

Metskill Limited

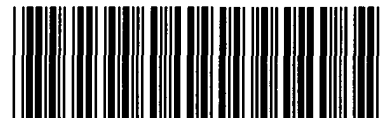
Report and Financial Statements

Year Ended

31 March 2019

Company Number 02465674

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Metskill Limited

Company Information

Directors	A McLachrie A Parkes A Watson
Company secretary	A McLachrie
Registered number	02465674
Registered office	Unit 2, The Orient Centre Greycaine Road Watford WD24 7GP
Independent auditor	Grant Thornton UK LLP Victoria House 199 Avebury Boulevard Milton Keynes MK9 1AU

Metskill Limited

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Metskill Limited

Directors' Report for the Year Ended 31 March 2019

The directors present their report and the financial statements for the year ended 31 March 2019.

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 £1,542,370 (2018 - £2,433,777). After operating costs and expenses, the operating profit before gift aid was £2,294,657 (2018 - loss of £1,049,471).

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 McLachrie
A Parkes
A Watson

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 judgements 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 to 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 2019

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

The auditors, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Going concern

On 28 March 2019 the decision was made to cease trading operations with the intent to wind the company up. Therefore, the financial statements have not been prepared on the going concern basis.

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: 09 December 2019

Metskill Limited

Independent Auditor's report to the members of Metskill Limited

Opinion

We have audited the financial statements of Metskill Limited (the 'company') for the year ended 31 March 2019 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - basis of preparation of the financial statements

We draw attention to note 2.1 to the financial statements, which describes the basis of preparation of the financial statements. As described in that note, the trading activities of Metskill Limited will cease during 2019 and accordingly the directors have prepared the financial statements on a break-up basis. Our opinion is not modified in respect of this matter.

Metskill Limited

Independent Auditor's report to the members of Metskill Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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.

Matter on which we are required to report under the Companies Act 2006

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 the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Metskill Limited

Independent Auditor's report to the members of Metskill Limited (continued)

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Grant Thornton UK LLP

William Devitt (Senior statutory auditor)

For and on behalf of Grant Thornton UK LLP, Statutory auditor, Chartered accountants
Milton Keynes

Date: 19 December 2019

Metskill Limited

Statement of Comprehensive Income for the Year Ended 31 March 2019

	Note	2019 £	2018 £
Turnover	4	1,542,370	2,433,777
Cost of sales		(769,043)	(1,305,934)
Gross profit		773,327	1,127,843
Administrative expenses		(2,273,706)	(2,263,928)
Exceptional administrative expenses	5	-	(4,500)
Exceptional other income	5	3,795,036	91,114
Operating profit/(loss) for the year	6	2,294,657	(1,049,471)
Total comprehensive income for the year		2,294,657	(1,049,471)

All amounts relate to discontinued operations.

The notes on pages 9 to 15 form part of these financial statements.

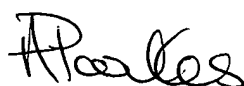
Metskill Limited
Registered number: 02465674

Statement of Financial Position
as at 31 March 2019

	Note	2019 £	2018 £
Current assets			
Debtors: amounts falling due within one year	9	76,442	144,888
Creditors: amounts falling due within one year	10	(909,626)	(3,272,729)
Net current liabilities		(833,184)	(3,127,841)
Total assets less current liabilities		(833,184)	(3,127,841)
Provisions for liabilities			
Other provisions	11	(100,000)	(100,000)
Net liabilities		(933,184)	(3,227,841)
Capital and reserves			
Share capital	12	1,098	1,098
Accumulated losses	13	(934,282)	(3,228,939)
		(933,184)	(3,227,841)

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: 09 December 2019

The notes on pages 9 to 15 form part of these financial statements.

Metskill Limited

Statement of Changes in Equity for the Year Ended 31 March 2019

	Share capital £	Accumulated losses £	Total equity £
At 1 April 2018	1,098	(3,228,939)	(3,227,841)
Comprehensive income for the year			
Profit for the year	-	2,294,657	2,294,657
At 31 March 2019	1,098	(934,282)	(933,184)

Statement of Changes in Equity for the Year Ended 31 March 2018

	Share capital £	Revaluation reserve £	Accumulated losses £	Total equity £
At 1 April 2017	1,098	154,236	(2,333,704)	(2,178,370)
Comprehensive income for the year				
Loss for the year	-	-	(1,049,471)	(1,049,471)
Profit on disposal of tangible assets	-	(154,236)	154,236	-
At 31 March 2018	1,098	-	(3,228,939)	(3,227,841)

The notes on pages 9 to 15 form part of these financial statements.

Metskill Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

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 and the registered number are 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).

On the 28 March 2019, the Board members made the decision to cease apprenticeship training provision under the ESFA contract. This will ultimately lead to the trading activities of Metskill Limited to cease during 2019 and to the eventual winding up of the company. As a result of this, the financial statements have been prepared on the break-up basis.

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 2019 and these financial statements may be obtained from Unit 2, The Orient Centre, Greycaine Road, Watford, WD24 7GP.

2.3 Turnover

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

Metskill Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

2. Accounting policies (continued)

2.4 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.

2.5 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.

2.6 Pensions

The company was 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.

The company's employee now belongs to a defined contribution plan administered by the ITB Pension Funds. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense in the profit and loss account when they fall due. The assets of the plan are held separately from the company in an independently administered fund.

2.7 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

2.8 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

Metskill Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

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

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

- Judgement is exercised by management to distinguish between provisions and contingencies. Policies on recognition of provisions is discussed in note 2.10 and disclosures on relevant provision is presented in note 11 and below. There are no noted contingencies.

Other key sources of estimation uncertainty

- Valuation of provisions (see note 11)

Factors taken into consideration to determine the whether the value of the provision is adequate include the management fee income recognised in full in prior years and the likelihood of output VAT arising on such income.

4. Turnover

	2019 £	2018 £
Apprenticeships	1,347,401	2,095,454
Other income	194,969	338,323
	<u>1,542,370</u>	<u>2,433,777</u>

All turnover arose within the United Kingdom.

5. Exceptional items

	2019 £	2018 £
Release of loan note liability	-	91,114
Write off of amounts owed to group undertakings	3,795,036	-
Pension contributions	-	(4,500)
	<u>-</u>	<u>(4,500)</u>

During the year Science, Engineering and Manufacturing Technologies Alliance wrote off the balance of amounts due to group undertakings (see note 11).

Exceptional items relate to pension contributions on behalf of staff transferred from the defined benefit to the defined contribution scheme.

Metskill Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

6. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	-	3,850
Pension cost	3,620	4,640
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	3,300	3,300
	<u>3,300</u>	<u>3,300</u>

7. Staff Costs

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	37,666	71,750
Social security costs	4,035	4,048
Pension costs	3,620	4,640
	<u>45,321</u>	<u>80,438</u>

Included within wages and salaries are agency staff costs of £Nil (2018 - £30,613).

During the year, no director received any emoluments (2018 - £Nil).

The average monthly number of employees, including the directors, during the year was 4 (2018 - 4).

8. 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 differs 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 2019

9. Debtors

	2019 £	2018 £
Prepayments and accrued income	<u>76,442</u>	<u>144,888</u>

10. Creditors: Amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	-	2,308,021
Accruals and deferred income	<u>909,626</u>	<u>964,708</u>
	<u>909,626</u>	<u>3,272,729</u>

During the year Science, Engineering and Manufacturing Technologies Alliance wrote off the balance of amounts due to group undertakings (see note 5).

11. Provisions

	Provisions £
At 1 April 2018	100,000
Charged to profit or loss during the year	-
At 31 March 2019	<u>100,000</u>

Provisions charged to the profit or loss have been made for any output VAT liability that may arise on management fee income recognised in prior years (2018 - £100,000).

Metskill Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

12. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
1,048 Ordinary shares of £1 each	1,048	1,048
50 Preference shares of £1 each	50	50
	<u>1,098</u>	<u>1,098</u>

The ordinary and preference 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

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 2019

14. Pension commitments

Up to 30 September 2017, Metskill Limited was 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.

On 1 October 2017 all employees were transferred to a defined contributions pension scheme. The assets of the defined contributions scheme are held separately from those of the company in an independently administered fund.

Any ongoing liabilities or deficit repayments associated with the scheme were 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 for the year to 31 March 2019 under the defined contribution scheme were 9%

The cost to the company for the year was £3,620 (2018 - £4,640).

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, Greycaine Road, Watford, WD24 7GP.