

**SCIENCE, ENGINEERING AND MANUFACTURING
TECHNOLOGIES ALLIANCE**

**REPORT AND FINANCIAL
STATEMENTS**

YEAR ENDED 31 MARCH 2012

Registered in England and Wales

- Company Number 2324869

- Charity Number 1000328



A1NA1V0P

A38

07/12/2012

#362

COMPANIES HOUSE

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2012

CONTENTS	PAGE
Advisors	2
Report of Director Trustees	3 - 9
Independent Auditors' Report	10-11
Consolidated statement of financial activities	12
Group balance sheet	13
Charity balance sheet	14
Group cash flow statement	15-16
Notes to the financial statements	17-28

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

**REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012**

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
J Bolton
D Byrne
A Connelly (appointed 15/7/11)
I Gray
J Greenwell
D Haywood
A Imrie
J Maier
I Mukerjee
T Scouler
H Scullion
M Stewart

Chief Executive

P W Whiteman

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2012

REPORT OF DIRECTOR TRUSTEES

REFERENCE AND ADMINISTRATIVE DETAILS

The Science, Engineering and Manufacturing Technologies Alliance ("Sema") 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
J Bolton
D Byrne*
A Connelly (appointed 15/7/11)
I Gray **
J Greenwell
D Haywood
A Imrie *****
J Maier
I Mukerjee ***
T Scouler
H Scullion
M Stewart ****

* Member of the Audit Committee

** Member and Chairman of the Audit Committee

*** Member and Chairman of the Investment Committee

**** Member of the Remuneration and Nomination Committee

***** Member and Chairman of the Remuneration and Nomination Committee and member of the Audit Committee

The Chief Executive, professional advisors and registered office of the charity are listed on page [2]

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.

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2012

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 Investment Committee's role, chaired by a Semta Board Member and supported by members who are suitably qualified representatives from Industry, 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 which is chaired by a Semta Board member and members who are suitably qualified representatives from industry.

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.

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 2012

REPORT OF DIRECTOR TRUSTEES (Continued)

Our mission for 2011/12 was "to address the sectors skills needs, providing expert advice and support to improve performance and growth"

Our strategy was to

- Become a valued partner of governments and other Sector Skills Councils (SSCs) in delivering our license
- Develop and grow a service business supporting UK engineering manufacturing sectors
- Develop new markets for high quality education and training at home and abroad

To achieve this strategy we set out to

- Develop and build a sustainable, profitable commercial business
- Maximise the return from delivery of license obligations as government's partner
- Become the standard bearer for high quality education and training provisions
- Develop effective systems and processes which support the plan

ACHIEVEMENTS AND PERFORMANCE

During the year, the Group made substantial progress in adjusting the way it operates in order to respond to the policy changes introduced by the Department for Business Innovation and Skills. The transition from being funded by grants for core activities to submitting bids and competitive tenders to support innovative activities which result in outcomes which become sustainable beyond the project have been critically important

Two of the Group's early projects have resulted in good outcomes – The Talent Retention Solution (a redeployment system) and the Career Advancement and Progression VRQ with associated support for employers to use it

Customer Service excellence at EAL has been recognised externally and really supported their development and growth. Semta have improved relationship with key agencies during the course of the year and now have a strong position as a leading SSC

Major achievements during the year included

- Successful delivery of projects funded by UKCES in the first round of Employer Investment Fund competitive bidding process
- Strengthened the quality of representation on all sector and regional employer network groups and used these to focus and prioritise action plans to address national and regional skills issues
- Improved working relationships with key government agencies and, in particular, UK Commission for Employment and Skills
- Developed a higher level apprenticeship framework in advanced manufacturing and attracted 300 places from companies in the sector to run the scheme
- Achieved substantial growth in the apprenticeship service aimed at smaller companies in the sector and increased overall registrations by 26%
- As a partner in the STEM consortium, played a key part in obtaining Universal Services funding to support the continuous development of National Occupational standards

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2012

REPORT OF DIRECTOR TRUSTEES (Continued)

- Created a framework for the new organisation and for generating and following up leads
- Reviewed and rationalised the portfolio of products and services around which to build commercial business
- Reviewed and refreshed the offer to training providers seeking to work with Semta
- Continued to expand the number of partners and key stakeholders who have agreements for joint work with us
- Make substantial contribution to the Wilson Review on Higher Education – Business collaboration
- Continued to be accredited for ISO9000 and Investors in People
- Achieved good regulatory feedback from Ofsted and Ofqual

FINANCIAL REVIEW

The year marked the final period in which the organisation received a financial core contract to operate as an SSC from the UK Commission for Education and Skills. Going forward, Government investment will only be available in competitive tendering processes. These changes significantly influenced the activity in the year which focussed on

- Bidding for investment for the sector through the Employer Investment Fund, Growth and Innovation fund and Universal Services
- Continuing to develop more sustainable income streams through successful employer engagement
- Generating the full benefits of previous years cost reduction programmes

The annual results were impacted by the following exceptional charges:

Restructuring Costs:

Included in the Semta Group's Income and Expenditure statement as an exceptional item is a restructuring charge of £771,000 (2010/11 £1,366,000) relating both to the redundancy and related staff costs arising from the 2010/11 cost reduction programme and further investment to support the changes required in the organisation given changes to the funding landscape

The total exceptional charges incurred in the Income and Expenditure statement in 2011/12 are shown below

	<u>2011/12</u>	<u>2010/11</u>
£000's		
Pension Deficit Repayment	nil	2,400
Restructuring Costs	<u>771</u>	<u>1,366</u>
Total Exceptional Items	<u>771</u>	<u>3,766</u>

The final Group result is a deficit of £227,000 (2010/11 deficit of £1,115,000)

The Group result after all exceptional costs was a deficit of £998,000 (2010/11 deficit of £4,881,000) after total exceptional costs of £771,000 (2010/11 exceptional costs were £3,766,000)

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2012

REPORT OF DIRECTOR TRUSTEES (Continued)

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 a 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 £2,233,000 (2010/11 net surplus of £385,000) after exceptional costs of £nil (2010/11 £1,489,000). The five subsidiaries produced an operating surplus of £2,233,000 (2010/11 operating surplus of £1,874,000) before such costs. The results of the trading subsidiaries are detailed in Note 2(b).

RESERVES POLICY

The Board's policy, reviewed annually, is to maintain reserves at a level designed to generate circa £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 2012 was £26,441,000 (2010/11 £26,943,000) a reduction in the year of £502,000 (2010/11 decrease £3,359,000).

An analysis of the movement in reserves is shown below

	<u>2011/12</u>	<u>2010/11</u>
£000's		
Net outgoing resources before other recognised gains and (losses)	(227)	(1,115)
Other recognised gains and (losses)		
Exceptional items	(771)	(3,766)
Sub Total	(998)	(4,881)
Realised and unrealised gains / (losses) on investments	496	1,522
Net Movement in Funds Increase / (Decrease)	<u>(502)</u>	<u>(3,359)</u>

INVESTMENT POLICY

The Board's policy, reviewed annually, 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 £788,000 (2010/11 £775,000).

PLANS FOR FUTURE PERIODS

The directors and senior managers have worked together to review and update the five year strategic plan, taking into account the changes to funding.

The top level vision is to be

"The place to come for people, productivity and performance solutions"

The mission is now

"To address the sector's skills needs, providing expertise to improve performance and growth"

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2012

REPORT OF DIRECTOR TRUSTEES (Continued)

The strategy to underpin these is to create a sustainable, well respected organisation by

- Delivering value enhancing training solutions for employers
- Developing deeper client relationships and growing our client base
- Developing new markets for high quality education and training at home and abroad
- Strengthening our position as a valued partner of UKCES, governments and other stakeholders

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 2012

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



Stephen Ball
Company Secretary
Semta Ltd
14 Upton Road
Watford WD18 0JT
(Date) 24/5/12

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

We have audited the financial statements of Science, Engineering and Manufacturing Technologies Alliance for the year ended 31 March 2012 which comprise the Consolidated Statement of Financial Activities including the Income and Expenditure Account, the Group and Charity Balance Sheets, the Group Cash Flow Statement 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 Trustee (Board Member) Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 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 Director Trustees' Report 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 charitable company's affairs as at 31 March 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

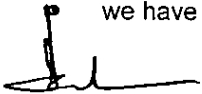
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director Trustees' Annual Report 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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Bernie Watson, Senior Statutory Auditor,
For and on behalf of haysmacintyre, Statutory Auditors

24 July 2012

Fairfax House
15 Fulwood Place
London WC1V 6AY

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2012

INCOME AND EXPENDITURE

	<u>Note</u>	2012 £'000	2011 £'000
Incoming resources			
Incoming resources from generating funds			
Income from trading subsidiaries	2	11,139	10,223
Investment Income	6	788	775
Incoming resources from charitable activities			
Externally funded projects		895	2,229
Sector Skills Council contract		1,817	1,907
Other		124	305
Total incoming resources		<u>14,763</u>	<u>15,439</u>
Resources expended			
Cost of generating funds			
Expenditure of trading subsidiaries	2	8,906	8,349
Interest charges		10	12
Total cost of generating funds		<u>8,916</u>	<u>8,361</u>
Charitable activities			
Improving access to learning & encouraging people into careers in the sector		3,317	3,651
Promoting and representing the sector		730	1,281
Developing and supporting occupational standards and learning frameworks		1,606	2,748
Research into skills gaps and shortages		361	453
	5	<u>6,014</u>	<u>8,133</u>
Governance costs		60	60
Total resources expended		<u>14,990</u>	<u>16,554</u>
Net outgoing resources before other recognised gains and losses and exceptional items		(227)	(1,115)
Other recognised gains and losses			
Exceptional items	10	<u>(771)</u>	<u>(3,766)</u>
		(998)	(4,881)
Realised and unrealised gains on investments	9	496	1,522
Net movement in funds	16	<u>(502)</u>	<u>(3,359)</u>
Fund balance at 1 April 2011	16	26,943	30,302
Fund balance at 31 March 2012		<u>26,441</u>	<u>26,943</u>

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

The notes on pages 17 - 28 form part of these accounts

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

GROUP BALANCE SHEET AS AT 31 MARCH 2012

	Note	2012 £'000	2011 £'000
FIXED ASSETS			
Tangible assets	8	3,700	3,929
Investments	9	24,583	25,793
		<u>28,283</u>	<u>29,722</u>
CURRENT ASSETS			
Stocks	12	33	16
Debtors - amounts falling due within one year	13	2,680	3,471
Debtors - amounts falling due after one year	13	143	136
Bank and cash balances		1,388	-
		<u>4,244</u>	<u>3,623</u>
CREDITORS			
Amounts falling due within one year	14	(5,981)	(6,294)
NET CURRENT LIABILITIES		<u>(1,737)</u>	<u>(2,671)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>26,546</u>	<u>27,051</u>
CREDITORS - amounts falling due after one year	14	(105)	(108)
NET ASSETS		<u>26,441</u>	<u>26,943</u>
FUNDS AND RESERVES			
<u>Unrestricted Funds</u>			
General Reserve	16	26,441	26,943
		<u>26,441</u>	<u>26,943</u>

The financial statements were approved by the Board on 24 May 2012 and are signed on its behalf by



A Cook
Chairman



I Gray
Board member

The notes on pages 17 - 28 form part of these accounts

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

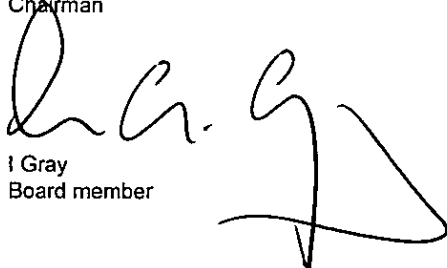
CHARITY BALANCE SHEET AS AT 31 MARCH 2012

	Note	2012 £'000	2011 £'000
FIXED ASSETS			
Tangible assets	8	3,098	3,225
Investments	9	24,583	25,793
Investment in subsidiaries	11	810	810
		<u>28,491</u>	<u>29,828</u>
CURRENT ASSETS			
Debtors - amounts falling due within one year	13	2,812	2,909
Debtors - amounts falling due after one year	13	143	136
Bank and cash balances		-	1,639
		<u>2,955</u>	<u>4,684</u>
CREDITORS			
Amounts falling due within one year	14	(4,714)	(7,230)
NET CURRENT LIABILITIES		<u>(1,759)</u>	<u>(2,546)</u>
CREDITORS - amounts falling due after one year	14	-	-
NET ASSETS		<u>26,732</u>	<u>27,282</u>
FUNDS AND RESERVES			
<u>Unrestricted Funds.</u>			
General Reserve	16	26,732	27,282
		<u>26,732</u>	<u>27,282</u>

The financial statements were approved by the Board on 24 May 2012 and are signed on its behalf by



A Cook
Chairman



I Gray
Board member

The notes on pages 17 - 28 form part of these accounts

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

	Note	2012 £'000	2011 £'000
Net cash outflow from operating activities	a)	<u>(458)</u>	<u>(6,127)</u>
Returns on investments and servicing of finance			
Investment income received		788	775
Drawdown from investments		443	1,324
Net cash inflow from returns on investments and servicing of finance		<u>1,231</u>	<u>2,099</u>
Capital expenditure and financial investment			
Payments to acquire investments		(1,374)	(1,347)
Payments to acquire tangible fixed assets		(52)	(59)
Receipts from the sale of investments		2,637	4,396
Net cash inflow/(outflow) from capital expenditure and financial investment		<u>1,211</u>	<u>2,990</u>
NET INCREASE / (DECREASE) IN CASH	c)	<u>1,984</u>	<u>(1,038)</u>
Represented by			
Net cash inflow / (outflow)	b)	<u>1,984</u>	<u>(1,038)</u>

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

NOTES TO THE GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2012
(continued)

	2012 £'000	2011 £'000
a) Reconciliation of net Incoming resources to net cash inflow from operating activities		
Net Incoming resources (includes exceptional items)	(998)	(4,881)
Investment income	(788)	(775)
Depreciation	278	454
Loss on sale of fixed assets	3	55
Increase / (decrease) in creditors	280	(1,180)
Decrease in debtors	784	188
(Increase)/decrease in stock	(17)	12
Net cash inflow from operating activities	<u>(458)</u>	<u>(8,127)</u>
b) Analysis of net funds		
	At 1 April 2011 £'000	Cash flow £'000
Bank balance	<u>(596)</u>	<u>1,984</u>
c) Reconciliation of net cash flow to movement in net funds		
		£'000
Increase in cash in the period		1,984
Continuing activities		<u>1,984</u>
Movement in net funds in the period		<u>1,984</u>
Net funds at 1 April 2011		<u>(596)</u>
Net funds at 31 March 2012		<u>1,388</u>

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2012

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 2012 (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 2012. 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 Board.

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 2012 (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.

EAL Limited conducted business with centres outside the UK totalling £51,413 in the year (2011 £34,702).

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.

EAL 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 For Manufacturing Limited provides services to develop and implement national standards for manufacturing skills.

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.

	EAL	Training Properties Limited	Training Publications Limited	MetSkill Limited	National Skills Academy for Manuf Limited	2012 Total	2011 Total
	£ 000	£ 000	£ 000	£ 000	£'000	£'000	£ 000
Income	8,787	20	3	2,229	100	11,139	10,223
	<u>8,787</u>	<u>20</u>	<u>3</u>	<u>2,229</u>	<u>100</u>	<u>11,139</u>	<u>10,223</u>
Materials and external charges	821	-	-	1,148	27	1,996	2,260
Staff costs	2,758	-	-	98	77	2,933	2,889
Depreciation	92	-	-	16	-	108	211
Other operating charges	2,805	25	5	958	76	3,869	2,989
	<u>6,476</u>	<u>25</u>	<u>5</u>	<u>2,220</u>	<u>180</u>	<u>8,906</u>	<u>8,349</u>
Operating surplus / (deficit)	2,311	(5)	(2)	9	(80)	2,233	1,874
Exceptional items	-	-	-	-	-	-	(1,489)
Interest receivable	-	-	-	-	-	-	-
Net surplus / (deficit)	<u>2,311</u>	<u>(5)</u>	<u>(2)</u>	<u>9</u>	<u>(80)</u>	<u>2,233</u>	<u>385</u>
Gift Aid to Semta	(2,192)	-	(4)	-	-	(2,196)	(816)
Reversal of overprovision	-	9	-	-	-	9	-
	<u>119</u>	<u>4</u>	<u>(6)</u>	<u>9</u>	<u>(80)</u>	<u>46</u>	<u>(431)</u>

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2012 (continued)

3 HISTORICAL COST NET MOVEMENT IN FUNDS

	2012 £'000	2011 £'000
Net incoming resources	(227)	(1,115)
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	(227)	(1,115)

4 STAFF COSTS

	2012 £'000	2011 £'000
Wages and salaries	6,904	7,689
Social security costs	586	683
Other pension costs	434	676
	7,924	9,048

Included in staff costs is £381,000 (2011 £931,000) relating to early retirements and redundancy costs and charged to Exceptional Items per note 10

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

	2012 No	2011 No
Training Services	143	160
Support Services	18	33
	161	193

Chairman's remuneration

The remuneration paid to the Chairman during the year was £20,000 (2011 £20,000)
No other Board member received any remuneration during the year in respect of their services to the charity. The total amount of expenditure reimbursed to Board members in respect of expenses incurred on the charity's activities was £10,080 (2011 £5,804)

Emoluments of employees

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

	2012	2011
£60,001 - £70,000	14	19
£70,001 - £80,000	5	4
£80,001 - £90,000	2	2
£90,001 - £100,000	1	2
£100,001 - £110,000	1	1
£110,001-£120,000	1	-
£120,001 - £130,000	1	1
£170,001 - £180,000	1	1
Total	26	30

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2012 (continued)

5 NET INCOMING RESOURCES

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

	2012 £'000	2011 £'000
Hire of equipment	18	19
Auditors' remuneration	26	28
Operating lease rentals-motor vehicles	275	301
Depreciation (all owned assets)	278	454

Auditors remuneration includes £12,000 in respect of the audit of the parent charity (2011 £11,300)

Fees in relation to non audit services were £2,700 (2011 £22,900)

Analysis of charitable activities

	Staff No's	2012 Direct costs £'000	Support costs £'000	Total costs £'000	2011 Total costs £'000
Improving access to learning	37	2,459	858	3,317	3,651
Promoting and representing the sector	7	568	162	730	1,281
Developing and supporting occupational standards and learning frameworks	28	957	649	1,606	2,748
Research into skills gaps and shortages	5	244	117	361	453
	<u>77</u>	<u>4,228</u>	<u>1,786</u>	<u>6,014</u>	<u>8,133</u>

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

	2012 £'000	2011 £'000
Income from fixed asset investments	788	775
	<u>788</u>	<u>775</u>

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 2012 (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 2011	3,640	339	272	2,779	7,030
Additions	-	-	23	29	52
Disposals	-	-	-	(27)	(27)
At 31 March 2012	<u>3,640</u>	<u>339</u>	<u>295</u>	<u>2,781</u>	<u>7,055</u>
Depreciation					
At 1 April 2011	353	91	198	2,459	3,101
Charge for year	71	8	20	179	278
Disposals	-	-	-	(24)	(24)
At 31 March 2012	<u>424</u>	<u>99</u>	<u>218</u>	<u>2,614</u>	<u>3,355</u>
NET BOOK AMOUNT					
At 31 March 2012	<u>3,216</u>	<u>240</u>	<u>77</u>	<u>167</u>	<u>3,700</u>
At 31 March 2011	<u>3,287</u>	<u>248</u>	<u>74</u>	<u>320</u>	<u>3,929</u>

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 £5,273,000 (2011: £5,251,000) and accumulated depreciation of £2,175,000 (2011: £2,026,000) are held for charitable purposes.

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

	2012 £'000	2011 £'000
Cost	3,331	3,331
Depreciation	(432)	(432)
	<u>2,899</u>	<u>2,899</u>

The net book amount of land and buildings comprises:

	2012 £'000	2011 £'000
Freehold	2,060	2,100
Long leasehold	1,156	1,187
	<u>3,216</u>	<u>3,287</u>

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2012 (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 2011	3,040	340	272	1,599	5,251
Additions	-	-	24	25	49
Disposals	-	-	-	(27)	(27)
At 31 March 2012	3,040	340	296	1,597	5,273
Depreciation					
At 1 April 2011	293	91	193	1,449	2,026
Charge for the year	59	8	18	88	173
Disposals	-	-	-	(24)	(24)
At 31 March 2012	352	99	211	1,513	2,175
NET BOOK AMOUNT					
At 31 March 2012	2,688	241	85	84	3,098
At 31 March 2011	2,747	249	79	150	3,225

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 2012 includes fully depreciated assets at historical cost of £918,205 (2011: £887,589).

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2012 (continued)

9 FIXED ASSET INVESTMENTS

Group and charity

	2012 £'000	2011 £'000
Balance 1 April 2011 at Market Value	24,315	25,842
Additions at cost	1,374	1,347
Disposals at opening market value or cost if during the year (proceeds £2,637,000 realised loss £179,000)	(2,816)	(3,905)
Unrealised gain (loss) on revaluation	675	1,031
	<u>23,548</u>	<u>24,315</u>
Cash awaiting investment	1,035	1,478
Balance at 31 March 2012 at Market Value	<u>24,583</u>	<u>25,793</u>
Historical cost of Investments	<u>21,276</u>	<u>23,166</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	6,824	7,390
Aberdeen Charity Select Bond	3,538	3,621
Aberdeen Charity Select UK Equity Fund	11,166	11,035

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

	2012 £'000	2011 £'000
Pension Deficit	-	2,400
Re-structure costs	771	1,366
	<u>771</u>	<u>3,766</u>

Included in the Semta Group's Income and Expenditure statement as an exceptional item is a restructuring charge of £771,000 (2011 £1,366,000) which consists of staff costs per note 4 of £381,000 (2011 £931,000) and non-staff costs of £390,000 (2011 £435,000).

The Semta Group staff numbers of 161 (2011 193) 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 previous financial year.

In 2010/11 £2,400,000 was paid representing 50% of the deficit agreed on the ITB Pension multi employer fund. 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 balance of the deficit will be paid in four equal annual instalments commencing in July 2014.

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS - 31 March 2012 (continued)

11 INVESTMENT IN SUBSIDIARIES

	2012 £'000	2011 £'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)
Closing Balance at 31 March 2011	<u>810</u>	<u>810</u>

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

EAL 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 2012 (continued)

12 STOCKS

	Group		Charity	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Resaleable publications	33	16	-	-
	<u>33</u>	<u>16</u>	<u>-</u>	<u>-</u>

13 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Trade debtors	1,801	2,345	438	1,021
Amounts owed by subsidiary undertakings	-	-	2,118	816
Other debtors	20	16	14	16
Taxation	187	51	128	-
Prepayments and accrued income	672	1,059	114	1,056
	<u>2,680</u>	<u>3,471</u>	<u>2,812</u>	<u>2,909</u>

DEBTORS AMOUNTS FALLING DUE AFTER ONE YEAR

	Group		Charity	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Other debtors	143	136	143	136
	<u>143</u>	<u>136</u>	<u>143</u>	<u>136</u>

The amounts for 2012 and 2011 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 2012 (continued)

14 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Trade creditors	1,019	1,047	451	376
Taxation and social security	260	182	185	182
Other creditors	59	98	59	98
Bank overdraft	-	596	2,751	5,484
Accruals	1,052	1,602	681	672
Deferred Income	3,591	2,769	587	418
	<u>5,981</u>	<u>6,294</u>	<u>4,714</u>	<u>7,230</u>

EAL Limited 'deferred income' of £2,918,923 (2011 £2,350,622), relating to certification, is fully asset backed

CREDITORS AMOUNTS FALLING DUE AFTER ONE YEAR

	Group		Charity	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Unsecured loan notes	91	91	-	-
Deferred income - capital grant	14	17	-	-
	<u>105</u>	<u>108</u>	<u>-</u>	<u>-</u>

15 OBLIGATIONS UNDER LEASE AGREEMENTS

At 31 March 2012 the group has annual lease commitments as follows

	2012		2011	
Expiry Date	Land and Buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Less than one year	8	74	24	27
Two to five years	112	112	112	229
Over five years	12	-	12	-
	<u>132</u>	<u>186</u>	<u>148</u>	<u>256</u>

SCIENCE, ENGINEERING AND MANUFACTURING TECHNOLOGIES ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2012 (continued)

16 FUNDS AND RESERVES

General Reserve

	2012 £'000	2011 £'000
Group		
At 1 April 2011	26,943	30,302
Net movement in funds	(502)	(3,359)
At 31 March 2012	<u>26,441</u>	<u>26,943</u>
Charity		
At 1 April 2011	27,282	30,210
Realised and unrealised gains on investments	501	1,522
Loss for the year	(1,051)	(4,450)
At 31 March 2012	<u>26,732</u>	<u>27,282</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 £1,051,000 (2011 loss £4,450,000)

17 CAPITAL COMMITMENTS

There was no material expenditure contracted but not provided for, nor any expenditure approved by Board 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 Semta the funding is provided by a combination of both the Semta 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 Semta Group and charitable company was £434,000 (2010/11 £676,000).

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 2012 differ for each section as follows:

Old section members	15.7%
New section members	13.1%
2007 section members	7.6%

In June 2011 all Semta employees participating in the pension scheme were moved to the 2007 section for future pension accrual. Existing benefits earned within the Old and New sections due to service to that date continue to accrue under the rules of those sections.

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	26.6	25.0
Age 65 in 20 years	28.6	27.1

Semta Group's share of the £76.3m deficit after adjusting for the benefit of a £3.3m pension credit reserve was £4.8m.

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 1st January 2010 and the £2.4m balance plus interest in four equal annual instalments commencing 1 July 2014.

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 Semta Group as at 31 March 2011 is estimated to be £26.1m. As Semta 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.