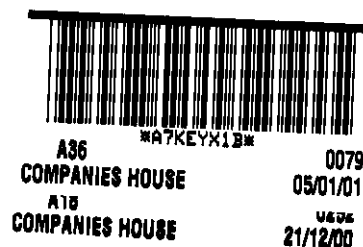


**ENGINEERING AND MARINE
TRAINING AUTHORITY**

**REPORT AND FINANCIAL
STATEMENTS**

31 MARCH 2000



Registered in England and Wales - Company Number 2324869
- Charity Number 1000328

ENGINEERING AND MARINE TRAINING AUTHORITY

REPORT AND FINANCIAL STATEMENTS 31 MARCH 2000

CONTENTS	PAGE
Chairman's Statement	1
Trustees' Report	2 - 4
Auditors' Report	5
Consolidated statement of financial activities	6
Group balance sheet	7
Company balance sheet	8
Group cash flow statement	9-10
Notes to the accounts	11-22

ENGINEERING AND MARINE TRAINING AUTHORITY

REPORT AND FINANCIAL STATEMENTS

31 MARCH 2000

Auditors and Financial Advisers

BDO Stoy Hayward
8 Baker Street
London W1M 1DA

Chief Executive

Dr Michael Sanderson

Finance Director and Company Secretary

Philip Whiteman

Investment Managers

Barclays Private Bank Limited
43, Brook Street
London W1Y 2PB

Property Managers

Fletcher King
Stratton House
Stratton Street
London W1X 5FE

Bankers

Barclays Bank plc
32 Clarendon Road
Watford WD17 1BZ

Solicitors

Herbert Smith
Exchange House
Primrose Street
London EC2A 2HS

Davenport Lyons
1 Old Burlington Street
London W1X 1LA

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

EMTA House
14 Upton Road
Watford WD18 0JT

ENGINEERING AND MARINE TRAINING AUTHORITY

REPORT AND FINANCIAL STATEMENTS 31 MARCH 2000

CHAIRMAN'S STATEMENT

INTRODUCTION

The year brought further growth in our core charitable activities with particular advances in research programmes, careers initiatives, lobbying successes and the development of the framework for occupational standards. Whilst the contributions from trading were down overall, the excellent return from investments was sufficient to ensure that the financial objective of protecting the real value of our net assets was exceeded. The net assets grew by 5.3%.

It was a difficult year for the Cleveland Training Centre which, along with most other training providers involved in delivering engineering training, found the market difficult. In order to provide a sound platform from which to build future trading contribution, a redundancy programme was carried out at the centre. The awarding body and publishing subsidiaries generated satisfactory profits.

The legal costs incurred in leading the employers in the ITB Pension Fund to achieving a new and more equitable distribution policy were recovered and this boosted income by over £200,000.

MAIN ACHIEVEMENTS

- Our head office facilities were relocated to more compact, modern offices in Watford and the old site was sold in early April 2000.
- The European Department managed to increase the number and level of funding accessed on behalf of SME's in the sector to £1.46 million.
- 46 Engineering Learning Link (ELL) centres were opened by the end of the year and EMTA became the first "sectoral hub" to receive recognition from the University for Industry.
- An "Awarding Bodies Forum" was launched which gives all bodies which award engineering qualifications an opportunity to meet and share best practice.
- EMTA was given the lead role in setting up the NTO Group for engineering.
- A macroeconomic model was developed in partnership with Warwick University to forecast changes in the sector's labour market.
- Excellent relationships were formed with the Scottish parliament, the Welsh Assembly and the newly created Regional Development Agencies.
- We were heavily involved in the consultation on the funding of post 16 vocational training and are assisting with the setting up of the Learning and Skills Councils.
- We introduced NeTwOrk, a publication sent quarterly to 25,000 employers in the sector.
- 500 participants took part in the People Skills Scoreboard for the sector.
- We carried out a comprehensive update of EMTA's engineering careers literature.
- We developed a graduate apprenticeship in engineering.

REVIEW OF ACTIVITIES

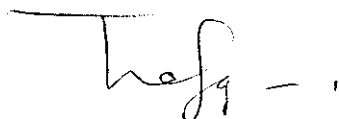
A full review is given in the Trustees' Report.

THE COUNCIL

I offer my sincere gratitude to my fellow Council members for their valuable support at meetings and events held at venues across Great Britain.

EMPLOYEES

The culture change programme continued to move staff towards clearer accountability and a higher quality of customer service. I congratulate all staff on this advance and on the commitment and dedication required to achieve it.



Rt. Hon. Lord Trefgarne PC
26 September 2000

ENGINEERING AND MARINE TRAINING AUTHORITY

REPORT AND FINANCIAL STATEMENTS 31 MARCH 2000

TRUSTEES' REPORT

The Council members are directors of the charitable company and trustees of the Charity.

OBJECTIVES

The objects of the Engineering and Marine Training Authority, the National Training Organisation for engineering employers, are to promote and advance the training of persons employed or intending to be employed as engineers.

The key policies adopted in order to achieve these objects are :

- Keeping an up to date register of employers in the industry
- Forecasting and assessing skill needs for the industry
- Promoting the industry to encourage people to join it
- Defining occupational standards
- Defining the overall training framework, identifying the gaps and proposing how these should be filled
- Supporting the infrastructure for Life Long Learning
- Representing the industry's training and development needs to Government and others
- Attracting external funding for training projects

REVIEW OF ACTIVITIES

The activities of the charity are funded from investment income and from profits covenanted to it by trading subsidiaries. Each of the trading activities is managed for maximum return. The portfolio of investments generating income includes direct investment in property which comprises about 3% of the portfolio by value.

REVIEW OF FINANCIAL POSITION

The trading subsidiaries produced profits of £1,166,000 much of which was covenanted to the charity to further charitable objectives.

The balance sheet net assets achieved growth of over 5% by the year and, in real terms the net assets now represent 102 % of the assets inherited from the Engineering Industry Training Board in 1991.

RESERVES POLICY

In 1991 the Secretary of State for the Department of Employment, empowered by S3A of the Industrial Training Act 1982, made a direction that assets of the Engineering Industry Training Board be transferred on trust to the Engineering Training Authority, now the Engineering and Marine Training Authority (EMTA).

Since EMTA carries out no fundraising activities, the income generated from these assets is needed to fund its charitable work. The trustees policy is to maintain the income generating capacity of the assets in real terms and a designated reserve has been established to enable inherited reserves to grow with inflation as measured by the Retail prices Index. The trustees regard unrealised gains as undistributable and realised gains as free reserves.

ENGINEERING AND MARINE TRAINING AUTHORITY

REPORT AND FINANCIAL STATEMENTS 31 MARCH 2000

TRUSTEES' REPORT (continued)

It is expected that over the long term, the performance of the investment portfolio will be better than inflation and, therefore, it will be unnecessary to adjust the policy to counter short term downward fluctuations in investment markets.

The general reserve is considered to be a free reserve, expendable at the discretion of the trustees.

The policy is reviewed annually.

COUNCIL MEMBERS' RESPONSIBILITIES

Company law requires the Council members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and of the surplus or deficit of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures, disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Council members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safe - guarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CORPORATE GOVERNANCE

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.

Risk management :

Business strategy, business plans and treasury and property operations are reviewed by the Finance and General Purposes Committee who make policy recommendations to the full Council. Detailed appraisals are undertaken and financial implications evaluated prior to all capital expenditure and projects.

Financial reporting :

A comprehensive system of budgets and forecasts is in place, with quarterly monitoring and reporting of actual results against targets to the Finance and General Purposes Committee of the Council.

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.

Remuneration :

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

Policy :

Policy matters are reviewed by a Joint Education and Training Policy Committee which is made up of representatives nominated by EMTA Council and the EEF Council.

Appointment of Council members :

The appointment of Council members is made by members on the recommendation of an Appointing Committee made up of EMTA's chairman, EEF's President, a representative of a large non-federated company and a representative of the Confederation of Group Schemes.

ENGINEERING AND MARINE TRAINING AUTHORITY

REPORT AND FINANCIAL STATEMENTS 31 MARCH 2000

TRUSTEES' REPORT (continued)

FIXED ASSETS

At the 31st March 2000, the market value of occupied properties has been adjusted to market value in the balance sheet.

COUNCIL MEMBERS

As directors of the company, the Council 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 members of Council who held office during the year were :

Lord Trefgarne	Chairman	D Lorraine	(retired 21 September 1999)
D'ATN Payne	Deputy Chairman	R A Mitchell	(retired 21 September 1999)
RJG Davies	Deputy Chairman	S.Pallas	(appointed 21 September 1999)
J Allen	(retired 30 June 1999)	J Patel	(retired 21 September 1999)
A A Brewster *		T Pye	
J F Briffitt *	(retired 21 September 1999)	M W Regan	
M P Chapman		A Robson	
R W Etches		A Shipton	(appointed 21 September 1999)
M Gildea		N Stockbridge *	
I Grant	(appointed 21 September 1999)	P Watts	(appointed 21 September 1999)
PJF Horton *		I R Young *	
Clr G Lane *			
A Lowth *	(retired 16 March 2000)		
A D McCarthy	(retired 21 September 1999)		

* Member of the Audit Committee

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

As permitted under the Companies Act 1989 and under the company's articles of association, the company has maintained insurance in respect of directors' and officers' liabilities incurred in connection with the discharge of their duties

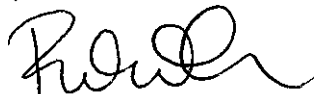
CHARITABLE STATUS

The company is limited by guarantee and is a registered charity - No. 1000328

AUDITORS

In accordance with Section 384 of the Companies Act 1985, a resolution will be proposed at the Annual General Meeting that BDO Stoy Hayward will be reappointed as auditors to the company for the ensuing year.

By order of the Council



P W WHITEMAN
Secretary

EMTA House
14 Upton Road
Watford, WD1 7EP

26 September 2000

ENGINEERING AND MARINE TRAINING AUTHORITY

AUDITORS' REPORT TO THE MEMBERS OF ENGINEERING AND MARINE TRAINING AUTHORITY

We have audited the financial statements on pages 6 to 22 which have been prepared under the historical cost convention, as modified by the revaluation of properties, and the accounting policies set out on pages 11 and 12.

Respective responsibilities of directors and auditors

As described on page 3 the charitable company's Council members are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Council members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charitable company and of the group as at 31 March 2000 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'BDO Stoy Hayward', is written over the printed name of the firm.

BDO Stoy Hayward
Chartered Accountants and Registered Auditors
London
26 September 2000

ENGINEERING AND MARINE TRAINING AUTHORITY

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2000

INCOME AND EXPENDITURE

	<u>Note</u>	<u>2000</u> £'000	<u>1999</u> £'000
Incoming Resources			
Investment Income	6	1,508	1,408
Net Income From Trading Subsidiaries	3	1,166	1,719
NTO Charitable Trading Income		1,329	1,130
Total Incoming Resources		<u>4,003</u>	<u>4,257</u>
Resources Expended			
Direct Charitable Expenditure			
Promotion and PR		861	853
Research and Development		1,301	1,374
Other NTO Expenditure		453	478
NTO Trading Costs		1,448	1,159
Support Costs		342	286
Sub-Total		<u>4,405</u>	<u>4,150</u>
Other Expenditure			
Interest Payable		38	-
Administration and Management		37	56
Total Resources Expended		<u>4,480</u>	<u>4,206</u>
Net (Outgoing) / Incoming Resources	5	(477)	51
Unrealised Gain on Investments		2,948	1,279
Realised Loss on Investments		(94)	(656)
Realised Loss on Properties		(131)	-
Revaluation of Investment Property		(66)	253
Net movement in funds before transfers	16	<u>2,180</u>	<u>927</u>
Transfer To Designated Reserve	16	(1,188)	(933)
Net Movement In Funds		<u>992</u>	<u>(6)</u>


The notes on pages 11 - 22 form part of these accounts. All activities reported in the above Statement of Financial Activities relate to continuing operations.

ENGINEERING AND MARINE TRAINING AUTHORITY

GROUP BALANCE SHEET - 31 MARCH 2000

	Note	2000 £'000	1999 £'000
FIXED ASSETS			
Tangible assets	8	5,704	4,781
Investment properties	9	3,032	1,855
Investments	10	38,205	38,869
		<u>46,941</u>	<u>45,505</u>
CURRENT ASSETS			
Stocks	12	179	199
Debtors	13	2,048	2,953
Cash at bank		824	585
		<u>3,051</u>	<u>3,737</u>
CREDITORS			
Amounts falling due within one year	14	(2,468)	(3,985)
NET CURRENT ASSETS / (LIABILITIES)		<u>583</u>	<u>(248)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>47,524</u>	<u>45,257</u>
CREDITORS			
Amounts falling due after more than one year	14	-	(8)
PROVISIONS FOR LIABILITIES AND CHARGES	15	(163)	(68)
NET ASSETS		<u><u>47,361</u></u>	<u><u>45,181</u></u>
RESERVES			
Designated Reserve	16	46,543	45,355
General Reserve	16	818	(174)
		<u><u>47,361</u></u>	<u><u>45,181</u></u>

The financial statements were approved by the Council on 26 September 2000 and are signed on its behalf by:



Rt Hon Lord Trefgarne PC
Chairman



I R Young
Council member

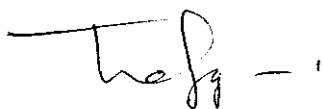
The notes on pages 11 - 22 form part of these accounts.

ENGINEERING AND MARINE TRAINING AUTHORITY

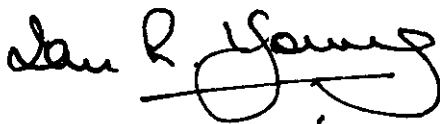
COMPANY BALANCE SHEET - 31 MARCH 2000

	<u>Note</u>	<u>2000</u> £'000	<u>1999</u> £'000
FIXED ASSETS			
Tangible assets	8	3,065	435
Investments	10	38,205	38,869
Investment in subsidiaries	11	1,797	1,935
		<u>43,067</u>	<u>41,239</u>
CURRENT ASSETS			
Debtors	13	4,757	1,250
CREDITORS			
Amounts falling due within one year	14	(7,589)	(4,981)
NET CURRENT LIABILITIES		<u>(2,832)</u>	<u>(3,731)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		40,235	37,508
CREDITORS			
Amounts falling due after more than one year	14	-	(6)
NET ASSETS		<u>40,235</u>	<u>37,502</u>
RESERVES			
Designated Reserve	16	46,543	45,355
General Reserve	16	(6,308)	(7,853)
		<u>40,235</u>	<u>37,502</u>

The financial statements were approved by the Council on 26 September 2000 and are signed on its behalf by:



Rt Hon Lord Trefgarne PC
Chairman



I R Young
Council member

The notes on pages 11 - 22 form part of these accounts.

ENGINEERING AND MARINE TRAINING AUTHORITY

GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2000

	<u>Note</u>	<u>2000</u> £'000	<u>1999</u> £'000
Operating Activities			
Cash received from customers		12,234	11,796
Cash payments to employees		(5,954)	(5,260)
Cash payments to suppliers		(7,977)	(6,403)
Cash payments to Customs and Excise		(214)	(322)
Net cash outflow from operating activities	a)	(1,911)	(189)
Returns on investments and servicing of finance			
Investment income received		1,645	1,564
Interest element of finance lease repayment		(6)	(12)
Net cash inflow from returns on investments and servicing of finance		1,639	1,552
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(3,565)	(851)
Receipts from the sale of tangible fixed assets		56	6
Receipts from the sale of investment properties		568	-
Receipts from the sale of investments		3,515	-
Net cash outflow from capital expenditure and financial investment		574	(845)
Net cash inflow / (outflow) before financing		302	518
Financing			
Capital element of finance lease rental payments		(63)	(117)
Net cash outflow from financing		(63)	(117)
NET INCREASE / (DECREASE) IN CASH	c)	239	401

ENGINEERING AND MARINE TRAINING AUTHORITY

NOTES TO THE GROUP CASH FLOW STATEMENT FOR THE YEAR
ENDED 31 MARCH 2000

	<u>2000</u> £'000	<u>1999</u> £'000
a) Reconciliation of net incoming resources to net cash outflow from operating activities		
Net Incoming Resources Before Transfers	(477)	51
Investment Income	(1,508)	(1,408)
Depreciation	644	602
Amortisation of deferred grant	(29)	(17)
Increase / (Decrease) in provisions	124	(82)
Profit on sale of fixed assets	(33)	(12)
Increase / (decrease) in creditors	(1,563)	882
(Increase)/decrease in debtors	911	(199)
Decrease / (Increase) in stocks	20	(6)
Net cash outflow from operating activities	(1,911)	(189)

	At 1 April 1999 £'000	Cash flow £'000	Other non-cash changes £'000	At 31 March 2000 £'000
b) Analysis of net funds				
Cash at bank and in hand	585	239	-	824
	585	239	-	824
Finance leases	(67)	63		(4)
	518	302	0	820

c) Reconciliation of net cash flow to movement in net funds	£'000
Increase in cash in the period	
Continuing activities	239
	239
Cash outflow from finance leases	63
Change in net funds resulting from cash flows	302
Movement in net funds in the period	302
Net funds at 1 April 1999	518
Net funds at 31 March 2000	820

ENGINEERING AND MARINE TRAINING AUTHORITY

NOTES TO THE ACCOUNTS - 31 MARCH 2000

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 properties. Compliance with SSAP 19 "Accounting for Investment Properties" requires departures from the requirements of the Companies Act 1985 relating to depreciation and amortisation.

The financial statements have also been prepared in accordance with the Statement of Recommended Practice "Accounting by Charities". All of the expenditure incurred by EMTA is for charitable purposes.

Financial Statements

The financial statements consolidate the results of the Engineering and Marine Training Authority and its subsidiaries from 1 April 1999.

Turnover

Turnover represents the amount receivable for goods and services supplied to customers but excludes inter-company transactions and value added tax. A proportion of candidate registration income is deferred and brought into account at the point of certification.

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 to write down the cost or valuation of assets to their estimated residual value in equal annual instalments over the estimated lives of each class of asset, from the date on which the assets are brought into use. The annual useful lives are as follows:

	Years
Leasehold Property occupied by group companies	Life of lease
Freehold Buildings occupied by group companies	40
Office Furniture	10
Plant	10
Machinery and Equipment	5
Motor Vehicles	4
Computer Equipment	3

ENGINEERING AND MARINE TRAINING AUTHORITY

NOTES TO THE ACCOUNTS - 31 MARCH 2000 (continued)

ACCOUNTING POLICIES (continued)

Investment Properties

In accordance with SSAP 19, investment properties are revalued annually. The aggregate surplus or deficit on revaluation is taken to the revaluation reserve, regardless of whether this results in a temporary deficit. If a deficit on an individual investment property is expected to be permanent, then it is charged in the Consolidated Statement of Financial Activities of the period.

No provision is made for depreciation of freehold investment properties or for amortisation of leasehold properties held on leases having more than 20 years unexpired.

This departure from the requirements of the Companies Act 1985, which requires all properties to be depreciated, is, in the opinion of the directors, necessary for the accounts to show a true and fair view in accordance with applicable accounting standards.

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

Listed investments are stated at market value as at 31 March 2000. This departure from the requirements of the Companies Act 1985, which requires all fixed assets to be stated at cost, is, in the opinion of the directors, necessary for the accounts to show a true and fair view in accordance with applicable accounting standards.

The aggregate unrealised surplus or deficit is transferred to an investment reserve.

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

Stocks

Stocks 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.

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 against profit 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

EMTA is a participating employer in the ITB Pension Funds, which are constituted as defined benefit schemes. Pension contributions are charged to the profit and loss account so as to spread the regular cost of pensions and related benefits over employees' working lives.

2 CONTINGENT LIABILITY

Following the transfer of assets from EITB, Engineering Construction Industry Training Board have security for present and future debts and liabilities relating to the Board's engineering manufacturing sector activities and the Board's land and buildings, by way of an insurance policy.

ENGINEERING AND MARINE TRAINING AUTHORITY

NOTES TO THE ACCOUNTS - 31 MARCH 2000 (continued)

3 TURNOVER AND PROFITS

a) Analysis of turnover

The group has only one class of business. All group business is conducted in the United Kingdom.

NTO Charitable Trading Income	2000 £'000	1999 £'000
Externally funded projects	1,100	780
Commercial Income	229	350
Total	1,329	1,130

b) Net income from trading activities

The Charity has four wholly-owned trading subsidiaries which are incorporated in the UK. EMTA Awards Ltd is the awarding body for vocational qualifications primarily in the engineering sector. EMTA Cleveland Training Centre Limited operates a direct training centre and Training Publications Limited publishes and markets training and other publications. Training Properties Limited manages the Charity's portfolio of investment properties. All the companies covenant their taxable profits to the Engineering and Marine Training Authority. A summary of their trading results is shown below. Audited accounts have been filed with the Registrar of Companies.

	EMTA Awards Limited £'000	EMTA Cleveland Training Centre Ltd £'000	Training Publications Limited £'000	Training Properties Limited £'000	Total 2000 £'000	Total 1999 £'000
Turnover	4,644	1,427	1,706	-	7,777	7,926
Change in stocks of finished goods	-	-	(20)	-	(20)	5
Other operating income	-	-	-	398	398	391
	4,644	1,427	1,686	398	8,155	8,322
Materials and external charges	541	254	418	283	1,496	1,516
Staff costs	1,300	1,177	636	-	3,113	2,469
Depreciation	102	96	123	58	379	334
Other operating charges	1,354	435	172	40	2,001	2,284
	3,297	1,962	1,349	381	6,989	6,603
Operating surplus / (deficit)	1,347	(535)	337	17	1,166	1,719
Interest payable to parent company	-	-	-	(349)	(349)	(428)
Net surplus / (deficit)	1,347	(535)	337	(332)	817	1,291
Covenanted to EMTA	1,362	12	252	-	1,626	1,223
	(15)	(547)	85	(332)	(809)	68

c) Note of historical cost surplus

	2000 £'000	1999 £'000
Net (outgoing) / incoming resources before transfers	(477)	51
Realisation of property revaluation gains of previous years	677	-
Permanent reductions in property values	-	(45)
Differences between historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	29	40
Historical cost surplus on ordinary activities	229	46

ENGINEERING AND MARINE TRAINING AUTHORITY

NOTES TO THE ACCOUNTS - 31 MARCH 2000 (continued)

4 STAFF COSTS

	<u>2000</u> £'000	<u>1999</u> £'000
Wages and salaries	5,579	4,772
Social security costs	422	370
Other pension costs	188	175
	<u>6,189</u>	<u>5,317</u>

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

	<u>2000</u>	<u>1999</u>
Training services	195	176
Administration	29	26
	<u>224</u>	<u>202</u>

Chairman's Remuneration

The remuneration paid to the Chairman during the year was £52,000 (1999 £51,000).
No other Council member received any remuneration during the year in respect of their services to the company. The total amount of expenditure reimbursed to Council members in respect of expenses incurred on the company's business was £11,000 (1999 £10,000).

Emoluments of employees

The number of employees whose emoluments for the year fell within each band of £10,000 were as follows :

	<u>2000</u>	<u>1999</u>
£40,001 - £50,000	4	6
£50,001 - £60,000	3	-
£80,001 - £90,000	1	2
£120,001 - £130,000	1	1

5 Net (Outgoing) / Incoming Resources Before Transfers

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

	<u>2000</u> £'000	<u>1999</u> £'000
Hire of equipment - operating leases	42	9
Auditors' remuneration	26	26
Profit on sale of tangible fixed assets	(33)	(12)
Amortisation of deferred grant	(29)	(17)
Operating lease rentals-motor vehicles	133	84
Depreciation - owned assets	553	516
- leased assets	91	86
Rental Income	(398)	(391)

Auditors remuneration includes £13,000 in respect of the audit of the parent company (1999: £13,000).
As in the previous year, there were no fees in respect of non-audit services.

ENGINEERING AND MARINE TRAINING AUTHORITY

NOTES TO THE ACCOUNTS - 31 MARCH 2000 (continued)

5 (Note 5 continued)

Analysis Of Resources Expended

	Salary Costs £'000	Depreciation Costs £'000	Overhead Costs £'000	Total Costs £'000
Promotion and PR	225	31	605	861
Research and Development	795	31	475	1,301
Other NTO Expenditure	127	5	321	453
NTO Trading Costs	1,225	64	159	1,448
Support Costs	158	88	96	342
Interest Payable	-	-	38	38
Administration and Management	37	-	-	37
Grand Total	2,567	219	1,694	4,480

6 INVESTMENT INCOME

	<u>2000</u> £'000	<u>1999</u> £'000
Income from fixed asset investments	1,455	1,378
Other interest receivable	53	30
	<u>1,508</u>	<u>1,408</u>

7 TAXATION

The company is a registered charity and therefore bears no tax on its income and gains.

ENGINEERING AND MARINE TRAINING AUTHORITY

NOTES TO THE ACCOUNTS - 31 MARCH 2000 (continued)

8 TANGIBLE FIXED ASSETS

	<u>Land and Buildings</u> £'000	<u>Plant and machinery</u> £'000	<u>Office furniture & equipment</u> £'000	<u>Total</u> £'000
GROUP				
Cost or valuation				
At 1 April 1999	3,744	1,564	1,557	6,865
Additions	2,512	500	553	3,565
Disposals	(2,379)	(279)	(17)	(2,675)
At 31 March 2000	<u>3,877</u>	<u>1,785</u>	<u>2,093</u>	<u>7,755</u>
Depreciation				
At 1 April 1999	719	718	647	2,084
Charge for year	99	241	304	644
Disposals	(437)	(238)	(2)	(677)
At 31 March 2000	<u>381</u>	<u>721</u>	<u>949</u>	<u>2,051</u>
NET BOOK AMOUNT				
At 31 March 2000	<u>3,496</u>	<u>1,064</u>	<u>1,144</u>	<u>5,704</u>
At 31 March 1999	<u>3,025</u>	<u>846</u>	<u>910</u>	<u>4,781</u>

Fixed assets with a cost of £3,689,000 (1999: £972,000) and accumulated depreciation of £574,000 (1999: £537,000) are held for charitable purposes.

Fixed assets with a cost of £276,487 (1999: £358,779) and accumulated depreciation of £233,990 (1999: £217,742) are held under finance leases.

The net book amount of land and buildings comprises :

	<u>2000</u> £'000	<u>1999</u> £'000
Freehold	2,903	2,418
Long leasehold	593	607
	<u>3,496</u>	<u>3,025</u>

ENGINEERING AND MARINE TRAINING AUTHORITY

NOTES TO THE ACCOUNTS - 31 MARCH 2000 (continued)

8 TANGIBLE FIXED ASSETS (continued)

	<u>Freehold Land and buildings</u> £'000	<u>Plant and machinery</u> £'000	<u>Office furniture & equipment</u> £'000	<u>Total</u> £'000
COMPANY				
Cost or valuation				
At 1 April 1999	-	299	673	972
Additions	2,507	98	268	2,873
Disposals	-	(206)	-	(206)
At 31 March 2000	2,507	191	941	3,639
Depreciation				
At 1 April 1999	-	185	352	537
Charge for the year	16	81	141	238
Disposals	-	(201)	-	(201)
At 31 March 2000	16	65	493	574
NET BOOK AMOUNT				
At 31 March 2000	2,491	126	448	3,065
At 31 March 1999	-	114	321	435

Fixed assets with a cost of £187,509 (1999: £256,383) and accumulated depreciation of £158,726 (1999: £159,455) are held under finance leases.

The cost and accumulated depreciation at 31 March 2000 includes fully depreciated assets at historical cost of £335,428 (1999: £413,554).

ENGINEERING AND MARINE TRAINING AUTHORITY

NOTES TO THE ACCOUNTS - 31 MARCH 2000 (continued)

9 INVESTMENT PROPERTIES

GROUP	<u>Freehold</u> £'000	<u>Long</u> <u>Leasehold</u> £'000	<u>Total</u> £'000
Valuation			
At 1 April 1999	1,395	460	1,855
Additions	1,942	-	1,942
Revaluation	(130)	65	(65)
Disposal	(700)	-	(700)
At 31 March 2000	<u>2,507</u>	<u>525</u>	<u>3,032</u>
Comparable amounts under historical cost convention	<u>1,325</u>	<u>359</u>	<u>1,684</u>

Land and buildings were valued as at 31 March 2000 by Fletcher King, Chartered Surveyors at open market value. The surplus arising from the revaluation has been taken to the revaluation reserve in accordance with Statement of Standard Accounting Practice 19.

Deficits considered to be permanent have been written off through the Consolidated Statement Of Financial Activities.

ENGINEERING AND MARINE TRAINING AUTHORITY

NOTES TO THE ACCOUNTS - 31 MARCH 2000 (continued)

10 FIXED ASSET INVESTMENTS

Group and company	Investments £'000	Loans £'000	Total £'000
Cost 1 April 1999	29,455	97	29,552
Additions	722	-	722
Disposals	(3,454)	-	(3,454)
Loan repayments	-	(3)	(3)
Cost 31 March 2000	26,723	94	26,817
Market Value Of Investments At 1 April 1999			<u>38,869</u>
Market Value Of Investments At 31 March 2000			<u>38,205</u>

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

£2,000,000 - 7% Treasury Stock 2001

The loans are secured against property occupied by the borrowers.

The investments are independently managed by Barclays Private Bank Limited and traded within a portfolio which is being held for the long term. All investments are listed on the United Kingdom Stock Exchange. The amount of cash in the portfolio on 31 March was £1,330,000 (1999: £2,196,000). The portfolio is regulated by the Trustee Investment Act 1961

11 INVESTMENT IN SUBSIDIARIES

	<u>2000</u> £'000	<u>1999</u> £'000
Company only		
Shares at cost	6,680	6,365
Long term loan	5,453	5,453
	<u>12,133</u>	<u>11,818</u>
Provision	(10,336)	(9,883)
	<u>1,797</u>	<u>1,935</u>
	£'000	
Balance at 1 April 1999	1,935	
Investment in subsidiary - Training Publications Limited	315	
Provided in the year	(453)	
Balance at 31 March 2000	<u>1,797</u>	

ENGINEERING AND MARINE TRAINING AUTHORITY

NOTES TO THE ACCOUNTS - 31 MARCH 2000 (continued)

11 INVESTMENT IN SUBSIDIARIES (continued)

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

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

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 operates a publishing and printing operation within Great Britain.

EMTA Cleveland Training Centre Limited.

A company registered in England and Wales which provides training to its local engineering community.

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.

12 STOCKS

This amount consists solely of stocks of resaleable publications.

13 DEBTORS

	Group		Company	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	£'000	£'000	£'000	£'000
Trade debtors	1,360	2,021	141	372
Amounts owed from subsidiary undertakings	-	-	4,413	-
Other debtors	118	462	77	425
Taxation	13	37	-	363
Prepayments and accrued income	557	433	126	90
	<u>2,048</u>	<u>2,953</u>	<u>4,757</u>	<u>1,250</u>

ENGINEERING AND MARINE TRAINING AUTHORITY

NOTES TO THE ACCOUNTS - 31 MARCH 2000 (continued)

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR.

	Group		Company	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	£'000	£'000	£'000	£'000
Trade creditors	272	493	169	255
Amounts owed to subsidiary undertakings	-	-	3,335	536
Taxation and social security	249	496	228	479
Other creditors	1,315	2,462	80	832
Obligations under finance lease	4	59	3	38
Bank overdraft	-	-	3,592	2,735
Accruals	628	475	182	106
	<u>2,468</u>	<u>3,985</u>	<u>7,589</u>	<u>4,981</u>

CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR.

Obligations under finance lease	-	8	-	6
	<u>-</u>	<u>8</u>	<u>-</u>	<u>6</u>

OBLIGATIONS UNDER FINANCE LEASES

	<u>2000</u>	<u>1999</u>
	£'000	£'000
Falling due within one year	4	59
Falling due after more than one year but within five years	-	8
	<u>4</u>	<u>67</u>

Represented by :

Gross obligations under finance leases	5	75
Less : interest not yet incurred	(1)	(8)
	<u>4</u>	<u>67</u>

15 PROVISIONS FOR LIABILITIES AND CHARGES

	Group		Company	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	£'000	£'000	£'000	£'000
Deferred grant	163	68	-	-
	<u>163</u>	<u>68</u>	<u>-</u>	<u>-</u>

ENGINEERING AND MARINE TRAINING AUTHORITY

NOTES TO THE ACCOUNTS - 31 MARCH 2000 (continued)

16 RESERVES

	Designated Reserve £'000	General Reserve £'000
Group		
At 1 April 1999	45,355	(174)
Net incoming resources before transfers	-	2,180
Transfer to designated reserve	1,188	(1,188)
At 31 March 2000	46,543	818
Company		
At 1 April 1999	45,355	(7,853)
Unrealised surplus on revaluation of investments	-	2,948
Reduction in value of subsidiary	-	(453)
Transfer to designated reserve	1,188	(1,188)
Surplus for the year	-	238
At 31 March 2000	46,543	(6,308)

As permitted by Section 230 of the Companies Act 1985, the Consolidated Statement of Financial Activities of the parent company, whose result is shown above, is not presented as part of these accounts. The parent company's profit for the year amounted to £238,000 (1999: loss £278,000).

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 company contributes to a defined benefit final salary scheme managed by the ITB Pension Funds, along with other former Industry Training Boards. The scheme's fund is financed by contributions from the company and from employees and is managed by legally appointed trustees.

The cost to the group for the year was £188,000 (1999: £175,000).

Contributions by the company were determined on the advice of the Government Actuary using the prospective benefits method. The most recent valuation was at 31 March 1998. The major assumption used in the valuation was that investment returns would exceed earnings increases by 1.5 % per annum.

The valuation showed the actuarial value of the scheme's assets was £442 million. The actuarial value of these assets represented in excess of 120% of the benefits which had accrued to members.

The standard contribution rate payable by the participating employers was fixed at 5% of pensionable pay until 31 March 2004.

19 POST BALANCE SHEET EVENTS

On 6 April 2000 the sale of the property at 41 Clarendon Rd was completed. The gross consideration for the sale was £2,250,000.