

## **Metskill Limited**

Report and Financial Statements

Year Ended

31 March 2017

Company Number 02465674

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# Metskill Limited

## Company Information

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<b>Directors</b>	A Parkes A McLachrie A Watson
<b>Company secretary</b>	A McLachrie
<b>Registered number</b>	02465674
<b>Registered office</b>	Unit 2, The Orient Centre Greycaine Road Watford WD24 7GP
<b>Independent auditor</b>	Grant Thornton UK LLP 202 Silbury Boulevard Milton Keynes MK9 1LW

# **Metskill Limited**

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# **Metskill Limited**

## **Directors' Report for the Year Ended 31 March 2017**

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The directors present their report and the financial statements for the year ended 31 March 2017.

### **Principal activity**

The principal activity of the company is the provision of training related services to improve the performance of businesses within the UK metals industries.

### **Results**

Turnover for the company amounted to £3,272,928 (2016 - £3,738,040). After operating costs and expenses, the operating loss before gift aid was £1,011,073 (2016 - 1,328,652). No gift aid payment was made in 2017 (2016 - Nil).

Under Article 93 of the company's Articles of Association, the company may not declare any dividends payable to its members.

### **Directors**

The directors who served during the year were:

A Parkes  
A McLachrie (appointed 24 October 2016)  
A Watson (appointed 24 October 2016)

### **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Metskill Limited

## Directors' Report (continued) for the Year Ended 31 March 2017

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### Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### Auditors

haysmacintyre resigned as group and company auditors on 30th November 2016 and Grant Thornton UK LLP were appointed as group and company auditors by the directors on 30th January 2017. Grant Thornton UK LLP have expressed their willingness to continue in office and a resolution to reappoint them as auditor will be proposed at the next general meeting.

Under section 487(2) of the Companies Act 2006 Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

### Going concern

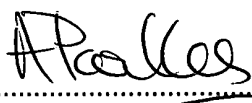
The financial statements have been prepared on the going concern basis which assumes the company will be able to continue to trade for the foreseeable future.

The company is dependant upon the continuing support of its shareholders. Due to the continuing support being received the directors believe the going concern basis to be appropriate. However, should this not be the case adjustments would have to be made to revalue current assets to their recoverable amounts. In addition, provision would have to be made for the cost of closure.

### Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.....  
**A Parkes**  
Director

Date: **21 June 2017**

# **Metskill Limited**

## **Independent Auditor's Report to the Members of Metskill Limited**

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We have audited the financial statements of Metskill Limited for the year ended 31 March 2017 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity 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) including FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the 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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the directors' responsibilities statement, the directors 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 Boards Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its loss 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 matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in directors' report.

# Metskill Limited

## Independent Auditor's Report to the Members of Metskill Limited

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

*Grant Thornton UK LLP*

**William Devitt** (Senior statutory auditor)  
for and on behalf of Grant Thornton UK LLP, Statutory auditor, Chartered accountant  
Milton Keynes  
United Kingdom

Date: *14 August 2017*

# Metskill Limited

## Statement of Comprehensive Income for the Year Ended 31 March 2017

	Note	2017 £	2016 £
Turnover	4	3,272,928	3,738,040
Cost of sales		(2,002,928)	(2,495,119)
<b>Gross profit</b>		<b>1,270,000</b>	<b>1,242,921</b>
Administrative expenses		(2,281,073)	(2,571,573)
<b>Operating loss</b>	5	<b>(1,011,073)</b>	<b>(1,328,652)</b>
Gift aid payment	7	-	-
<b>Loss for the financial year</b>		<b>(1,011,073)</b>	<b>(1,328,652)</b>
Unrealised surplus on revaluation of tangible fixed assets		-	67,140
<b>Total comprehensive income for the year</b>		<b>(1,011,073)</b>	<b>(1,261,512)</b>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

The notes on pages 8 to 16 form part of these financial statements.

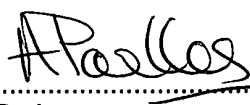
**Metskill Limited**  
Registered number: 02465674

**Statement of Financial Position**  
as at 31 March 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	8	323,400	330,000
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	258,779	57,278
Creditors: amounts falling due within one year	10	(2,669,435)	(1,463,461)
<b>Net current liabilities</b>		<u>(2,410,656)</u>	<u>(1,406,183)</u>
<b>Total assets less current liabilities</b>		<u>(2,087,256)</u>	<u>(1,076,183)</u>
Creditors: amounts falling due after more than one year	11	(91,114)	(91,114)
<b>Net liabilities</b>		<u><u>(2,178,370)</u></u>	<u><u>(1,167,297)</u></u>
<b>Capital and reserves</b>			
Share capital	12	1,098	1,098
Revaluation reserve	13	154,236	154,236
Accumulated losses	13	(2,333,704)	(1,322,631)
		<u><u>(2,178,370)</u></u>	<u><u>(1,167,297)</u></u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
.....  
**A Parkes**  
Director

Date: **21 June 2017**

The notes on pages 8 to 16 form part of these financial statements.

## Metskill Limited

### Statement of Changes in Equity for the Year Ended 31 March 2017

	Share capital £	Revaluation reserve £	Accumulated losses £	Total equity £
At 1 April 2016	1,098	154,236	(1,322,631)	(1,167,297)
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(1,011,073)	(1,011,073)
<b>At 31 March 2017</b>	<b>1,098</b>	<b>154,236</b>	<b>(2,333,704)</b>	<b>(2,178,370)</b>

### Statement of Changes in Equity for the Year Ended 31 March 2016

	Share capital £	Revaluation reserve £	Accumulated losses £	Total equity £
At 1 April 2015	1,098	87,096	6,021	94,215
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(1,328,652)	(1,328,652)
Surplus on revaluation of leasehold property	-	67,140	-	67,140
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>67,140</b>	<b>(1,328,652)</b>	<b>(1,261,512)</b>
<b>At 31 March 2016</b>	<b>1,098</b>	<b>154,236</b>	<b>(1,322,631)</b>	<b>(1,167,297)</b>

The notes on pages 8 to 16 form part of these financial statements.

# Metskill Limited

## Notes to the Financial Statements for the Year Ended 31 March 2017

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### 1. General information

Metskill Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and principal activity are set out in the directors' report. The company is part of a Public Benefit entity group as the parent undertaking is constituted as a public benefit entity as defined by FRS102.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Science, Engineering and Manufacturing Technologies Alliance as at 31 March 2017 and these financial statements may be obtained from Unit 2, The Orient Centre, Greycaine Road, Watford, WD24 7GP.

# **Metskill Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 2017**

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### **2. Accounting policies (continued)**

#### **2.3 Going concern**

The financial statements have been prepared on the going concern basis which assumes the company will be able to continue to trade for the foreseeable future.

The company is dependant upon the continuing support of its shareholders. Due to the continuing support being received the directors believe the going concern basis to be appropriate. However, should this not be the case adjustments would have to be made to revalue current assets to their recoverable amounts. In addition, provision would have to be made for the cost of closure.

#### **2.4 Turnover**

Turnover represents the amount receivable for goods and services supplied to customers, excluding Value Added Tax and trade discounts.

#### **2.5 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long Term Leasehold Property	- 2% straight line
Office equipment	- 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the other comprehensive income.

# **Metskill Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 2017**

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### **2. Accounting policies (continued)**

#### **2.6 Revaluation of tangible fixed assets**

Individual leasehold properties are carried at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the statement of financial position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in the statement of comprehensive income.

#### **2.7 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### **2.8 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### **2.9 Capital grants**

Capital based grants are included within accruals and deferred income in the statement of financial position and credited to the statement of comprehensive income over the estimated useful economic lives of the assets to which they relate.

#### **2.10 Revenue grants**

Revenue based grants are credited to the statement of comprehensive income in the accounting period to which the respective revenue expenditure relates.

#### **2.11 Extra accounting policy**

The company is a participating employer to a defined benefit scheme administered by ITB Pension Funds. A defined benefit scheme is a pension plan under which the company pays a fixed pension to its employees. Pension contributions are charged to the profit and loss account so as to spread the costs of pensions and related benefits over employee's working lives.

# Metskill Limited

## Notes to the Financial Statements for the Year Ended 31 March 2017

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the company's tangible assets, including. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 8)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

### 4. Turnover

	2017 £	2016 £
Apprenticeships	2,944,655	3,552,351
Other income	328,273	185,689
	<u>3,272,928</u>	<u>3,738,040</u>

All turnover arose within the United Kingdom.

### 5. Operating loss

The operating loss is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	6,600	7,380
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	3,300	2,300
Pension cost	<u>3,923</u>	<u>3,071</u>

# Metskill Limited

## Notes to the Financial Statements for the Year Ended 31 March 2017

### 6. Staff costs

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	87,448	64,358
Social security costs	4,024	2,314
Pension cost	3,923	3,071
	<u>95,395</u>	<u>69,743</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Administration	<u>1</u>	<u>1</u>

Included within wages and salaries are agency staff costs of £49,147 (2016 - £30,491).

During the year, no director received any emoluments (2016 - £Nil)

### 7. Covered by gift aid

There is no charge to taxation as the company has entered into a Deed of Covenant with Science, Engineering and Manufacturing Technologies Alliance to make a payment equal to its taxable profits each year.

The payment under the Deed of Covenant represents a taxable profit and differ from the profit on ordinary activities because of the different basis used for calculating taxable and accounting profits. The company did not make payments to Gift Aid for the current or prior year.

# Metskill Limited

## Notes to the Financial Statements for the Year Ended 31 March 2017

### 8. Tangible fixed assets

	Long Term Leasehold Property £	Office equipment £	Total £
<b>Cost or valuation</b>			
At 1 April 2016	330,000	159,253	489,253
Disposals	-	(159,253)	(159,253)
At 31 March 2017	330,000	-	330,000
<b>Depreciation</b>			
At 1 April 2016	-	159,253	159,253
Charge for the period	6,600	-	6,600
Disposals	-	(159,253)	(159,253)
At 31 March 2017	6,600	-	6,600
<b>Net book value</b>			
At 31 March 2017	323,400	-	323,400
At 31 March 2016	330,000	-	330,000

# Metskill Limited

## Notes to the Financial Statements for the Year Ended 31 March 2017

Cost or valuation at 31 March 2017 is as follows:

	Long Term Leasehold Property £
<b>At cost</b>	-
<b>At valuation:</b>	
31 March 2016 at open market value	330,000
	<u>330,000</u>

The Long Term leasehold property was revalued at 31 March 2016 by Fletcher King, Chartered Surveyors, at open market value. A surplus of £67,140 arose from this revaluation.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2017 £	2016 £
Cost	378,849	378,849
Accumulated depreciation	(82,756)	(75,376)
<b>Net book value</b>	<u>296,093</u>	<u>303,473</u>

### 9. Debtors

	2017 £	2016 £
Other debtors	-	700
Prepayments and accrued income	258,779	56,578
	<u>258,779</u>	<u>57,278</u>

### 10. Creditors: Amounts falling due within one year

	2017 £	2016 £
Amounts owed to group undertakings	1,830,111	1,414,607
Accruals and deferred income	839,324	48,854
	<u>2,669,435</u>	<u>1,463,461</u>

# Metskill Limited

## Notes to the Financial Statements for the Year Ended 31 March 2017

### 11. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Other loans	91,114	91,114

### 12. Share capital

	2017 £	2016 £
<b>Allotted, called up and fully paid</b>		
1,048 Ordinary shares of £1 each	1,048	1,048
50 Preference shares of £1 each	50	50
	<b>1,098</b>	<b>1,098</b>

The ordinary shares are held by Science, Engineering and Manufacturing Technologies Alliance.

In the event of a winding up, surplus assets available for distribution shall be applicable in the following manner and priority:

- Firstly, in returning to the holders of preference shares the capital paid up on their shares and if the surplus assets are insufficient to repay such capital in full repayment shall be made pro rata among them according to the capital paid up by each of them.
- Secondly, in returning to the holders of the ordinary shares the capital paid up on their shares and if the surplus assets are insufficient to repay such capital in full then the repayment shall be made pro rata among them according to the capital paid up by each of them.
- Thirdly, any remaining assets shall be divided between the holders of the preference shares in proportion to the amount of levies paid by them over such period as the directors may determine.

### 13. Reserves

#### Revaluation reserve

Gains/losses arising on the revaluation of the company's property.

#### Accumulated losses

Accumulated losses represent cumulative profits or losses, net of dividends paid and other adjustments.

# Metskill Limited

## Notes to the Financial Statements for the Year Ended 31 March 2017

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### 14. Pension commitments

Metskill Limited is a member of the same Defined Benefit final salary pension scheme as the parent, being the scheme that is managed by the ITB Pension Fund. It is a multi-employer pension scheme and other former Industry Training Boards are also participating employers in 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 Fund.

Any ongoing liabilities or deficit repayments associated with the scheme are recognised in the parent's accounts, with such obligations being met by the parent.

The most recent agreed pension scheme triennial valuation was conducted as at the 31st March 2016, and identified an overall surplus of £10m. 2007 section pension scheme assets were valued at £938m, a funding level of 101% (2013 - 97%). On a solvency basis the funding level was 77% (2013 - 69%).

Employer contribution rates were 9.3% to 31 December 2016 and 14.8% to 31 March 2017 (2016 - 9.3%).

The cost to the company for the year was £3,923 (2016 - £3,071).

### 15. Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 102 Section 33 'Related Party Disclosures' paragraph 33.1A not to disclose transactions with certain Group companies on the grounds that 100% of the voting rights in the company are controlled by the Group.

### 16. Controlling party

The directors regard Science, Engineering and Manufacturing Technologies Alliance, a charitable company registered in England, as the company's ultimate parent undertaking and ultimate controlling party.

The Science, Engineering and Manufacturing Technologies Alliance is the parent undertaking of the only group which Metskill Limited is a member for which group accounts are drawn up. Copies of those accounts are available from Science, Engineering and Manufacturing Technologies Alliance, Unit 2 The Orient Centre, Greyciane Road, Watford, WD24 7GP.