

The Scottish Electrical Charitable Training Trust

Annual report and financial statements

for the year ended 31 December 2025

Registered charity number: SC001806

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Trustees and Advisers

Trustees

Scott Foley
Robert MacGregor
Stephen Deans (Resigned July 2025)
Siobhan McCready (Appointed December 2025)
John Noble
Alan Wilson
Donald Orr

Principal office

The Walled Garden
Bush Estate
Penicuik
Midlothian
EH26 0SE

Chief Executive

Fiona Harper

Scottish Charity Number

SC001806

Auditor

Henderson Loggie LLP
Level 5, The Stamp Office
10-14 Waterloo Place
Edinburgh
EH1 3EG

Bankers

Virgin Bank
83 George Street
Edinburgh
EH2 3ES

Solicitors

Lindsays LLP
Caledonian Exchange
19A Canning Street
Edinburgh
EH3 8HE

Investment managers

Barclays Wealth and Investment Management
11 Melville Crescent
Edinburgh
EH3 7LU

Trustees' Report

The Trustees are pleased to present their annual report and audited financial statements for the year ended 31 December 2025.

Structure, Governance and Management

The Scottish Joint Industry Board (SJIB) for the Electrical Contracting Industry regulates, in the public interest, the entry, conditions of service, training and education, and the level of skill and safety of apprentices and adult trainees in Scotland. The SJIB has delegated the management of its training schemes to the Scottish Electrical Charitable Training Trust (SECTT). SECTT's sole function is the management of the SJIB Training Schemes. This is carried out by ensuring that the training requirements are met and that all apprentices and adult trainees are monitored, both on and off site. SECTT does this by means of a highly skilled team of Training Officers, Assessment Centre staff and Administrative Support staff. SECTT also organise the collection and distribution of financial assistance for training and assist employers with their recruitment of apprentices and adult trainees.

Nature of Governing Document

The Scottish Electrical Charitable Training Trust is constituted by Trust Deed.

Appointment of Trustees

In accordance with the Trust's founding document, Trustees are appointed by the Trust's main sponsors; SELECT (Trade Association) and Unite the Union (Trade Union). Each sponsor appoints three trustees.

Policies and Procedures for Induction and Training of Trustees

The Chief Executive organises an induction programme for new Trustees, which includes an explanation of the activities of the Trust, providing a copy of the Trust Deed together with copies of all strategic policy documents, the current risk assessment and the most recent management and financial accounts. The induction includes a tour of the SECTT premises. Specific training for Trustees is arranged as the need arises.

Decision Making Structure

The Trustees are responsible for the governance and strategic decisions, and the Chief Executive is responsible for day-to-day management of the Trust's operations.

Pay of Key Management

The Chief Executive's remuneration has been benchmarked against industry salaries, and any increases are in line with the industry's collective agreement (the SJIB National Working Rules). The Trustees take account of the independent reviews of industry salaries and can make adjustments in line with these reviews. Remuneration of the Finance and Office Manager, the Training and Development Manager and the Assessment Centre Manager are also benchmarked against industry salaries, and any increases are given in line with the industry's collective agreement. The Chief Executive has the authority to give merit, or special project increases as appropriate.

To ensure that SECTT is able to attract and retain staff, all salaries are benchmarked against "industry" salaries to ensure that SECTT's staff are remunerated at the appropriate level.

Trustees' Report *(continued)*

Risk Management

The Trustees regularly examine and review the major strategic, business, and operational risks which the charity faces. They have established systems to enable regular reports to be produced so that the necessary steps can be taken to manage these risks.

Key risks to SECTT are:

- Cessation of funding by Skills Development Scotland – this links into the SECTT reserves policy, that there must be adequate funds to ensure that all those in training, should the SDS funding cease, can complete their training and become qualified Installation Electricians. The SECTT Trustees discuss and review the investment policy and strategy at all quarterly meetings.
- Reputational risks, the integrity and credibility of the Electrical Installation training programmes. SECTT monitors the programmes continually and works with employers and industry partners to ensure that the programmes are fit for purpose.
- The desire of some colleges, led by the Colleges Scotland Modern Apprentice Working Group, to contract directly with SDS to deliver the SVQ in Electrical Installation without the involvement of SECTT.
- Qualifications Scotland's stance with regard to the position of the FICA in the SVQ and their insistence that Onsite Workplace Assessment is the principal assessment method in the SVQ.

Objectives and Activities

The Trust was established on 7 September 1990. The purposes of the Trust are:

- (a) To promote education by providing or assisting with the provision of training in all aspects of electrical and electronic trades and industries, and allied trades and industries in Scotland for young persons, apprentices, persons on Government training schemes of whatever nature, adults and disabled persons and such other persons as the trustees shall in their sole discretion, including without prejudice to the foresaid generality persons employed or intending to be employed in the industries.
- (b) To provide advice, counselling, and job experience for trainees.
- (c) To carry out any other charitable activities or charitable operations which the Trustees consider necessary or desirable in connection with, or ancillary to, the aforesaid purposes.

Funding Contribution

The Trust receives most of its income from Skills Development Scotland who give a contribution to training for each Modern Apprentice (MA). The Trust receives the payments in instalments over the period of each MA's training.

On-Site Training Support

On-site training support is paid to employers of apprentices as they progress through the apprentice training programme. The training support payments are subject to SECTT receiving sufficient funding from Skills Development Scotland and are currently payable to the employer once the apprentice is upgraded to the next stage of the training programme.

Heritable Property

The Trust owns the SECTT Assessment Centre in Cambuslang which is used to assess candidates undertaking the FICA (Final Integrated Competence Assessment) and the ACA (Advanced Competence Assessment). The facility also provides the opportunity to further raise awareness of SECTT and the

Trustees' Report *(continued)*

work of the charity in the West of Scotland. The training room within the Assessment Centre is regularly used by SELECT to deliver some of its short training courses.

Achievements and Performance

The Trustees are satisfied that SECTT has met the requirements of employers throughout Scotland with a total of 686 apprentices and 133 adult trainees recruited by the end of 2025. The Crediting Electrotechnical Competence (CEC) scheme attracted 4 registered candidates, and 4 CEC candidates passed the Final Integrated Competence Assessment (FICA) during 2025. This compares with 713 apprentices, 128 adult trainees and 10 CEC candidates in the previous year. The total number of persons in training and managed by SECTT in December 2025 was 3237. The number of electrical contractors in Scotland currently training apprentices is 1125. SECTT ensures that every company has the opportunity to recruit and train apprentice Installation Electricians. All apprentices and adult trainees are classed as Modern Apprentices; they are permanently employed on PAYE and follow the approved SJIB Training Programmes.

The level of recruitment over the last few years demonstrates the outstanding commitment of electrical contractors to train people for the future well-being of the industry and safety of the public. Also, the number of applications received demonstrates that there is significant interest from young people wishing to become Installation Electricians. Recruitment for both parties is aided by the number of pre-apprenticeship courses for the electrical industry which are designed and delivered by a number of the Approved Centres with SECTT's support.

All apprentices and adult trainees follow the Modern Apprenticeship which culminates with the award of a Modern Apprenticeship certificate and a Scottish Vocational Qualification in Electrical Installation at SCQF 7 Installation together with the SJIB Craft and FICA Certificates.

Skills Development Scotland's funding contribution has remained the same for mainstream apprentices aged 16-20 since 2017/18. The funding for adults has remained the same since 2018/19. This funding contribution has delivered funding support for all electrical installation apprentices regardless of age. With three available routes to Installation Electrician status through Modern Apprenticeship training, there is an opportunity of open access to anyone, irrespective of age, who wishes to qualify as an Installation Electrician. In addition, SECTT has actively encouraged adults to train, and existing operatives to upskill, through the different routes to Installation Electrician status.

The management and administration of training involves advertising career routes in the electrical industry, assessing the suitability of applicants and circulating details of applicants who have met the minimum standards of employers for interview and subsequent employment. SECTT contracts with 22 Approved Centres throughout Scotland to provide the off-the-job element of training, and sources funding from Skills Development Scotland as a contribution towards the costs of training a Modern Apprentice.

SECTT leads the delivery of the Construction and Built Environment Challenge (CABEC). Each year, three hundred S2 pupils and thirty teachers take part in a number of heats, and one hundred pupils take part in the Grand Final. This year, the final was held on 16 January 2025. It was an excellent event and the feedback from teachers, pupils and the challenge providers were, as always, positive.

SECTT, working with The King's Trust and West College Scotland, Paisley Campus, delivered the Get into Electrical Programme in the summer. Twenty young people took part in the course, ten completed the programme and seven went on to join pre-apprenticeship courses offered by the college.

Trustees' Report *(continued)*

Economic Climate

The economic climate has once again proven to be a challenge. The Scottish economy showed signs of growth but faced persistent challenges. Uncertainty was once again fuelled by business concerns about recruitment, increases to the National Living Wage and National Insurance Contributions, and price hikes. Despite this, the number of redundant apprentices has continued to be low and SECTT, working closely with the SJIB, employers and Unite the Union, has been able to keep apprentices in training.

The Trustees are pleased with the level of commitment and support that employers show in continuing to recruit apprentices. The close working relationship of SECTT with the SJIB will continue for the foreseeable future, with the aim of keeping the maximum number of apprentices in training. SECTT will also broker any government grants that would support employers and training.

Investment Policy

There are no restrictions on the charity's power to invest. The investment strategy was initially set up by the Trustees for a period of five years and is now reviewed quarterly. The Trustees consider the income requirements, the risk profile and the investment manager's view of the market prospects in the medium term. Specific investment restrictions apply to the portfolio to avoid tobacco and ethically hostile companies. This strategy is set within an overall policy which states that the fund has to be invested in medium risk investments with a view to ensuring that capital appreciation of the funds exceeds inflation over each yearly period. The Trust's strategy is reviewed annually with the investment manager and is discussed at all Trust Meetings.

Financial Review

The results for the period are set out in full in the statement of financial activities on page 10. The results for the year indicate a net surplus of £26k (2024: net surplus of £293k) and reserves of £7,886k (2024: £7,862k). There were net gains on investments of £327k (2024: net gains of £346k). Stock markets remain volatile with respect to international events and geopolitics. Excluding the movement on investments, the Trust made a deficit on operations of £301k (2024: £52k deficit).

Reserves Policy

The charity's current unrestricted free reserves are £7.584m, being total unrestricted reserves of £7.888m less tangible fixed assets of £0.304m. The charity maintains funds in general for the training of its apprentices and adult trainees, which will be fully utilised in that process. While the future training costs will be met from funding awards in subsequent financial years, the Trust's reserves policy aims to maintain the reserves at a level which will enable support towards completion of their Modern Apprenticeship to be given to apprentices and adult trainees currently in training, should the present funding contribution cease. £6.25 million of the reserves are held in investments which act to provide a valuable income stream of circa £0.16m per annum which enables the charity to work towards break even annually, as well as providing the potential support funding should it be required. The remaining free reserves provide the working capital requirements for the organisation.

Plans for Future Periods

The Trust aims to continue to manage the recruitment, retention, and training of competent and safety conscious Installation Electricians for the industry. To achieve this, links to the careers service and employers will be maintained, to ensure there are opportunities for young people and adults to enter the industry and for employers to grow their businesses. The Trust will continue to work closely with the trade association for the Scottish electrical industry (SELECT), the Scottish Joint Industry Board (SJIB) and Unite the Union. In addition, there will be continual monitoring of training systems to ensure the safety of apprentices, adult trainees, Installation Electricians, contractors, clients, and the public.

Trustees' Report *(continued)*

Approval of the Trustees' Annual Report

So far as each Trustee is aware, there is no relevant audit information of which the auditor is unaware. Each trustee has taken the appropriate steps as a trustee to make themselves aware of such information and to establish that the auditor is aware of it.



Scott Foley
Trustee

27 May 2026

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- 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 charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the trustees of The Scottish Electrical Charitable Training Trust

Opinion

We have audited the financial statements of The Scottish Electrical Charitable Training Trust (the 'charity') for the year ended 31 December 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 FRS 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 charity's affairs as at 31 December 2025 and of its incoming resources and application of resources 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 Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis of 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 charity 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Independent auditor's report to the trustees of The Scottish Electrical Charitable Training Trust *(continued)*

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 Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- The information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept, or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement the trustees 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 trustees 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 Trustees are responsible for assessing the charity'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 Trustees either intend to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made under that Act.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. Management informed us that there were no instances of known, suspected or alleged fraud;
- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following were most relevant: Health and Safety; employment law (including the Working Time Directive) and compliance with charity legislation .
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetrated, and tailored our risk assessment accordingly; and
- Using our knowledge of the charity, together with the discussions held with management at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

Independent auditor's report to the trustees of The Scottish Electrical Charitable Training Trust
(continued)

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

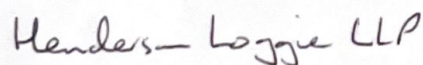
- Enquiries of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing Board and other trustee or management meeting minutes for discussions of irregularities including fraud;
- Reading correspondence with regulators, where applicable, to determine the extent of compliance;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to valuation of investments, and accrued and deferred income;
- Documenting and verifying all significant related party balances and transactions;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness; and
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognize the non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees.

A further description of our responsibilities for the audit of the financial statements is available on the Financial Reporting Council's website at <https://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 charity's trustees, as a body, in accordance with Section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the trustees 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 charity and the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.



2 June 2026

Henderson Loggie LLP
Chartered Accountants
Statutory Auditor
11-15 Thistle Street
Edinburgh
EH2 1DF

Henderson Loggie LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006.

**Statement of financial activities
for the year ended 31 December 2025**

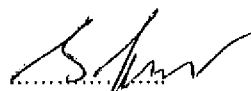
	Notes	Total Unrestricted 2025 £	Total Unrestricted 2024 £
Income from:			
Donations and grants	3	5,824	-
Charitable activities	4	6,255,453	6,195,154
Other trading activities		3,520	9,888
Investments	5	160,030	163,502
Total income		6,424,827	6,368,544
Expenditure on:			
Raising funds	6	(998)	(1,194)
Charitable activities	7	(6,724,966)	(6,419,724)
Total expenditure		(6,725,964)	(6,420,918)
Net gains/(losses) on investments	12	327,150	345,751
Net income being net movement in funds		26,013	293,377
Fund balances brought forward		7,861,575	7,568,198
Fund balances carried forward		7,887,588	7,861,575

The Trust has not discontinued existing operations or acquired new operations in the year.

**Balance sheet
as at 31 December 2025**

	Notes	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Tangible assets	11		303,747		352,120
Investments	12		6,251,796		5,825,327
			<u>6,555,543</u>		<u>6,177,447</u>
Current assets					
Stocks		18,504		15,025	
Debtors	13	404,822		504,417	
Cash at bank and in hand		2,669,502		2,923,571	
		<u>3,092,828</u>		<u>3,443,013</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(1,760,783)		(1,758,885)	
Net current assets			<u>1,332,045</u>		<u>1,684,128</u>
Net assets			<u><u>7,887,588</u></u>		<u><u>7,861,575</u></u>
Funds					
Unrestricted funds	15		<u>7,887,588</u>		<u>7,861,575</u>
Total Funds			<u><u>7,887,588</u></u>		<u><u>7,861,575</u></u>

These financial statements were considered by the trustees on at their meeting on 27 May 2026 and were subsequently signed on their behalf by


Scott Foley
Trustee

**Statement of cash flows
for the year ended 31 December 2025**

	2025	2025	2024	2024
	£	£	£	£
Cash flows from operating activities				
Net income / (expenditure)	26,013		293,377	
(Gain)/loss on investments	(327,150)		(345,751)	
Depreciation charges	86,486		83,374	
(Gain)/loss on disposal of tangible fixed assets	(2,306)		1,539	
Decrease in stocks	(3,479)		2,870	
(Increase)/Decrease in debtors	99,595		(135,954)	
(Decrease)/Increase in creditors	1,898		(2,473)	
Income from investments	(160,030)		(163,502)	
Cash (utilised in)/generated by operating activities		(278,973)		(266,520)
Cash flows from investing activities				
Interest received	25,672		33,811	
Dividend income	134,358		129,691	
Payments to acquire tangible fixed assets	(65,256)		(133,826)	
Receipts from sales of tangible fixed assets	29,450		31,709	
Payments to acquire investments	(3,203,037)		(1,077,503)	
Receipts from sales of investments	3,137,310		952,062	
Movement in cash held for re-investment	(33,593)		27,624	
Cash (utilised in)/generated by investing activities		24,904		(36,432)
Increase/(decrease) in cash and cash equivalents in the year		(254,069)		(302,952)
Cash and cash equivalents at beginning of year		2,923,571		3,226,523
Cash and cash equivalents at end of year		2,669,502		2,923,571

Notes to the financial statements for the year ended 31 December 2025

1 Accounting policies

The Scottish Electrical Charitable Training Trust is an unincorporated charity with the registered office as noted on page 1. The following accounting policies have been applied consistently in dealing with the items which are considered material in relation to the charity's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost accounting rules, and in accordance with applicable accounting standards, modified for the revaluation of investments. The charity is a Public Benefit Entity and the financial statements comply with the charity's Constitution, the Statement of Recommended Practice (SORP) FRS 102 'Accounting and Reporting by Charities', FRS 102, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The financial statements are prepared in £ sterling which is functional currency of the charity rounded to the nearest pound.

Going concern

The financial statements are prepared on a going concern basis. The Trustees believe this is appropriate having looked at the current financial position and future funding prospects. In reaching this judgement, the Trustees have considered a period of at least 12 months from the date of approval of the financial statements and have not identified any material uncertainties in respect of going concern in that period.

Income

Income is recognised when the charity has entitlement to funds, any performance conditions attached to the income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Investment income is recognised when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the income paid or payable.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Direct costs have been allocated directly to the relevant expenditure category. Some support costs are allocated directly to relevant expenditure categories with the remainder apportioned between the various elements of charitable expenditure on a pro rata basis. Support costs relate to the administrative costs of running the charity and are allocated to charitable activities accordingly. They include governance costs which are those costs involving the public accountability of the charity and its compliance with regulations and good practice and include the costs of statutory audit and legal fees, together with the costs of trustees' meetings. Where VAT is applicable on costs it is not recoverable.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Redundancy and termination payments are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Notes to the financial statements for the year ended 31 December 2025

1 Accounting policies (*continued*)

Fixed assets

There is no de minimis limit for capitalisation of assets. All assets are held at cost. Depreciation is provided by the Trust to write off the cost of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Premises and improvements	50 years straight line
Motor vehicles	5 years straight line
Office furniture and equipment	5 years straight line
Computing equipment	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Investments and investment income

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date by reference to the Stock Exchange mid prices. Realised and unrealised gains and losses are charged or credited in the statement of financial activities. The main form of financial risk faced by the Trust is that of volatility in the investment markets due to wider economic conditions. Investment income is re-invested. Investment income is recognised when receipt is probable.

Stock

Stock is stated at the lower of cost and net realisable value.

Debtors

Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash

Cash at bank and in hand includes cash and highly liquid short-term investments with a maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. The Trust has no complex financial instruments.

Taxation

The Trust is recognised by HM Revenue & Customs as a charity for the purposes of the Corporation Tax Act 2010, part 11 and is exempt from income and corporation tax on its charitable activities.

Notes to the financial statements for the year ended 31 December 2025

1 Accounting policies (*continued*)

Defined benefit pension scheme

The charity is a member of a defined benefit pension scheme which is closed to future members and provides benefits on final pensionable pay. The assets of the scheme are held separately from the charity. The charity is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. Employer current pension contributions are charged to the Statement of Financial Activities in the period to which they relate.

Defined contribution pension scheme

The charity also participates in a defined contribution pension scheme for employees who joined after 2014 which provides benefits based on contributions. Employer contributions are charged to the Statement of Financial Activities in the period to which they relate.

Operating leases

Operating lease rentals are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

Funds

Restricted funds are funds subject to specific requirements, which may be declared by the donor or used only, on or with their authority. Restricted Funds may be restricted income funds which are expendable at the discretion of the trustees in the furtherance of a particular aspect of the objects of the Trust or may be capital funds, where the assets are required to be invested or retained for actual use rather than expended.

New or revised Financial Reporting Standards

Amendments to FRS 102 introduced by the Period Review 2024

The amendments to FRS 102, along with the revised Charities SORP 2026, are applicable for accounting periods commencing on or after 1 January 2026, with earlier adoption permitted. The trustees have opted not to adopt these amendments early, as such, the amendments will be implemented for the accounting year ending 31 December 2026. The most significant amendments are the replacement of Section 23, now renamed 'Revenue from Contracts with Customers', and Section 20 'Leases'. The other less significant changes are not currently expected to have a material impact. The new revenue and leasing requirements seek to provide greater consistency and alignment with International Financial Reporting Standards, namely IFRS 15 and IFRS 16.

The charity is currently planning for the implementation of these changes.

Under the new lease accounting requirements these changes will be applied using the modified retrospective approach which avoids the restatement of comparative figures. The implementation of the changes would see leased assets recognised as Right-of-Use assets on-balance sheet, with a lease liability recognised based on the discounted value of any future commitments, plus payments related to optional extension periods if considered reasonably certain. Exemptions to this approach will be considered for certain short-term leases or low-value assets.

Under the new revenue accounting requirements, management expects these changes to be applied using the modified retrospective approach which avoids the restatement of comparative figures. Management are reviewing the current and expected future revenue transactions to determine the necessary performance obligations, transaction prices, and overall recognition and presentation to ensure compliance with the changes. As at the date of signing the financial statements, and given the changes relate to future periods, it has been deemed impractical to determine the amounts involved.

Notes to the financial statements for the year ended 31 December 2025

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Trust's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

- Determine whether leases entered into by the charity as a lessor are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.
- Tangible fixed assets are depreciated over a period to reflect their estimated useful lives. The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.
- Fixed assets are also assessed as to whether there are indicators of impairment. This assessment involves consideration of the economic viability of the purpose for which the asset is used.

3 Income from donations and grants

	2025 £	2024 £
Scottish Joint Industry Board	5,824	-
	<u>5,824</u>	<u>-</u>

4 Income from charitable activities

	2025 £	2024 £
Skills Development Scotland - Funding contributions	6,157,492	6,109,873
Employers' funding	3,692	3,901
FICA, ACA and CEC fees	94,269	81,380
	<u>6,255,453</u>	<u>6,195,154</u>

5 Income from investments

	2025 £	2024 £
Interest receivable	25,672	33,811
Dividend income	134,358	129,691
	<u>160,030</u>	<u>163,502</u>

**Notes to the financial statements
for the year ended 31 December 2025**

6 Expenditure on raising funds

	2025	2024
	£	£
Investment management costs	998	1,194

7 Expenditure on charitable activities

	2025	2025	2025	2024	2024	2024
	Direct	Support	Total	Direct	Support	Total
	costs	costs	costs	costs	costs	costs
	£	£	£	£	£	£
Employer training support	1,336,664	100,867	1,437,531	1,226,790	116,043	1,342,833
College fees	2,437,024	183,903	2,620,927	2,205,835	208,651	2,414,486
Assessment centre costs	453,526	34,224	487,750	403,313	38,150	441,463
Apprentice costs	497,701	37,558	535,259	638,098	60,358	698,456
Training officers' costs	1,528,179	115,320	1,643,499	1,390,918	131,568	1,522,486
	6,253,094	471,872	6,724,966	5,864,954	554,770	6,419,724

8 Support costs

	2025	2024
	£	£
Staff costs	296,314	388,751
Travel and subsistence	290	618
Premises	70,774	68,391
Office equipment costs	24,059	23,658
Office supplies	11,360	11,602
Professional fees	47,317	38,675
Depreciation	4,278	5,647
Governance costs (note 9)	17,480	17,427
	471,872	554,769

9 Governance costs

	2025	2024
	£	£
Auditors' remuneration	13,750	13,000
Other external review costs	2,750	2,675
Cost of trustee's meetings	980	1,752
	17,480	17,427

Notes to the financial statements for the year ended 31 December 2025

10 Trustees / Employees

The trustees received no remuneration, other benefits or reimbursement of expenses during the current or prior year.

The average number of persons employed during the year, analysed by category, was as follows:

	2025 £	2024 £
Administration	15	17
Training	16	14
	<u>31</u>	<u>31</u>

The full-time equivalent number of employees was

<u>31</u>	<u>31</u>
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The average payroll costs of these persons were as follows:

	2025 £	2024 £
Wages and salaries	1,523,592	1,462,178
Social security costs	197,958	175,906
Pension costs - Defined contribution scheme	169,207	173,020
	<u>1,890,757</u>	<u>1,811,104</u>

Remuneration of key management personnel

<u>346,386</u>	<u>367,660</u>
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Number of employees with employee benefits (excluding employer pension costs) in excess of £60,000:

	2025 No.	2024 No.
£60,001 - £70,000	1	2
£70,001 - £80,000	-	1
£80,001 - £90,000	-	-
£90,001 - £100,000	-	-
£100,001 - £110,000	1	-
	<u>1</u>	<u>-</u>

No termination payments were paid out in the year (2024: £74,219).

Notes to the financial statements for the year ended 31 December 2025

11 Tangible fixed assets

	Premises & improvements £	Motor vehicles £	Computing equipment £	Office furniture & test equipment £	Total £
Cost					
At start of year	246,500	349,690	73,663	266,095	935,948
Additions	-	55,800	7,120	2,336	65,256
Disposals	-	(77,674)	(8,062)	(228)	(85,964)
At end of year	246,500	327,816	72,721	268,203	915,240
Depreciation					
At start of year	144,827	129,254	55,840	253,907	583,828
Charge for year	4,931	67,406	9,679	4,470	86,486
Disposals	-	(50,679)	(8,062)	(80)	(58,821)
At end of year	149,758	145,981	57,457	258,297	611,493
Net book value					
At 31 December 2025	96,742	181,835	15,264	9,906	303,747
Net book value					
At 31 December 2024	101,673	220,436	17,823	12,188	352,120

12 Fixed asset investments Quoted investments

	2025 £	2024 £
Fair value at beginning of year	5,825,327	5,381,760
Less cash held for reinvestment	(100,600)	(128,225)
	5,724,727	5,253,535
Additions at cost	3,203,037	1,077,503
Disposals proceeds	(3,137,310)	(952,062)
Net investment gains/(losses)	327,150	345,751
	6,117,604	5,724,727
Add cash held for reinvestment	134,192	100,600
	6,251,796	5,825,327
Fair value at end of year	6,251,796	5,825,327
Historical cost at end of year	5,494,915	5,386,374

The main risk to the Trust from financial instruments lies in the combination of uncertain investment markets and volatility to growth. The Trust's investment strategy is to ensure capital growth of funds in excess of inflation each year and as such the portfolio is invested in low to medium risk stocks. Liquidity risk is anticipated to be low as all assets are traded in markets with good liquidity and high trading volumes and this is expected to continue. The Trust manages these investment risks by retaining expert advisors to manage its investment portfolio. The investment policy is reviewed annually to ensure the protection of the real value of the portfolio in the longer term.

**Notes to the financial statements
for the year ended 31 December 2025**

13 Debtors	2025	2024
	£	£
Trade debtors	-	8,105
Other debtors	885	1,737
Prepayments and accrued income	403,937	494,575
	<u>404,822</u>	<u>504,417</u>
	<u><u>404,822</u></u>	<u><u>504,417</u></u>
14 Creditors	2025	2024
	£	£
Trade creditors	25,410	64,976
College fees	989,603	814,816
Accruals	667,368	808,188
Fees received in advance	7,107	15,720
Social security and other taxes	66,226	44,276
Other creditors	-	-
Funds held on behalf of others*	5,069	10,909
	<u>1,760,783</u>	<u>1,758,885</u>
	<u><u>1,760,783</u></u>	<u><u>1,758,885</u></u>

* These funds are held in respect of the Construction and Built Environment Challenge (CABEC). CABEC is a partnership of likeminded institutions, Sector skills councils, training facilitators and industry. Its aim is to highlight the career opportunities available within the construction, engineering and building services industries to young people in a full and challenging way. It does so by holding a competition for 13-14-year-olds which is primarily sponsored by local interested parties. £10,909 (2024: £10,165) of funds were held at the start of the period of which £9,340 (2024: £6,756) were spent during the period and a further £3,500 (2024: £7,500) were received in the period. The balance of funds available of £5,069 (2024: £10,909) remains at the year end.

Fees received in advance	£
Deferred income at 1 January 2025	15,720
Resources deferred during the year	7,107
Amounts released from previous years	(15,720)
	<u>7,107</u>
Deferred income at 31 December 2025	<u><u>7,107</u></u>

Fees received in advance are re-sit fees received in advance of the re-sit date.

**Notes to the financial statements
for the year ended 31 December 2025**

15 Funds						
2025	Opening balance £	Income £	Expenditure £	Gains/ (losses) £	Transfers £	Closing balance £
Unrestricted						
General	7,861,575	6,424,827	(6,725,964)	327,150	-	7,887,588
Total Funds	7,861,575	6,424,827	(6,725,964)	327,150	-	7,887,588
2024	Opening balance £	Income £	Expenditure £	Gains/ (losses) £	Transfers £	Closing balance £
Unrestricted						
General	7,568,198	6,368,544	(6,420,918)	345,751	-	7,861,575
Total Funds	7,568,198	6,368,544	(6,420,918)	345,751	-	7,861,575

16 Commitments

The Trust has total minimum future commitments under operating leases as follows:

	2025 £	2024 £
Operating leases which expire:		
Less than one year	97,657	74,206
Two to five years	355,854	289,460
Due over 5 years	-	-
	453,511	363,666

Operating lease payments of £85,017- (2024: £71,897) were paid in the year.

Future commitments

The Trust has entered into commitments in respect of training assistance provided to apprentices and employers throughout the duration of the apprenticeship. The commitment at the balance sheet date is estimated to be in the region of £5 million. These costs are treated as liabilities of future periods to which they are time related and will be financed by specific funding contributions or other income receivable in those periods.

Notes to the financial statements for the year ended 31 December 2025

17 Pension costs

The Trust has participated in the ITB Pension Funds Schemes. The Defined Benefit Scheme was closed to new entrants in 2012 and in 2014 the Trust joined the Defined Contribution scheme of the ITB Pension Funds for new permanent members of staff. The Defined Benefit Scheme provided benefits based on final pensionable salary.

During 2025, the ITB Pension Funds Trustees determined to wind-up the ITB Pension Funds and transfer the assets and liabilities of the Defined Contribution Scheme assets and liabilities to the Legal & General Worksave Mastertrust defined contribution pension scheme product.

The total Defined Contribution pension charge for the year was £169,207 (2024: £173,020). The amounts outstanding for the Defined Contribution Scheme for the year end were £nil (2024: £nil).

18 Financial instruments

	2025 £	2024 £
Carrying amount of financial assets		
Equity instruments measured at fair value through profit and loss	6,117,603	5,724,727

Equity instruments measured at fair value through profit and loss comprises listed investments.

19 Related parties

As noted within the trustees report, both SELECT and UNITE are represented on the Board of Trustees and are considered related parties on that basis. SJIB delegate the management of training schemes to the charity and as such, are also considered a related party. During the year, the charity received services totaling £6,000 (2024: £6,000) from SELECT and £6,000 (2024: £6,000) from UNITE for consultancy advice to enable the charity to operate in meeting the demands of the industry. The balance due to SELECT at the year-end was £nil (2024: £nil) and the balance due to UNITE at the year-end was £3,500 (2024: £3,500). £65,934 (2024: £63,550) of rent was also paid to SELECT in the year. In accordance with the Trust's founding document each of these organisations appoints three trustees. During the year, the charity incurred registration fees amounting to £162,400 (2024 - £168,800) from SJIB and at the year end this amount was outstanding.

One of the trustees, John Noble, is also the director of John Noble Electrical Contractors, a company which was awarded on-site training support payments of £1,500 (2024: £1,500) by the Trust in respect of apprentices' employment during the year.

The support paid to every employer in relation to an apprentice is the same throughout Scotland. The on-site training support structure and value is approved annually by the trustees.

20 Ultimate controlling party

The charity is constituted by Trust Deed and is controlled by the elected trustees.