial statements of The Science, Engineering and Manufacturing Technologies Alliance for the year ended 31 March 2011 which comprise the Group Charitable Company Statements of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Charitable Company Cash Flow Statements and the related notes. 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).

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 its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustee (Board Member) Responsibilities set out on page 9, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial, and non-financial information in the Report of Director Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2011 and of the group charitable company's incoming resources and application of resources, including the group's income and expenditure, 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 Companies Act 2006.

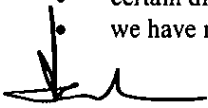
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Annual Report of the Director Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- the parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us, or
- the parent charitable company's financial statements are not in agreement with the accounting records or 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



*Bernie Watson (Senior statutory auditor)
for and on behalf of haysmacintyre, Statutory Auditor*

*Fairfax House
15 Fulwood Place
London
WC1V 6AY*

26 May 2011

haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2011

INCOME AND EXPENDITURE

	<u>Note</u>	2011 £'000	2010 £'000
Incoming resources			
Incoming resources from generating funds			
Income from trading subsidiaries	2	10,223	14,658
Investment Income	6	775	917
Incoming resources from charitable activities			
Externally funded projects		2,229	2,296
Sector Skills Council contract		1,907	1,828
Other		305	743
Total Incoming resources		<u>15,439</u>	<u>20,442</u>
Resources expended			
Cost of generating funds			
Expenditure of trading subsidiaries	2	8,349	13,115
Interest charges		12	6
Total cost of generating funds		<u>8,361</u>	<u>13,121</u>
Charitable activities			
Improving access to learning & encouraging people into careers in the sector		3,651	3,406
Promoting and representing the sector		1,281	1,177
Developing and supporting occupational standards and learning frameworks		2,748	2,490
Research into skills gaps and shortages		453	668
	5	<u>8,133</u>	<u>7,741</u>
Governance costs		60	60
Total resources expended		<u>16,554</u>	<u>20,922</u>
Net outgoing resources before other recognised gains and losses and exceptional items		(1,115)	(480)
Other recognised gains and losses			
Exceptional items	10	<u>(3,766)</u>	<u>(612)</u>
		(4,881)	(1,092)
Realised and unrealised gains on investments	9	1,522	7,712
Net movement in funds	16	<u>(3,359)</u>	<u>6,620</u>
Fund balance at 1 April 2010	16	30,302	23,682
Fund balance at 31 March 2011		<u>26,943</u>	<u>30,302</u>

All gains and losses recognised in the year are included in the Statement of Financial Activities

The notes on pages 18 - 29 form part of these accounts

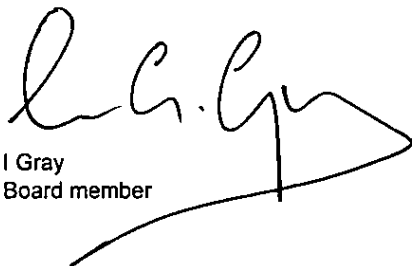
SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE
CO. NO. 2324869
GROUP BALANCE SHEET AS AT 31 MARCH 2011

	Note	2011 £'000	2010 £'000
FIXED ASSETS			
Tangible assets	8	3,929	4,379
Investments	9	25,793	28,644
		<u>29,722</u>	<u>33,023</u>
CURRENT ASSETS			
Stocks	12	16	28
Debtors - amounts falling due within one year	13	3,471	3,598
Debtors - amounts falling due after one year	13	136	177
Bank and cash balances		-	442
		<u>3,623</u>	<u>4,245</u>
CREDITORS			
Amounts falling due within one year	14	(6,294)	(6,861)
NET CURRENT LIABILITIES		<u>(2,671)</u>	<u>(2,616)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>27,051</u>	<u>30,407</u>
CREDITORS - amounts falling due after one year	14	(108)	(105)
NET ASSETS		<u>26,943</u>	<u>30,302</u>
FUNDS AND RESERVES			
<u>Unrestricted Funds</u>			
General Reserve	16	26,943	30,302
		<u>26,943</u>	<u>30,302</u>

The financial statements were approved by the Board on 26 May 2011 and are signed on its behalf by



A Cook
Chairman



I Gray
Board member

The notes on pages 18 - 29 form part of these accounts

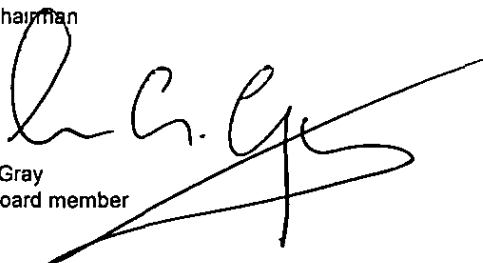
SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE
CO. NO 2324869
CHARITY BALANCE SHEET AS AT 31 MARCH 2011

	Note	2011 £'000	2010 £'000
FIXED ASSETS			
Tangible assets	8	3,225	3,451
Investments	9	25,793	28,644
Investment in subsidiaries	11	810	810
		<u>29,828</u>	<u>32,905</u>
CURRENT ASSETS			
Debtors - amounts falling due within one year	13	2,909	3,623
Debtors - amounts falling due after one year	13	136	177
Bank and cash balances		1,639	687
		<u>4,684</u>	<u>4,487</u>
CREDITORS			
Amounts falling due within one year	14	(7,230)	(7,182)
NET CURRENT LIABILITIES		<u>(2,546)</u>	<u>(2,695)</u>
CREDITORS - amounts falling due after one year	14	-	-
NET ASSETS		<u>27,282</u>	<u>30,210</u>
FUNDS AND RESERVES			
<u>Unrestricted Funds</u>			
General Reserve	16	27,282	30,210
		<u>27,282</u>	<u>30,210</u>

The financial statements were approved by the Board on 26 May 2011 and are signed on its behalf by



A Cook
Chairman



I Gray
Board member

The notes on pages 18 - 29 form part of these accounts

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

	Note	2011 £'000	2010 £'000
Net cash inflow from operating activities	a)	<u>(6,127)</u>	<u>(1,069)</u>
Returns on investments and servicing of finance			
Investment income received		775	917
Drawdown from investments		<u>1,324</u>	<u>(1,384)</u>
Net cash inflow from returns on investments and servicing of finance		<u>2,099</u>	<u>(467)</u>
Capital expenditure and financial investment			
Payments to acquire investments		(1,347)	(3,051)
Payments to acquire tangible fixed assets		(59)	(175)
Receipts from the sale of investments		<u>4,396</u>	<u>3,140</u>
Net cash inflow/(outflow) from capital expenditure and financial investment		<u>2,990</u>	<u>(86)</u>
NET DECREASE IN CASH	- c)	<u>(1,038)</u>	<u>(1,622)</u>
Represented by			
Net cash outflow	b)	<u>(1,038)</u>	<u>(1,622)</u>

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

NOTES TO THE GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2011
(continued)

	2011 £'000	2010 £'000
a) Reconciliation of net incoming resources to net cash inflow from operating activities		
Net incoming resources (includes exceptional items)	(4,881)	(1,092)
Investment income	(775)	(917)
Depreciation	454	500
Loss on sale of fixed assets	55	-
Decrease in creditors	(1,180)	(1,672)
Decrease in debtors	168	2,083
Decrease in stock	12	29
Net cash inflow from operating activities	(6,127)	(1,069)
b) Analysis of net funds		
	At 1 April 2010 £'000	Cash flow £'000
Bank balance	442	(1,038)
c) Reconciliation of net cash flow to movement in net funds		
		£'000
Decrease in cash in the period		(1,038)
Continuing activities		
Movement in net funds in the period		(1,038)
Net funds at 1 April 2010		442
Net funds at 31 March 2011		(596)

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2011

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards and have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and with the exception that investments are carried at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005) issued in March 2005.

All of the expenditure incurred by the Science, Engineering and Manufacturing Technologies Alliance is for charitable purposes.

Financial statements

The financial statements consolidate the results of the Science, Engineering and Manufacturing Technologies Alliance and its subsidiaries as at the balance sheet date.

Incoming resources

Income represents the amount receivable for the period but excludes value added tax.

Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Sale of properties

Sales of properties are recognised upon legal completion of the contract.

Tangible fixed assets

(a) Group occupied properties

Freehold properties and properties on leases with twenty years and over to run at the balance sheet date, which are occupied by group companies for the purpose of trading, are revalued at least every five years and the resultant valuation is included in the balance sheet unless the surplus or deficit is immaterial.

(b) Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation in equal instalments over the expected useful lives of each class of asset, from the date on which the assets are brought into use. The expected useful lives are as follows:

	Years
Long leasehold buildings occupied by group companies	40
Freehold buildings occupied by group companies	40
Improvements to freehold buildings	40
Office furniture	10
Plant	10
Machinery and equipment	5
Computer equipment & applications	3

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2011 (continued)

1 ACCOUNTING POLICIES (continued)

Property costs

Refurbishment costs and repairs are written off in the year they are incurred. Where a leased property becomes vacant, and assignment without loss is unlikely, the future obligations relating to the lease, less the estimated future income stream, are provided for in full. Ongoing expenses are also taken into account.

Fixed asset investments

Investments are stated at market value as 31 March 2011. Realised and unrealised gains and losses are released or charged to the consolidated Statement of Financial Activities in the year in which they arise.

The investment in subsidiaries is stated at the lower of cost and net asset value.

Stocks

Saleable publications are valued at the lower of production cost and net realisable value.

Grants

Grants in respect of capital expenditure are treated as deferred income which is credited to the Consolidated Statement of Financial Activities by instalments over the expected useful economic life of the related assets on a basis consistent with the depreciation policy.

Grants to other organisations are agreed as part of the Business Planning process. The cost is charged to the Statement Of Financial Activities in the period to which the grant relates.

Fund accounting

The general reserve comprises those monies which may be used towards furthering the charitable objects at the discretion of the Council.

Leased assets

Assets acquired under finance leases and the related liability of future rental obligations are included in the balance sheet. The interest element is charged to the Consolidated Statement of Financial Activities in proportion to the reducing capital element outstanding. The assets are depreciated over the shorter of the lease terms and their useful economic life. Operating lease rentals are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease period.

Pensions

Semta is a participating employer in the ITB Pension Funds, which are constituted as defined benefit schemes. As a member of the multi employer scheme Semta is not required to comply with the provisions of FRS 17. Pension contributions are charged to the Consolidated Statement of Financial Activities so as to spread the regular cost of pensions and related benefits over employees' working lives.

Governance

Governance costs for the charity include the external audit fee and an assessment of the time spent undertaking company secretarial responsibilities.

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2011 (continued)

2 INCOMING RESOURCES AND NET MOVEMENT IN FUNDS

a) Analysis of income

The group has only one class of activity. The majority of group activities are conducted in the United Kingdom.

EMTA Awards Limited conducted business with centres outside the UK totalling £34,703 in the year (2010 £40,473).

Investment income represents the income from the investment portfolio and interest on cash balances.

Externally funded projects income represents the contribution to Semta for staff time spent on projects funded by the UK government.

Sector Skills Council income is from the UK Commission for Employment and Skills (UKCES) for undertaking Semta's role as a Sector Skills Council.

Other income represents the charge to Semta customers for services provided by the charity.

Income from trading subsidiaries represents the turnover of the charity's trading subsidiaries included in Semta's accounts.

b) Results of trading subsidiaries

The Charity owns 100% of the allotted ordinary share capital of the following companies which are incorporated in the UK:

EMTA Awards Ltd is the awarding body for vocational qualifications primarily in the engineering sector.

Training Properties Limited manages the remaining property interest owned but not occupied by the group.

Training Publications Limited ceased active trading on 31 March 2005.

MetSkill Limited provides services to businesses in the UK metals industries which aim to achieve measurable and sustainable improvements in business performance.

National Skills Academy Limited provides services to develop and implement national standards for manufacturing skills delivery.

All the companies covenant their taxable profits to Semta. A summary of the trading results included in EMTA Awards Limited accounts is shown below.

Audited accounts have been filed with the Registrar of Companies.

	EMTA Awards Limited	Training Properties Limited	Training Publications Limited	MetSkill Limited	National Skills Academy for Manufacturing Limited	2011 Total	2010 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income	7,804	20	5	1,704	690	10,223	14,658
	<u>7,804</u>	<u>20</u>	<u>5</u>	<u>1,704</u>	<u>690</u>	<u>10,223</u>	<u>14,658</u>
Materials and external charges	701	-	-	1,086	473	2,260	3,785
Staff costs	2,711	-	-	103	75	2,889	4,746
Depreciation	149	-	-	21	41	211	241
Other operating charges	2,461	11	1	483	33	2,989	4,343
	<u>6,022</u>	<u>11</u>	<u>1</u>	<u>1,693</u>	<u>622</u>	<u>8,349</u>	<u>13,115</u>
Operating surplus / (deficit)	1,782	9	4	11	68	1,874	1,543
Exceptional items	975	-	-	244	270	1,489	129
Interest receivable	-	-	-	-	-	-	-
Net surplus / (deficit)	<u>807</u>	<u>9</u>	<u>4</u>	<u>(233)</u>	<u>(202)</u>	<u>385</u>	<u>1,414</u>
Covenanted to SEMTA	(807)	(9)	-	-	-	(816)	(1,565)
	<u>-</u>	<u>-</u>	<u>4</u>	<u>(233)</u>	<u>(202)</u>	<u>(431)</u>	<u>(151)</u>

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2011 (continued)

3 HISTORICAL COST NET MOVEMENT IN FUNDS

	2011 £'000	2010 £'000
Net incoming resources	(1,115)	(609)
Differences between historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	-	-
Historical cost surplus on ordinary activities	(1,115)	(609)

4 STAFF COSTS

	2011 £'000	2010 £'000
Wages and salaries	7,689	8,383
Social security costs	683	701
Other pension costs	676	744
	9,048	9,828

Included in staff costs is £931,000 (2010 £352,000) relating to early retirements and redundancy costs per note 10

The average monthly number of persons employed during the year was as follows

	2011 No	2010 No
Training Services	160	181
Support Services	33	32
	193	213

Chairman's remuneration

The remuneration paid to the Chairman during the year was £20,000 (2010 £5,000)

No other Council member received any remuneration during the year in respect of their services to the charity. The total amount of expenditure reimbursed to Council members in respect of expenses incurred on the charity's activities was £5,804 (2010 £6,379)

Emoluments of employees

The number of employees whose emoluments as defined for taxation purposes exceeded £60,000 per annum during the period

	2011	2010
£60,001 - £70,000	19	11
£70,001 - £80,000	4	5
£80,001 - £90,000	2	2
£90,001 - £100,000	2	2
£100,001 - £110,000	1	2
£120,001 - £130,000	1	1
£170,001 - £180,000	1	-
£190,001 - £200,000	-	1
total	30	24

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2011 (continued)

5 NET INCOMING RESOURCES

The net incoming resources is arrived at after charging/(crediting) the following

	2011 £'000	2010 £'000
Hire of equipment	19	22
Auditors' remuneration	26	26
Operating lease rentals-motor vehicles	301	170
Depreciation (all owned assets)	454	500

Auditors remuneration includes £11,300 in respect of the audit of the parent charity (2010 £11,300)

Fees in relation to non audit services were £22,900 (2010 £35,375)

Analysis of charitable activities

	Staff No's	2011 Direct costs £'000	Support costs £'000	Total costs £'000	2010 Total costs £'000
Improving access to learning	45	2,672	979	3,651	3,406
Promoting and representing the sector	13	998	283	1,281	1,177
Developing and supporting occupational standards and learning frameworks	36	1,965	783	2,748	2,490
Research into skills gaps and shortages	6	323	130	453	668
	100	5,958	2,175	8,133	7,741

Support costs have been allocated across the charitable activities based on average full-time equivalent headcount in the charity, as this basis is consistent with the use of the resources

6 INVESTMENT INCOME

	2011 £'000	2010 £'000
Income from fixed asset investments	775	917
	775	917

7 TAXATION

Semta is a registered charity and therefore is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2011 (continued)

8 TANGIBLE FIXED ASSETS

Group	Land and Buildings £'000	Freehold Improvements £'000	Plant and machinery £'000	Office furniture & equipment £'000	Total £'000
Cost or valuation					
At 1 April 2010	3,640	339	272	2,922	7,173
Additions	-	-	-	59	59
Disposals	-	-	-	(202)	(202)
At 31 March 2011	3,640	339	272	2,779	7,030
Depreciation					
At 1 April 2010	281	81	180	2,252	2,794
Charge for year	72	10	18	354	454
Disposals	-	-	-	(147)	(147)
At 31 March 2011	353	91	198	2,459	3,101
NET BOOK AMOUNT					
At 31 March 2011	3,287	248	74	320	3,929
At 31 March 2010	3,359	258	92	670	4,379

Freehold and long leasehold land and buildings were valued at 31 March 2006 by Fletcher King, Chartered Surveyors, at open market value. The surplus arising from the revaluation was taken to the revaluation reserve.

Fixed assets with a cost of £5,251,000 (2010: £5,234,000) and accumulated depreciation of £2,026,000 (2010: £1,783,000) are held for charitable purposes.

The historic cost and depreciation of land and buildings that have been revalued would be:

	2011 £'000	2010 £'000
Cost	3,331	3,331
Depreciation	(432)	(432)
	2,899	2,899

The net book amount of land and buildings comprises:

	2011 £'000	2010 £'000
Freehold	2,100	2,140
Long leasehold	1,187	1,219
	3,287	3,359

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2011 (continued)

8 TANGIBLE FIXED ASSETS (continued)

	Freehold Land and buildings £'000	Freehold Improvements £'000	Plant and machinery £'000	Office furniture & equipment £'000	Total £'000
Charity					
Cost or valuation					
At 1 April 2010	3,040	340	272	1,582	5,234
Additions	-	-	-	17	17
Disposals	-	-	-	-	-
At 31 March 2011	3,040	340	272	1,599	5,251
Depreciation					
At 1 April 2010	233	81	175	1,294	1,783
Charge for the year	60	10	18	155	243
Disposals	-	-	-	-	-
At 31 March 2011	293	91	193	1,449	2,026
NET BOOK AMOUNT					
At 31 March 2011	2,747	249	79	150	3,225
At 31 March 2010	2,807	259	97	288	3,451

Freehold land and buildings were last valued at 31 March 2006 by Fletcher King, Chartered Surveyors, at open market value. The surplus arising from the revaluation was taken to the revaluation reserve.

The cost and accumulated depreciation at 31 March 2011 includes fully depreciated assets at historical cost of £887,589 (2010: £682,360).

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2011 (continued)

9 FIXED ASSET INVESTMENTS

Group and charity	2011 £'000	2010 £'000
Balance 1 April 2010 at Market Value	25,842	18,219
Additions at cost	1,347	3,051
Disposals at opening market value or cost if during the year (proceeds £4,396,000 realised gain £491,000)	(3,905)	(3,529)
Unrealised gain (loss) on revaluation	1,031	8,101
	<u>24,315</u>	<u>25,842</u>
Cash awaiting investment	1,478	2,802
Balance at 31 March 2011 at Market Value	<u>25,793</u>	<u>28,644</u>
Historical cost of Investments	<u>23,166</u>	<u>27,048</u>

Included in investments are the following which represent more than 5% by value of the total fund

Aberdeen Charity Select Global Ex UK Equity Fund	7,390	8,805
Aberdeen Charity Select Bond	3,621	3,805
Aberdeen Charity Select UK Equity Fund	11,035	11,880

The Trustees have appointed Aberdeen Asset Management ("Aberdeen") as the investment Fund Managers. The funds are held in a number of pooled funds including two new funds established by Aberdeen to provide the Group with exposure to the Equity Market.

10 EXCEPTIONAL ITEMS

	2011 £'000	2010 £'000
Pension Deficit	2,400	-
Re-structure costs	<u>1,366</u>	<u>612</u>
	<u>3,766</u>	<u>612</u>

Semta Group's ITB Pension Fund repayment of £2,400,000 (50% of the deficit) on 1 January 2011. The results of the triennial valuation as at 31 March 2010 of the ITB Pension multi employer Fund were provided by the Pension Trustees in October 2010. As a member of the multi employer scheme Semta is not required to comply with the provisions of FRS 17. The net impact for Semta Group after the utilisation of Semta's credit reserve balance of £3,300,000 within the ITB Pension Fund was a deficit of £4,800,000. The deficit recovery plan has been agreed for Semta Group with the ITB Pension Fund Trustees which required the payment of £2,400,000 (50% of the net deficit on 1 January 2011) with the balance to be paid by four equal annual instalments commencing in July 2014. The amount allocated and charged as an exceptional item to the Semta Group Income and Expenditure statement was £2,400,000 (Nil 2010).

Also included in the Semta Group's Income and Expenditure statement as an exceptional item is a restructuring charge of £1,366,000 (2010: £612,000) which consists of staff costs per note 4 of £931,000 (2010: £352,000) and non-staff costs of £435,000 (2010: £260,000).

The Semta Group staff numbers of 193 (2010: 213) per note 4 reflect average staff numbers for the year. The majority of the reduction in staff numbers occurred in the latter part of the year.

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS - 31 March 2011 (continued)

11 INVESTMENT IN SUBSIDIARIES

	2011 £'000	2010 £'000
Charity		
Shares at cost	5,980	5,980
Long term loan	2,771	2,771
	<u>8,751</u>	<u>8,751</u>
Provision		
Balance brought forward	(7,941)	(7,941)
	<u>810</u>	<u>810</u>
Closing Balance at 31 March 2011		

The provision is to write down SEMTA's investment in its subsidiary companies

The charity owns 100% of the allotted ordinary share capital of the following subsidiaries

EMTA Awards Limited

A company registered in England and Wales which provides the assessment systems for awarding vocational qualifications primarily in the engineering sector and acts as the awarding body for those qualifications

MetSkill Limited (formerly Metals Industry Skills and Performance Limited)

A company registered in England and Wales whose principal activity is the provision of training services to improve performance of businesses in the UK metals industry

National Skills Academy for Manufacturing Limited

A company registered in England and Wales which develops and implements national standards for manufacturing skills delivery, consolidates and validates the providers network

Training Properties Limited

A company registered in England and Wales which operates as property managers and investors within Great Britain

Training Publications Limited

A company registered in England and Wales which operated a publishing and printing operation within Great Britain and ceased active trading on 31 March 2005

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2011 (continued)

12 STOCKS

	Group		Charity	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Resaleable publications	16	28	-	-
	<u>16</u>	<u>28</u>	<u>-</u>	<u>-</u>

13 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Trade debtors	2,345	3,129	1,021	1,707
Amounts owed by subsidiary undertakings	-	-	816	1,565
Other debtors	16	52	16	46
Taxation	51	26	-	25
Prepayments and accrued income	1,059	391	1,056	280
	<u>3,471</u>	<u>3,598</u>	<u>2,909</u>	<u>3,623</u>

DEBTORS AMOUNTS FALLING DUE AFTER ONE YEAR

	Group		Charity	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Other debtors	136	177	136	177
	<u>136</u>	<u>177</u>	<u>136</u>	<u>177</u>

The amounts for 2011 and 2010 represent the net present value of the sale proceeds for the share capital of Cleveland Training Centre

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2011 (continued)

14 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Trade creditors	1,047	1,615	376	979
Amounts owed to subsidiary undertakings	-	-	-	-
Taxation and social security	182	290	182	243
Other creditors	98	84	98	84
Bank overdraft	596	-	5,484	5,193
Accruals	1,602	2,926	672	683
Deferred Income	2,769	1,946	418	-
	<u>6,294</u>	<u>6,861</u>	<u>7,230</u>	<u>7,182</u>

EMTA Awards Limited 'deferred income' £2,350,622 (2010 £1,946,135), relating to certification, is fully asset backed

CREDITORS AMOUNTS FALLING DUE AFTER ONE YEAR

	Group		Charity	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Unsecured loan notes	91	91	-	-
Deferred income - capital grant	17	14	-	-
	<u>108</u>	<u>105</u>	<u>-</u>	<u>-</u>

15 OBLIGATIONS UNDER LEASE AGREEMENTS

At 31 March 2011 the group has annual lease commitments as follows

	2011		2010	
Expiry Date	Land and Buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Less than one year	24	27	170	26
Two to five years	112	229	49	202
Over five years	12	-	13	-
	<u>148</u>	<u>256</u>	<u>232</u>	<u>228</u>

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2011 (continued)

16 FUNDS AND RESERVES

General Reserve	2011	2010
	£'000	£'000
Group		
At 1 April 2010	30 302	23 682
Net movement in funds	(3 359)	6 620
At 31 March 2011	<u>26,943</u>	<u>30,302</u>
Charity		
At 1 April 2010	30 210	23 416
Gift Aid from Metskall relating to 09/10	-	23
Gift Aid from Training Publications relating to 08/09	-	-
Realised and unrealised gains on investments	1,522	7,712
Loss for the year	(4 450)	(941)
At 31 March 2011	<u>27,282</u>	<u>30,210</u>

As permitted by the Companies Act 2006, the Consolidated Statement of Financial Activities of the parent charitable company whose result is shown above is not presented as part of these accounts. The parent charitable company's loss for the year amounted to £4,450,000 (2010 loss: £941,000).

17 CAPITAL COMMITMENTS

There was no material expenditure contracted but not provided for, nor any expenditure approved by Council members but not yet contracted.

18 PENSION COMMITMENTS

The Group contributes to a Defined Benefit final salary pension scheme that is managed by the ITB Pension funds. It is a multi employer pension scheme and other former Industry Training Boards are also participating employers of the pension scheme. The pension scheme is funded by pension contributions from both the participating employers and their employees and is managed by the legally appointed trustees of the ITB Pension Funds. In the case of Senta the funding is provided by a combination of both the Senta Group and charitable company and their employees. The Government Actuary has advised that the scheme is a multi employer scheme where each participating employer is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. Accordingly under FRS 17 the scheme has been treated as a defined contribution scheme for the purposes of these accounts. The employer contribution costs to the Senta Group and charitable company was £576,000 (2009/10: £744,000).

The pension scheme has three sections - the Old section, the New section introduced in 2003 and the 2007 section. Overall contribution rates (both employer & employee elements) for each section of the scheme are determined on the advice of the Government Actuary using the prospective benefits method.

Employer contribution rates for the year to 31 March 2011 differ for each section as follows:

	Period to 31 December 2010	Period from 1st January 2011*
Old section members	13.8%	15.7%
New section members	10.1%	13.1%
2007 section members	5.1%	7.6%

* rates increased as a result of the Statement of Funding Principles agreed as part of the 31 March 2010 triennial valuation exercise.

The most recent pension scheme triennial valuation was conducted as at 31 March 2010 and identified an overall deficit of £76.3m. Pension scheme assets were valued at £581.5m, a funding level of 87% (2007: 100%). On a solvency basis the funding level was 71% (2007: 84%).

Key assumptions in the valuation included:

	2010 Valuation	2007 Valuation
Rate of return in excess of salary growth	1.2%	1.7%
Real yield on over 15 year gilts	0.7%	1.2%
Expected remaining lifetime in years (normal health pensioners)		
Men		
Age 65 now	24.2	22.1
Age 65 in 20 years	26.1	24.3
Women		
Age 65 now	26.8	25.0
Age 65 in 20 years	28.6	27.1

Senta Group's share of the £76.3m deficit after adjusting for the benefit of a £3.3m pension credit reserve was £4.6m. The pension scheme Deficit Recovery Plan agreed with the Trustees of the ITB Pensions Fund included the payment of 50% (£2.4m) of the deficit on 1 January 2010 and the £2.4m balance plus interest in four equal annual instalments commencing 1 July 2014. The £2.4m payment has been allocated to the charitable company and Senta Group subsidiaries on the basis of average pensionable pay for the years ended 31 March 2007 and 2010.

The ITB Pension Funds has advised participating employers of their 'Section 75' liability if they were to withdraw from the scheme. The 'Section 75' liability for Senta Group as at 31 March 2010 was £27.2m. As Senta have no plans to withdraw from the scheme the contingent liability has not been provided for in the accounts.

19 LIABILITY OF MEMBERS

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up members are required to contribute an amount not exceeding £1.