



Seetec Group In Review 2022



Contents

Foreword From Our Group Executive Chairman	03
2022 in Numbers	05
Social Value Commitment	06
Geographical Footprint	09
Employee Ownership Update	10
Business Area Overviews	13
Apprenticeships and Training	13
Employability and Skills: UK	16
Justice and Social Care	19
Employability and Skills: Ireland	22
Market Overview	25
Leadership Team	28
Employee Council	29
Statement of Accounts	30
Group Strategic Report	31
Directors' Report	38
Independent Auditor's Report	45
Consolidated Statement of Comprehensive Income	49
Consolidated Balance Sheet	50
Company Balance Sheet	51
Consolidated Statement of Changes in Equity	52
Company Statement of Changes in Equity	53
Consolidated Statement of Cash Flows	54
Notes to the Financial Statements	56

2022 in review: A focus on growth in challenging times

2022 has been a year of considerable change. The economic outlook is now more challenging for business and the UK Government has seen a shift in policy direction, settling on a fiscal consolidation plan that has appeared to calm the markets. This is in stark contrast with the Irish Government's approach, which delivered a budget that increased spending but continues to have a budget surplus. In December, Ireland's Coalition Government completed its long-expected reshuffle in line with the agreement between the three partners, marking the halfway point in its administration. The UK economy ended the year with the prospect of a recession likely, in part down to global factors. It is the Irish Government's expectation that it will avoid recession, with an indication of improved economic and jobs growth.

These external factors have a bearing on the strategic direction we will plot in the coming 12 months alongside the ambitions set out in our new strategic framework. Despite these external pressures the Group remains resilient, and our business model places us in the right position to respond to commissioners' needs if the UK has to deal with a protracted recession. In terms of the Group's financial position, 2022 has been focused on steady state trading of recently secured contracts, consolidating our existing market position and investment in operations. We have also explored a number of acquisitions to strengthen our foothold where there is a commitment to grow

the Group's market position and in furtherance of our strategic objectives.

The rising cost of living, high inflation levels and increased interest rates are impacting businesses and people hard. These are problems facing our employee owners, and our participants in the communities that we serve across both countries. We have sought to play our part in the national conversation on these matters by, for example, publishing a pamphlet on the cost of living crisis, drawing upon Seetec's expertise and knowledge to pose recommendations to the UK Government on ways to ease the burden on those we work with. It has also been encouraging to see employee owners pulling together to support one another and increase their volunteering activity to help local charitable groups as the cost of living bites.

In the face of these challenges, our business areas have continued to deliver an outstanding service to participants in the communities that we serve, whilst also significantly boosting our offering to commissioners, businesses and participants. In 2022, we supported **101,145** people across all our business areas. In Ireland, Seetec was awarded new National Employment Service (NES) and Local Area Employment Support (LAES) contracts, building on our strong track record of delivering the JobPath employment activation programme.



"2023 will see us focusing on ensuring the Group's ambitious growth plans are realised in the UK and Ireland. We are well-placed to strengthen our current position in the sectors each area of the Group has a footprint in, as well as pursuing commercial opportunities in new markets in the year ahead."

John Baumbach,
Executive Chairman

Our Employability and Skills: UK business area has secured significant contracts to deliver the National Careers Service in the South West and North West. Seetec Outsource continues to broaden its portfolio, winning two new contracts with the Greater Manchester Combined Authority (GMCA). It was also recognised by FE Week as the 2022 transport and logistics apprenticeship provider of the year. Our Justice and Social Care business area is working on an ambitious growth programme in the family assessment space, helping to broaden its portfolio of services to meet the gap in need.

This year also saw Seetec build on its role of influencing the public policy agenda. We have contributed ideas and recommendations to a series of important consultations and events on employability, skills and justice policy. There is a focus on positioning the Seetec brand as a leader in this space, for example, by joining forces with the Institute for Government for two high-profile events at the Conservative and Labour Party conferences. Work continues to build upon our direct relationships with both the Government and the Opposition, as part of our efforts to increase understanding of the issues faced by our participants and the solutions we can deliver. The Group has a new strategic framework, which has set an ambitious target to grow the business to £250 million by 2032. This five-year framework aims to grow our business in a responsible way, and protect Seetec from external shocks by, for example, diversifying our revenue streams. This will, of course, take time to build, but the driver behind the strategy is to ensure we are a resilient and sustainable organisation. We will therefore develop an investment strategy to strengthen our balance sheet, including expanding our property portfolio, which will help secure our long-term

presence, service delivery and impact in specific communities. The fundamental focus remains the same – a relentless commitment to quality delivery continues to be a core foundation that leads us to sustainable success. Importantly, we will strive to place as much emphasis on the delivery of our social value pledges as we do our operational and financial performance targets, and to this end the Group's purpose, vision and mission statements have been revised.

Seetec's revised Purpose, Vision and Mission

- **Purpose:** Seetec's purpose is to empower people to discover and realise their unique potential, with every life changed advancing fairer, safer and more prosperous communities.
- **Vision:** Our vision is to be trusted as the UK and Ireland's most effective provider of services that advance fairer, safer and more prosperous communities.
- **Mission:** Seetec believes everyone has the capability to discover and realise their unique potential.

We help people to achieve this through our expertise in the training, skills and services that create lasting change coupled with support that is delivered with empathy, compassion and honesty.

This empowers people to change their lives and in so doing, advances fairer, safer and more prosperous communities.

Our Government commissioners, particularly in the UK, will be focused on navigating the difficult economic terrain ahead, and we remain proud to play our part and work closely with them to deliver economic growth, provide ideas to strengthen labour market resilience, work to upskill communities and further support those who need help to achieve their life ambitions. One of our other priorities is to build on the Group's strong regional presence in the year ahead. The introduction of the UK Shared Prosperity Fund, further devolution deals, and the progress of Freeports and Enterprise Zones will further strengthen the importance of many regional administrations across England, and we are well-placed to help support our commissioners in these areas to deliver on their ambitions.

Finally, I want to pay tribute to all our employee owners who are consistently going the extra mile to support each other and our participants during challenging economic times. Alongside our ambitious growth plans for 2023, I am certain that we have the strategy, people and operational capacity in place to boost our offering and to deliver more for the communities that we serve.



John Baumbach, Executive Chairman

2022 in numbers

1,965

Current
colleagues

67,800

The total number of individuals supported through our Employability and Health services in 2022



£141m

The Group's
turnover in FY 21-22

2,825

The number of learners that started their apprenticeship, traineeships and adult education course in 2022

22,848

Total number of individuals referred onto Interventions Alliance services in 2022



101,145

The total number of individuals supported through all of our combined services across the Group in 2022

7,672

The total number of individuals supported through our Irish employability services in 2022

Delivering a new approach to social value, so that communities can prosper

A new set of social value pledges now sit at the heart of the business. Each employee owner is determined to play their part to give back and support those in areas impacted most by the current challenging times. Since the introduction this year of new reporting and monitoring methods for the social value that we contribute, there has already been an increase in participation across all business areas as employee owners identify their own ways to support projects that deliver opportunity through inclusion, promote community resilience and enhance environmental sustainability.

Sally Gibbs, Group Director of Strategy and Growth, who leads the measurement of social impact across the business, said:



"As employee owners committed to delivering positive social impact, we all share a sense of responsibility to want to do more to help the people in the communities that we serve to fulfil their life ambitions.

"Leaving our environment in a better state for future generations to enjoy is an important priority for the business, so we are taking steps to reduce the carbon emissions emitted across the Group and invest in more sustainable ways of working. Reducing the skills inequality gap matters too, so we have committed internally and externally to address it so that no one is left behind. It is also encouraging to see the increasing number of employee owners who have been supporting local charitable organisations through volunteering.

"As a business group with a social conscience geared towards enhancing prosperity and inclusion, we hope to break down barriers and help communities confront inequalities so that everyone has an equal chance to succeed."

Communities

The priorities under this pledge focus on volunteering activity with local charitable groups and good causes where we have a footprint. There is also a commitment to careers support, with a focus on ways to encourage skills development, literacy and mentoring.

Our employee owners contributed over **268** days of volunteering activity in 2022.

Rosie Cherrill, an Employee Council member and Chair of the business's Volunteering Working Group, said:



"I am encouraged by the level of commitment seen across the Group as employee owners have devoted increased amounts of time to volunteering activity. Our internal Volunteering Working Group has only been active for just over six months, but it has already organised a range of activities to promote volunteering and also built relationships with a number of charities to help guide employee owners to projects where they can make a difference.

"This is only the beginning of the working group's activity, during 2023 colleagues plan to do more to support the resilience of communities hardest hit by the current economic situation through voluntary activity aimed at confronting current cost of living challenges."

People

Helping to provide opportunities for people to secure employment is something we have a great deal of experience in delivering. Using that experience, we plan to focus on addressing inequality in terms of: offering skills and employment advice more broadly; expanding our own apprenticeship offer; continuing to focus on ethnicity and gender equality; maintaining the Group's status as a living wage employer; and promote mental health and inclusion training.

Sasha Ashton, an employee owner and the Group HR Director, said:

"Putting in place internally and externally steps to help people upskill or reskill is a priority for the business. In uncertain economic times, Seetec is best placed to work with people to help them reach their full potential. The focus in 2023 will be to improve the monitoring of the Group's pledges in this area and to agree some more tangible external projects because our investment in people is a priority."

Sustainability

We are committed to action that safeguards the environment. The pledges in this area focus on tackling air pollution and ways to support the wider natural environment. To take more proactive action on carbon emissions, we are committed to using greener travel alternatives. There are plans to use low emission vehicles for business purposes where possible. Donations will also be made towards biodiversity conservation and sustainable reforestation initiatives.

Michael Low, an Employee Council member who has been spearheading environmental projects, said:

"Seetec has been working to reduce its carbon footprint for some time and has made good progress. There can never be any complacency when it comes to action on the environment and how our business can operate in a more sustainable way. The new social value pledges offer a clear way forward to build on our commitment to be a more environmentally conscious business."



Future priorities to enhance the Group's commitment to its social value pledges:

To continue the positive momentum, we are taking forward several priorities in 2023 to boost efforts to deliver more tangible action.

- We are committed to developing a social value report to assess delivery, alongside quarterly internal reports.
- A dedicated Social Value Delivery Board working to oversee and drive the agreed pledges and our wider strategy is in place.
- A new internal volunteering working group is developing ties with charitable organisations to increase participation in local projects.
- The Group is now a member of Social Value UK to build a wider network and share best practice with those like-minded organisations.

- New reporting systems have been introduced to measure the impact of action on the social value pledges.
- The Group will publish a statistical breakdown of its social value activity.
- The Group will be working externally to continue engaging with other likeminded businesses as it progresses its B Corp reaccreditation.
- We will continue to support National Volunteers' Week, to promote the benefits of supporting charitable causes and community projects.
- Work has commenced on a social value communication and engagement plan to encourage involvement from colleagues in shaping the approach taken in implementing the social value strategy.

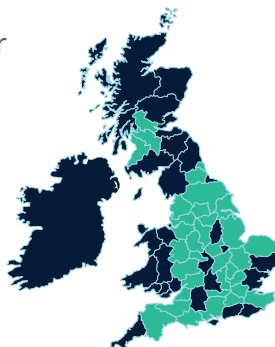
Geographical footprint

Our services provided through our Employability and Skills: UK, Employability and Skills: Ireland, Justice and Social Care and Apprenticeships and Training business areas cover many regions in the UK and Ireland.

Apprenticeships and Training

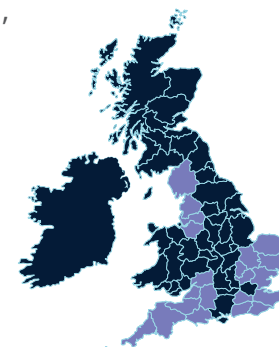
As an experienced learning provider; we deliver apprenticeship training and adult education across multiple regions in England and Scotland.

In 2022, we expanded our skills provision in the North of England with the award of two contracts for Greater Manchester Combined Authority and the launch of our Academy for Military Preparation at five sites in Darlington, York, Middlesbrough, Sunderland and Huyton, Merseyside. In addition, we grew our presence in the South West with new adult education courses in Bath and North East Somerset, Bristol and South Gloucestershire.



Justice and Social Care

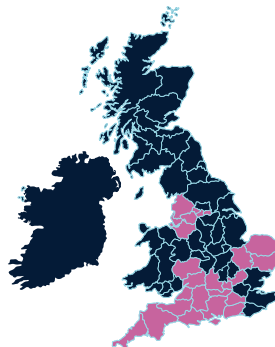
At Interventions Alliance, we deliver life-transforming solutions to help people overcome barriers, build better futures and foster personal wellbeing. This includes an Approved Premises in Bristol and several CFO Activity Hubs (Manchester, Warrington, Liverpool, Bristol, Chatham and Hastings). We also deliver Community Rehabilitation Services (CRS) linked to accommodation on probation in the North West, South West, Kent, Surrey and Sussex (KSS) and the East of England. Our Education, Training and Employment (ETE) provision is delivered in the South West, KSS and the East of England, and our Personal Wellbeing (PWB) support in Kent and Cheshire.



Employability and Skills: UK

We deliver a wide range of employability, health and wellbeing services, empowering thousands of people to move towards and into work (including National Careers Service, Work and Health Programme, Restart and JETS scheme delivery).

Pluss, an award-winning independent Community Interest Company (CIC) that provides specialist support to inspire people of all abilities to achieve work and a career, forms a key part of this division too. It is a social enterprise working to ensure nobody is left behind in our society.

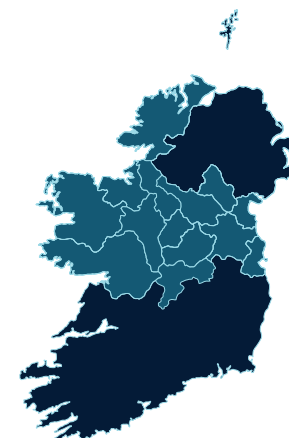


Employability and Skills: Ireland

The JobPath contract we deliver covers the Dublin, West, North and North West, Midlands and North East regions.

We deliver the Intreo Partner National Employment Service in communities across Dublin, Louth, Meath, Westmeath, Longford, Roscommon, Leitrim, Galway, Mayo, Sligo, Cavan, Monaghan and Donegal.

We also deliver the Regional Employment Service in Westmeath and Longford.



“We own what we do and why we do it”

Why employee ownership works for Seetec

Each and every one of our colleagues is proud to be an employee owner. This status sets us apart from our competitors, being that we are the Group’s majority shareholders and are proud to put the needs and aspirations of our participants and communities first.

As a colleague recently said; “we own what we do and why we do it”

From the beginning, our vision for employee ownership has been based on the fact that we collectively own the majority of the business and are united in our passion for changing lives and working collaboratively to shape the future of our organisation.

This year we have prioritised empowering the employee voice by continuously seeking contributions from the people who best know our participants and communities. Through this investment, we ensure colleagues can positively influence the future direction of the business for years to come. To date, more than 1,000 hours of development activity has been undertaken to further improve our financial awareness, communication skills and increase the number of networking opportunities. Other business

improvements and benefits from this approach include our senior leaders working closely with elected employee council representatives on decision-making boards across the business. Our employee champion network has also grown to become a group of more than 60 colleagues who work to bring the collective employee voice across the business to life.

What our employee voice achieved in 2022:

- Identified practical solutions to alleviate the cost-of-living crisis;
- Influenced the creation of Seetec’s social value strategy alongside senior leaders;
- Collaborated with senior leaders to create the Group’s strategic framework;
- Shaped local reward and recognition schemes;
- Influenced the Group’s equality, diversity and inclusion strategy;
- Shaped and directly influenced the launch of the Seetec employee ownership dividend scheme;
- Improved internal communications for colleagues across the Group; and
- Collaborated on the update of the Group brands and intranet overhaul.



What employee ownership means to us

Our colleagues have told us what employee ownership means to them.

Voice and influence



- ✓ Collective voice
- ✓ Recognised identity
- ✓ Confidence to speak
- ✓ A say in the future

Transparency



- ✓ Greater transparency
- ✓ Democratic approach
- ✓ Involvement in decisions
- ✓ Ownership and responsibility

Collaboration



- ✓ Fosters collaboration
- ✓ Better understanding
- ✓ Shared success and wellness
- ✓ Stronger connections

Making a difference



- ✓ Personal investment
- ✓ Business success
- ✓ Shared responsibility
- ✓ Real impact

What employee ownership means to us

As passionate supporters of the employee ownership movement, we are an active member of the Employee Ownership Association and support the vision that more employee-owned businesses are part of the answer to develop more sustainable and resilient businesses in regions across the UK and Ireland.

"The way we have structured employee ownership at Seetec means, as an employee council member, you are exposed to interesting and confidential business intelligence. You are involved in important discussions and decisions, balancing the need for confidentiality alongside supporting your champions and colleagues in making this a better place to work – for us all."

Suzanne Purcell, ETE Regional Manager

"The Cost of Living working group is employee ownership at its best; employee owners, empowered to be pro-active in response to the challenges faced by us all. Using their voice to collaborate, debate and find appropriate solutions in real time!"

Micaela Joannou, Learning and Development Consultant

"Our fellow employee owners have been truly empowered to use their voices to shape the company response to this dreadful cost of living crisis."

Louise Lambert, Employment Team Leader

"Refreshing the values for the Group was an employee ownership highlight in 2022. It was a project with colleague voice at the heart of its creation. It was really inspiring to hear our colleagues' voices unified in the power and the purpose of Seetec as a Group, and to capture employee owners' input from across our business areas."

Harriet Kelly, Employee Ownership Trust Director



Review of the year: Apprenticeships and Training

The delivery of the skills agenda is fundamental to help the UK economy remain competitive. It is important to tackle skills shortages and issues associated with migration facing key sectors to help to stimulate economic growth, which results in more jobs.

The skills funding landscape in the UK is complex and is often a barrier for employers and the learner themselves to access. However, throughout 2022 our apprenticeship and training business area has sought to define the market sectors we intend to support and build a place whereby we can simplify the funding routes for the employer and provide access to funded programmes for the individual.

As part of our strategy, we have been successful in diversifying our revenue streams through the award of two Greater Manchester Combined Authority (GMCA) European Social Fund (ESF) training contracts and maintaining the level of our commercially funded programmes.

Education and skills

2022 was another exciting year for our apprenticeship and training business, with the launch of our Academy for Military Preparation at five sites in Darlington, York, Middlesbrough, Sunderland and Huyton, Merseyside. The Academy supports young people to prepare for the Armed Forces recruitment and selection process and phase one training. The provision is already popular within our local communities and visitors this year have included Rachel Maskell, MP for York Central, and Peter Gibson, MP for Darlington.

The business has also secured a number of new funding awards, including two contracts for GMCA's three-year Skills for Growth programme. This includes a £1 million contract to deliver logistics skills training to employed individuals, and a £2 million contract to deliver skills and wellbeing training to the blue light emergency services sector.

In addition, Seetec Outsource has been awarded devolved Adult Education Budget funding from the West of England Combined Authority to deliver adult education in Bath and North East Somerset, Bristol and South Gloucestershire. This has enabled us to expand our regional presence in the South West, where we already deliver non-devolved Adult Education Budget courses, and short courses for the hospitality, leisure, catering, retail and tourism sectors as part of Devon County Council's Open Up To Skills initiative.

"When I found out about the apprenticeship opportunity, I jumped at the chance to apply. I didn't need an LGV licence as full training would be given, leading to permanent employment with one of the UK's largest utility companies."

Saskia Blight, LGV Driver apprentice,
Thames Water



Review of the year: Apprenticeships and Training



"I feel really proud of myself and everything I've achieved. I'm so much more confident now and will always have a qualification to prove how much I'm capable of. I'm really grateful to my apprenticeship coach, Jo, and everyone at Sky for believing in me and giving me the chance to succeed."

Ebrima Mboob, Customer Service Apprentice, Sky

Apprenticeships

Across our apprenticeships business, we continue to grow and establish ourselves as a provider of choice in the sectors in which we operate. We have secured new contracts with British Airways to deliver a range of aviation, customer service and business support apprenticeships, and have also been named Regional Provider for the Civil Service in the South West, with the award of contracts to deliver customer service, business administration and public services delivery officer apprenticeships over the next two years.

In March 2022, we were named Transport and Logistics Apprenticeship Provider of the Year at the FE Week and AELP Annual Apprenticeship Conference Awards. The award is recognition of the excellence in our apprenticeship delivery and positions Seetec Outsource as a leading skills provider for the transport and logistics sector. In July 2022, City & Guilds also presented us with the end-point assessment (EPA) excellence plaque for the number of distinctions our learners achieved across a variety of apprenticeship standards. This again is recognition of the quality of our apprenticeship provision and a testament to the hard work of our employee owners across the country.

"Taking the courses and passing all the exams has been a real achievement. Retaining information is a little harder as you get older, but our tutor Jodie made the sessions fun, informative and engaging. This makes learning a lot easier."

Simon Adams, Front of House, Lord Haldon Country Hotel



Aims and ambitions for 2023

As we head into 2023, our priority is to continue our sector-specific focus. We will invest in core programmes to develop and modernise our product offering as to support our ambition to work with larger, more predictable organisations, for whom, workforce skills are a board level issue.

Our training business is to continue the development of its intercompany transactions alongside our initiative to support place making activity with the intention of achieving vertical alignment of product offerings across the Seetec Group.

Growth within our training business will be focussed on sectors that are important to the UK economy, such as transport and logistics employers, the public sector and professional service providers.

Overall, our aims and ambitions for 2023 include:

- Leveraging our experience to enter the STEM training market with specialised training provision.
- The modernisation of our training offering for selected core market sectors.
- Working alongside industry partners to address critical skills gaps and workforce resilience.
- Applying enhanced commercial protection techniques for existing agreements and contracts.
- Investing heavily in our people, learning technology and our delivery capability.
- Working with the Government and local authorities to pursue high quality skills development.

Lloyd De Val, Director of Sector Skills, said:



"Development of skills, at all levels, is a proven means of addressing socio-economic inequalities.

"The UK economy is facing multiple challenges; recruitment, retention of staff, skills shortages and workforce skills migration planning. An effective skills offering is key to attracting, retaining, and progressing talent.

"Seetec is uniquely placed to develop integrated solutions for employers. We will maximise the diverse funding landscape in the UK to develop sector specific solutions and provide opportunity throughout the skills ladder. The solutions we put in place, not only address the market/employer need but help people to realise their ambition too."

Review of the year: Employability and Skills: UK

It's has been another fast-paced year for the employability and skills business area, which has seen over 67,800 people empowered to move towards and into work. And despite the challenges faced throughout 2022, our colleagues remain dedicated to supporting each and every participant.

Skills

In 2022, we launched the National Careers Service in the North West and South West of England. In just two years, the contracts are intended to support over **98,000** people to access impartial face-to-face careers advice and guidance. We also deliver the service as a sub-contractor in the West Midlands, Hampshire and the East of England.

We deliver Adult Education Budget contracts across Manchester, Cambridgeshire, Peterborough, and the West of England, supporting learners to upskill through a range of vocational and pre-employment initiatives.

DWP programmes

Over the past year, our Restart Scheme in the South West of England has supported around **21,785** individuals to move towards and into work. This is alongside **16,000** individuals supported through our sub-contracts in London, Central, the East and North West of England.

We continue to deliver the Department for Work and Pensions (DWP) Work and Health Programme (WHP) as intended. In October 2022 an extension for a further two years of delivery was granted.

Over its lifetime, the WHP Job Entry Targeted Support (JETS) contract, part of the Government's 'Plan for jobs' scheme, supported over **21,421** people to move back into work.

All our DWP programmes are further enhanced by our specialist health and wellbeing service, digital support and specialist partners to provide a tailored, holistic service to participants.

Specialist employability services

2022 saw the launch of our new self-employment programme pilot, a service offering specialist support for people looking to set up their own business. Delivery of our armed forces mentoring service also commenced, offering peer-to-peer mentoring to veterans by veterans.

Our learning disability and mental health employment services provided employment and wellbeing support to over **800** people throughout the year. We also launched a new learning disability and autism service in Dorset, set up a Project SEARCH internship programme at the Royal Devon and Exeter Hospital, and extended our autism employment service in Plymouth for another 12 months following its success.



Review of the year: Employability and Skills: UK



Our 'Workfit' in-work support programme helped **1,000** participants to stay healthy and productive across the South and North West of England.

Our Health Works for Cornwall team empowered **600** people to reduce social isolation and take 'safe steps' to develop their social skills and wellbeing. Meanwhile in Cornwall, Devon, Somerset and West Yorkshire, our Building Better Opportunities (BBO) teams supported over **1,700** people to build their confidence and move towards employment.

Funded by the UK Government's Community Renewal Fund, our Engage Somerset project supported **450** people to improve their wellbeing and move towards employment.

Our Social Prescribing service in Cornwall helped over **300** people to access financial, housing, emotional and wellbeing support.

Our manufacturing business remained strong, with many new business opportunities on the horizon in 2023 and beyond.

"My EA encouraged me to realise that I did have something to offer and could have a valued career. I was set up at an interview which was successful and I've been enjoying the role since! It's been so encouraging for my confidence and to feel like I can finally contribute."

Josephine

"I came out of the darkness; it feels like everything is going back to normal and I have got myself back. Knowing you have this backup is amazing."

Aneta



Aims and ambitions for 2023

2022 saw another year of significant change, including the renegotiation of our Restart Scheme contracts, restructuring our business area, securing and mobilising two National Careers Service prime contracts, reinvention of our manufacturing services and the transfer of Seetec's adult skills delivery into the business area.

Our focus for 2023 is delivering on our newly revised business plan targets, including winning good business, exiting key contracts that will not be recommissioned, and continuing to place social value and inclusion at the heart of everything we do.

We will:

- Win and deliver high quality, profitable business that allows us to continue to deliver social value by creating opportunities for people who face significant barriers to employment, including individuals with health and disability needs, and increasing opportunities for local small and medium-sized enterprise (SME) partners.
- Continue to expand and diversify our services and complementary skills offerings in existing geographical areas, particularly areas where we have recently secured a footprint such as London, Central and the East of England.
- Further develop services with a focus on career progression and earnings increase, in-work support, self-employment, and careers advice and guidance.
- Ensure we meet Restart Scheme targets and maximise the number of people we support into sustainable employment to be the best prime and sub-prime partner that we can be.
- Exit our BBO, HWC and JETS contracts brilliantly, ensuring the last participants receive the same quality service as all those before them and as many partners and colleagues as possible are supported to secure their continued opportunities.

Chris Harrison Executive Director, Employability and Skills: UK, said:



"2022 saw our newly renamed Employability and Skills UK business area support 67,800 people to improve their lives through improved health or wellbeing, increased skills or securing sustainable employment. To achieve this amidst a backdrop of continued change, including contracts starting and ending, increasing cost of living challenges and continued navigation of Covid-19 challenges is something that all our colleagues can be really proud of. Their ongoing dedication to improve the lives of participants and each other remains an inspiration and I look forward to seeing what we can do collectively in 2023 to ensure no one is left behind!"

Review of the year: Justice and Social Care

Throughout 2022, our commitment to supporting more people in overcoming the barriers to a better life through delivering quality services and interventions has remained stalwart. We have strengthened our position in the justice and social care sectors and have established strong relationships with new and existing partners, commissioners, and political stakeholders.

2022 was an exciting year, with the successful mobilisation of new contracts and the appointment of our Executive Director Amy Rice. We also celebrated our achievements with several VIP and charitable events, which showcased the excellent work our employee owners deliver for our participants, partners and commissioners.

CFO Activity Hubs

Our CFO Activity Hubs, part-funded by the European Social Fund, provide a warm, welcoming and inclusive environment to support some of the most vulnerable and marginalised individuals in our local communities.

The holistic activities provided are designed to reduce re-offending and promote social inclusion with 'wrap around' support to strengthen community ties, engagement with universal services and enhance the life chances of those with a criminal past.

A hub participant said:

"The help I've received from the Hub has quite literally changed my life for the better."

A hub participant said:

"The Hub has enabled me to build my confidence and socialise again. The staff at the Hub helped prepare me for an interview and I was successful in gaining employment."

By adopting a local approach across our South East, South West and North West regions, our CFO Activity Hubs are key for building a more inclusive society whilst keeping our communities safe.

We have also synchronised our services to ensure that the best outcomes are achieved for each individual, providing multiple touch points on a participant's journey and the best opportunities to work towards a brighter future.



Review of the year: Justice and Social Care



Commissioned rehabilitation services

Our Education, Training and Employment (ETE) provision in the South West, Kent, Surrey and Sussex and the East of England and Personal Wellbeing (PWB) support delivered in Kent and Cheshire have both performed strongly across all areas. Our ETE in the East of England was recognised as being the joint top performer of all providers for both quarter one and quarter two. There have been continued challenges delivering the accommodation service for men on probation which is delivered in the North West, South West, Kent, Surrey and Sussex and the East of England, due to higher-than-expected referral levels and resourcing issues. However, we continue to work collaboratively with HMPPS colleagues to navigate this. We have also enjoyed working with our CFO Activity Hub colleagues to support a holistic rehabilitation pathway with the people on probation we are working with, ensuring everyone receives support tailored to their individual needs.

We continue to demonstrate a positive relationship with Police and Crime Commissioners (PCCs) across the South East (Kent, Surrey and Sussex) through our provision of a specialist stalking intervention, the Compulsive and Obsessive Behaviour Intervention (COBI). COBI is a targeted, intensive treatment intervention now of interest to other PCCs through recommendations from our current commissioners.

Professional Standards and Development Team

In 2022, the focus of the Professional Standards and Development team remained the continuous improvement to the quality of our service provision. This is alongside the creation of a practice research team and the provision of learning and development. Research to multiple external organisations was carried out too.



Aims and ambitions for 2023

We want to reach even more people in 2023 and have some exciting ideas about our interventions. One such idea is adapting our programmes as to broaden our impact and engage with younger people. This early intervention is key to ensure that they can choose a positive path for the future and have the help to do so where their circumstances are difficult.

Our fellow employee owners have been very clear that their ambition is to work with younger people, so that we can help them to avoid the difficulties our current participants face in later life. We will lead on this exciting work as we move into new areas of delivery with new industry partners.

Our focus in 2023 will be on:

- The introduction of new services, such as family assessment centres and programmes that provide wrap around support to meet participant needs, no matter the barrier.
- Enter new markets that provide opportunities to deliver educational services and interventions targeted towards young people.
- Forge productive relationships with new commissioners in local authorities, multi-academy trusts and Police and Crime Commissioners.
- Bring more of our services into the North of the country, while embedding our services even further in our South East, South West and North West communities.

Amy Rice,
Executive Director,
Justice and
Education, said:



"Interventions Alliance had a strong year, winning awards and achieving recognition for quality service provision. In 2023, we plan to expand our social care offer to reach more people, including a focus on how we can help ensure young people get the best start in life. By preventing harm, more people can be empowered to pursue productive and fulfilling lives.

"The issues facing people in difficulty can often be complex. We deliver a collaborative approach to utilise expertise from across multiple fields to avoid silo working and the constraints that limit impact under that model. As an employee-owned organisation, we can serve our communities without those restrictions and do what needs to be done, with partners that are aligned to our values and want to change things for the better. Our potential is unlimited."

Review of the year: Employability and Skills: Ireland

Ireland's recovery from the Covid-19 pandemic fared better than expected in 2022, and the country has been navigating the challenges of higher inflation and the impact of the war in Ukraine.

In January 2022, Seetec Ireland started mobilising the new Intreo Partner Local Area Employment Service awarded by the Department of Social Protection (DSP) in Longford and Westmeath. Towards the end of 2022, we began delivery of a new contract also awarded by the Department of Social Protection (DSP): The Intreo Partner National Employment Service.

The procurement of these two contracts would not have been possible without the successful delivery of the JobPath service by our employee owners over the past seven years. JobPath was the Irish Government's first ever large-scale labour market activation service, and since 2015 we have supported over 45,000 clients successfully into employment. The work done throughout the pandemic also underlines the positive impact of the service on our communities, and despite public health restrictions and disruption to business, we supported 10,000 long-term unemployed individuals back into work.

The Welcome to Work programme in Galway, which worked with migrants to help them access training and employment services, supported nearly 100 members of new communities in the local area throughout 2022. This project ran for 12 months with the support of the Department of Children, Equality, Disability, Integration and Youth (DCEDIY) and funding from the European Social Fund.

As we continue our employee ownership journey in 2023, we are committed to creating a working environment which empowers the voice of our colleagues and helps to improve our business practices. For the past two years, our organisation has been recognised with certification from Great Place to Work.

The services we deliver are driven by our aim to empower lives and improve communities. Part of this commitment means supporting community groups, encouraging participation and working with local authorities. With the lifting of public health restrictions in 2022, our employee owners had the opportunity to continue the tradition of voluntary support that is a core part of our approach in delivering greater social value.

Our Galway team once again supported a fundraising project, Lots of Socks, and raised money for the parent-led organisation Voices for Down Syndrome which offers speech and language therapy to both children and adults.

Colleagues in Dublin delivered community workshops aimed at supporting young jobseekers to enter the labour market. In Carrick-on-Shannon, our colleagues carried out a town clean up ahead of a local festival. In Mayo, colleagues raised money to assist a project called the Butterfly Garden, which supports individuals who have experienced neonatal and child loss. Colleagues were also able

to support two new Community Development Hubs in Longford with the donation of furniture and equipment aimed at building stronger links with the community.



Review of the year: Employability and Skills: Ireland

Client feedback:

"I have valued both the help and reassurance given by Meghan and Seetec. Especially the help updating my CV and cover letter. This was my first time looking for work in thirty years. The course helped me to adapt to the changes in looking for work now. On a more personal level, I found my mentor, Meghan, to be extremely understanding and supportive when I hit upon personal problems whilst I was on the program. She helped to keep me focused while giving me valuable support during these times."

Client in Mullingar

Employer feedback:

"We were fortunate to come across Seetec as we were struggling to fill roles. Edel and the team were very helpful, listened to our requirements and supplied CVs of a strong calibre. Edel maintained contact with us and the candidates both throughout and after the recruitment process. I have really enjoyed working with Seetec and look forward to continuing our working relationship into the future."

Cora Kinnarney, Bord na Móna

Message from Karl Milne, Executive Director, Ireland:



"2022 was a landmark one for Seetec Ireland. The Department of Social Protection tendered for its next generation of public employment service contracts, and we were successful in winning the Intreo Partner Local Area Employment Service and two of the three lots tendered for the Intreo Partner National Employment Service. This positions us as the largest provider of contracted public employment services in Ireland."

"This is a testament to the fantastic work of our employee owners and partners in successfully delivering JobPath and making a positive impact in the communities we serve. We continue to explore new growth opportunities in areas that positively impact people's lives. 2023 will see us realise some of our growth ambitions."

Aims and ambitions for 2023

Although 2022 brought its own challenges, we are rising to meet them as we seek new opportunities to pursue more ways to empower our communities.

Labour shortages in key sectors mean the focus on reskilling and upskilling will become an increasing priority to the Irish economy. We will also be looking at diversifying to meet future employability and skills needs to match the ambition of our commissioners.

In 2023, we will:

- Build on our status as a Great Place to Work.
- Provide greater opportunities for our employee owners to shape the future direction of the business.
- Manage the development of the Intreo Partner Local Area Employment Service programme in Longford and Westmeath.
- Successfully mobilise and then deliver the contractual requirements of the new Intreo Partner National Employment Service.
- Explore further growth and diversification opportunities.
- Develop new partnerships to complement those of our trusted supply chain partners.

A more diverse labour market and wider pool of skills training opportunities will best prepare the Irish economy to not only address economic challenges, but also strengthen communities to withstand future country-wide shocks. Seetec Ireland's employee owners are committed to supporting community and wider business resilience, to build a more inclusive economy that helps more people to succeed.



Our markets

The global economic developments, change in UK political leadership and shift in policy direction experienced in 2022 will have an impact on our core markets heading into 2023 and beyond. As the UK enters what is expected to be a negative economic outlook, the impact of the cost-of-living crisis and reductions in public spending are likely to have implications for the people and communities we serve and the markets in which we operate. In Ireland, output from multinationals in particular, according to recent Central Statistics Office's data, boosted Gross Domestic Product (GDP), which rose by 2.3 per cent in late 2022. There is concern the domestic Irish economy will slow to 0.9 per cent in 2023. The multinational sector is a main driver of growth in Ireland, which is also set to slow down, but not at the same pace as the rest of the domestic economy.

The Irish Coalition Government is continuing its programme of delivery and saw its polling position improve in October 2022 following the publication of its budget. Standard & Poor's, the bond rating agency, believes Ireland will outperform other advanced economies and has raised its outlook on the country from stable to positive.

The operating environment in the UK is working under the context that the economy will be in recession. The assumption from The Bank of England is that the UK economy will remain in recession in 2023 and 2024 and GDP will recover gradually. Business investment is also likely to be impacted because of financial market volatility. This economic outlook will have a bearing on the operations of all large employee-owned

corporates, including Seetec, over the next 18 months. There are some positives however, the Government has made progress on the devolution agenda. The deal to bring a directly elected Mayor to Cornwall, with plans to devolve control over the regional Adult Education Budget, is of interest given our existing footprint in the South West. Making more progress on the trailblazer devolution deals with the Greater Manchester Combined Authority and the West Midlands Combined Authority is important too.

The Seetec Group delivers services to central governments, local and devolved authorities, non-departmental public bodies, Police and Crime Commissioners and employers. We work in partnership with our commissioners and local community-based organisations to achieve the best outcomes for the individuals and communities we support. We have four business areas that will aim to expand in their delivery markets: Employability and Skills: UK; Employability and Skills: Ireland; Justice and Social Care; and Apprenticeships and Training. The business areas deliver services in the UK and the Republic of Ireland.

Most of our services are delivered in partnership with a range of government commissioners to the most vulnerable in society. To ensure we meet our customers' highest standards and provide ethical, responsible and sustainable solutions, all of our services adhere to our Group values. Our employee-owned business model offers an alternative to traditional business models, one which places people and communities at the heart of public service delivery.

We work closely with a diverse range of delivery partners, from large multinationals to hyper-local community-based organisations. As we look to support regions and local communities, we recognise the importance of purposeful partnerships and look forward to continuing to collaborate with like-minded partners to drive social mobility and positive change.



Our markets

Employability and Skills: UK

This year saw our Employability and Skills: UK services go from strength to strength, with the National Audit Office report recognising that the Restart Scheme was mobilised quickly by providers who work intensively with participants and are exceeding expectations on job outcomes. Our Restart Scheme, Work and Health Programme (WHP) and its separate but complementary Job Entry Targeted Support (JETS) Programme continue to support the recovery from Covid-19 across the South West, North West, West Midlands, London and East of England.

2022 also saw the expansion of our delivery to include the National Careers Service contracts in the North West and South West. These contracts, as well as the realignment of our Adult Education delivery, help realise the business area's key focus, supporting the lifelong learning agenda and ensuring that people have access to impartial careers advice when they need it.

We continue to support the most vulnerable in society through Pluss, our Community Interest Company. Primarily funded by local authorities and the National Lottery Community Fund, Pluss supports individuals furthest away from employment to move them towards finding work. As the replacement for European Social Funding (ESF), the UK Shared Prosperity Fund will be essential to the continuation of these vital services.

Looking ahead, we anticipate that the nature of the support required of labour market activation

programmes will shift towards the increasing numbers of economically inactive people in the UK. The Bank of England has said that it expects unemployment to increase over the remainder of the forecast period up to 2025, predicting a jobless rate of almost 6½ per cent. This means labour market resilience will be an increasing priority. In the 2022 Autumn Statement, the Chancellor confirmed that the Department for Work and Pensions will conduct a workforce participation review to conclude in early 2023. It is encouraging that the Secretary of State, Mel Stride, has said that addressing economic inactivity is one of his priorities. The Group is well placed to provide the support required to increase labour market participation, which is essential to creating a more resilient labour market and moving the country towards achieving further economic growth and away from a protracted recession.

Justice and Social Care

2022 saw Seetec's Justice and Social Care business area continue to evolve against a challenging background within the criminal justice system. We continue to deliver Community Rehabilitation Services, working closely with National Probation Service colleagues, in the South West, North West, South East and East of England, and our six CFO Activity Hubs in the North West, South West and South East.

Our Independent Approved Premises for females in the South West was recognised in the recent Confederation of European Probation annual

awards for Public Protection – an award for making a significant contribution to reducing risk of harm to potential victims. Our expertise in managing high risk offenders and delivering specialist rehabilitative interventions has seen our work to reduce crime in local communities successfully grow and evolve across Kent, Surrey and Sussex. We have also developed a range of interventions with key partners, including GamCare and the RSPCA.

The Government has stated in recent months it's commitment to investing in drug rehabilitation, training in prisons and providing offender employment opportunities. There was also pre-legislative scrutiny of the draft Victims' Bill, which will aim to strengthen transparency and accountability in the criminal justice system. The Bill sets out a plan to enshrine the Victims' Code in law and deliver more support through community-based services amongst other measures. Colleagues will engage with the Ministry of Justice (MoJ) about such community support, given the business area's experience delivering locally targeted interventions within the criminal justice system.

Looking ahead, we will continue to work closely with the MoJ, Home Office and Police to deliver rehabilitative services and build on the success of our accommodation-based support services and behavioural change interventions.

Our markets

Apprenticeships and Training

Over recent years the skills funding landscape has changed significantly, from the introduction of the apprenticeship levy to devolution of the adult education budget and mayoral combined authorities. It is true that the apprenticeships, education and skills market was significantly impacted by the Covid-19 pandemic, but it is now essential to the economic recovery of the country.

We have refreshed our approach to apprenticeships, education and skills through establishing a standalone Apprenticeships and Training business area and aligning adult education with our Employability and Skills: UK delivery.

This business area focuses on a number of key sectors, including: transport and logistics, manufacturing, public services and professional services. The business area was also recognised as the Apprenticeship Provider of the Year for Transport and Logistics by the FE Week and AELP AAC Apprenticeship Awards.

It is more crucial than ever to develop a skilled post-Brexit workforce, and we believe the false divide between technical and academic education must end. The Government has an opportunity to make this a reality through apprenticeships, investment in the wider FE sector and T Levels. It will be important that learners gaining highly technical knowledge are both able to build a career and meet employers' requirements for a more skilled workforce. This is essential to

deliver future jobs, growth, increased productivity and the Government's ambition to boost economic resilience.

Employability and Skills: Ireland

The economic outlook in Ireland is brighter than the UK, but the country is not immune to the current global uncertainty. Ireland was expected to welcome over 70,000 Ukrainian refugees by the end of 2022, which is exacerbating an existing, long standing housing crisis in the country. Employment data is also being looked at carefully because inflation and the rise in interest rates is hitting, in particular, small Irish firms. Economists believe there could be a situation where the number of jobs in the Irish economy plateau and it is not clear where new employment opportunities will come from. Despite this, the Irish labour market is looking robust, with increased employment levels. Seetec remains committed to supporting the Irish Government through our labour market activation programmes, including our ESF Migrant Support Programme.

2022 saw significant procurement activity for the Department of Social Protection as it moved forward with the second generation of outsourced labour market activation programmes and established a new Regional Employment Service. The business area successfully secured two National Employment Service (NES) contracts. The Regional Employment Service contracts were awarded to the Local Development Companies and Seetec remains committed to working in partnership with these organisations.

With the NES contracts secured, we will now continue to explore diversification opportunities in Ireland. We hope to expand our reach, utilising our strengths from the UK market into the Republic of Ireland in the future.

Looking ahead

In an environment of reduced public spending, providers must demonstrate value over and above contractual targets. Social value is embedded in everything that Seetec's does, but over the next year we will have an increased focus on our impact in communities, our people and the environment, with an aim to be carbon neutral by 2030.

We are also continuing to assess the impact of the pandemic and Brexit on our communities and markets, and welcome the continued focus on Levelling Up, placing the decision making on key policy areas such as skills delivery in the hands of local organisations who best understand what is needed. Seetec will continue to put the individuals we serve at the heart of our delivery, as we diversify and deepen our presence in our communities to create local opportunities and support continued economic recovery.

Our senior leadership team

Group Executive Leadership



John Baumback
Group Executive
Chairman



Ian Porée
Chief Executive Officer



Suki Binning
Group Operations Director



Lesley Barry
Group Finance Director



Sasha Ashton
Group HR Director



Sally Gibbs
Group Director of Strategy
and Growth

Non-Executive Directors



Peter Cooper
Seetec Founder



Neil Bates
Non-Executive
Director



Paul O'Toole
Non-Executive
Director



David Reynolds
Non-Executive
Director



Stephen Otter
Non-Executive
Director



Graham Martin
Non-Executive
Director



Robert Coyle
Non-Executive
Director

Corporate Directors



Stuart Canning
Executive Director,
Commercial and Corporate
Governance



Kirsty Hunn
Business Development
Director



Priya Javeri
Executive Director of Digital
and Technology Services



Joel Charles
Director of Policy,
Communications and
Public Affairs



Ann-Marie Conway
Associate Director,
Employee Ownership



Annemarie Naylor
Director of Innovation

Business Area Directors



Amy Rice
Executive Director
for Education
and Justice



Karl Milne
Executive Director,
Employability
and Skills: Ireland



Chris Harrison
Executive Director,
Employability
and Skills: UK



Lloyd De Val
Director of Sector
Skills

Employee Ownership Representative



Harriet Kelly
Employee Trustee
Director

Meet the employee council



Rosie Cherrill

Business Support Assistant
Corporate Services, Hockley
(Head Office)



Joanna McWeeney

Complaints and Data
Access Lead
Employability and Skills: Ireland,
Carrick on Shannon



Harriet Kelly

Quality and Innovation Lead
Apprenticeships and Training,
Liverpool

Employee
Trustee
Director



Emma Krijgsman

Operations Manager
Employability and Skills: UK,
Ipswich



Jo Hannar

Performance Manager
Employability and Skills: UK,
Yorkshire



Micaela Joannou

Learning and Development
Consultant
Justice and Social Care Activity
Hub, Warrington



Holly Dono

Education Practice
Research Officer
Apprenticeships and Training,
Manchester



Mick Low

Group Health, Safety and
Environment Manager
Corporate Services,
Hockley (Head Office)



Financial statements: year ended 31 March 2022

Company information

Directors

Peter Cooper
John Baumbach
Lesley Barry
David Reynolds
Ian Porée (appointed 1 August 2022)

Company secretary

Omolola Adedoyin

Registered number

02291188

Registered office

75/77 Main Road
Hockley
Essex
SS5 4RG

Independent auditor

Grant Thornton UK LLP
Chartered Accountants and Statutory Auditor
Priory Place
New London road
Chelmsford
Essex CM2 0PP

Group strategic report: year ended 31 March 2022

Review of business

The Seetec Group is a majority employee-owned provider of public and business services across the skills, employment & health and justice markets in the UK and Ireland. The Company is the largest employee-owned public service provider in the UK. The employee-owned structure aligns the interests of the Company's employees with the success of the people and places the Company supports

- **Employability provision supporting the long term unemployed including:** the Restart Scheme as prime and subcontractor; Work and Health Programme prime contractor and subcontractor; JETS, as a prime and subcontractor; Routeways to Work as a subcontractor; the Big Lottery Fund; and our bed manufacturing operation providing skilled jobs and training for disabled people in Barnstaple and Plymouth, along with a number of local authority contracts funded by the European Social Fund (ESF) in the South West.
- **Skills:** Apprenticeships funded by employers through their Apprenticeship Levy and through non-Levy allocations and classroom-based training using the Adult Education Budget. These services are delivered through our own brand, Seetec Skills and our subsidiary, Seetec Outsource Training and Skills Limited, an amalgamation of Seetec's Skills division and the Outsource Group of companies, which specialises in the aviation, logistics and media sectors.

- **Justice:** delivering rehabilitative interventions and social care through contracts let under the Dynamic Framework by the Ministry of Justice, CFO Activity hubs, which are ESF funded, and a number of innovative interventions contracts with the National Probation Service and Police and Crimes Commission. The division also delivers the services of an Approved Premises, on behalf of Your Ambition (Seetec's investor charity) for newly released prison leavers.

- **Ireland:** the organisation continued to deliver JobPath for the Department of Social Protection (DSP) through its subsidiary, Seetec Employment and Skills Ireland Designated Activity Company.
- **Corporate Services:** Our corporate services division continued to support the various operating businesses with a range of high-quality corporate support including finance, payroll, HR, communications and marketing, business development, IT infrastructure, estates, software development, business intelligence, claims, commercial, risk and assurance.

The year ended 31 March 2022 was dominated by the impact of the award of the Restart Scheme contracts by DWP and the return of the probation service back to the public sector. In June 2021, the Transforming Rehabilitation contracts came to an end and the service, along with the staff and infrastructure to deliver it was returned to the National Probation Service. Subsequently, some

of the interventions previously delivered under the contract were let through the Dynamic Framework, with Seetec securing contracts to deliver employability, accommodation, and well-being services. This, together with the securing of ESF funded CFO activity hubs has maintained Seetec's presence in the Justice market.

During the financial year ending March 2022, the Company commenced delivery of the South West Restart prime contract and four associated subcontracts, with delivery beginning in June 2021. There has been considerable activity to mobilise these contracts, with the setting up and staffing of new training centres in the South West of England for the prime contract, and four sub-contracts in the North West, Central, East and London regions. The Company also secured an 12 months' extension to the JETS contract in the South West of England.

In the course of the year the Group delivered from over 148 office locations, supported by delivery on employers' and community-based premises and employed over 2,000 members of staff in the UK and Ireland. During lockdown many of our staff worked extremely effectively from their homes and whilst most front-line staff are back in their centres in order to see clients face to face, a number of support departments now operate a hybrid working arrangement.

Group strategic report: year ended 31 March 2022

Continued:

In December 2019 the Group became one of the largest employee-owned business in the UK. An Employee Ownership Trust bought a controlling interest of 51% of the shares from the Company's founder for the sole benefit of the employees. This is a significant change to the way the business is structured but essentially the day-to-day management structures remain the same whilst employees, as co-owners, now have an input into the future strategy and direction of the business. An elected employee council of 10 representatives has been established with employment coaches, trainers from front line operations and back office and administration staff across the UK and Ireland making up their numbers. One member of the Employee Council is elected to serve on the board of the Employee Ownership Trust and attends the Group Executive Board. The remainder of the council sit on the boards that oversee Seetec's business units. During the year, the involvement of the Employee Council has been embedded into the group with clear communications channels, both up and down the organization ensuring that the employee voice is heard and acted upon. This level of employee ownership and engagement is unprecedented in the sectors in which Seetec works, setting the organisation apart from its competitors and offering greater choice to customers and commissioners.

Strategic Priorities, External Environment and Future Developments

Business plan

The Group's 5-year business plan, which is updated annually, articulates the vision and strategic priorities for the Group.

The Group's vision is: To be the UK and Ireland's leading public and business services provider, built on a reputation of trust, quality and delivering real social and economic value. This is supported by an ambition to:

- Have a reputation as the best in class;
- Grow, diversify; and
- Deliver world class services that make a difference.

This ambition is delivered through a set of strategic objectives that sit across all business units and form the basis of our service design principles:

- Delivering value for money for commissioners and social value for individuals and communities through our contract portfolio;
- An engaged and productive workforce, underpinned by our employee-ownership structure where employees take a collective

responsibility to drive outcomes, manage risk, own a culture of continual improvement and contribute to the growth of the group;

- Working collaboratively and consultatively with businesses and other stakeholders to find innovative ways to use funding to increase positive outcomes;
- Putting the service user at the heart of the delivery model, driving service user satisfaction and building service user input into delivery; and
- Exceeding benchmarks for quality standards through delivery of a world class service.



Group strategic report: year ended 31 March 2022

Continued:

Public and business services policy reform continue to provide new market opportunities for the Group which form the basis for our growth plans, these include but are not limited to:

Employability and Health: with the increase in the integration of health, education and employment outcomes in public procurement, the focus on social value and the devolution of purchasing to Local Enterprise Partnerships and devolved authorities, through the merger with Pluss CIC in April 2019 and the subsequent formation of Seetec Pluss, the Group has the capacity, capability and expertise to secure and successfully deliver payment by results and grant funded projects. The Coronavirus (Covid-19) pandemic created an acute need for the Group's employability services as we have demonstrated a strong track record of helping people into sustained work, which creates the foundation for future careers. Seetec has secured a prime contract under the Restart initiative in the South West of England. In order to do this and to respond in the timescales required for implementation, Seetec ensured that infrastructure (both people and premises) was maintained in the group to allow us to respond immediately to this challenge.

Skills: the introduction of the Apprenticeship Levy in the UK and the continued policy focus on vocational education as an alternative to traditional Higher Education routes continues to inspire our

Skills division. Our skills business has integrated, consolidated and refocused delivery on high value, market demand led qualifications including leadership and management, digital and media, aviation, public service, justice, logistics and Science, Technology, Engineering and Mathematics (STEM). The UK Government's Plan for Jobs, announced in response to the impact of the Coronavirus (Covid-19) pandemic also placed a renewed emphasis on skills and training, particularly for young people. The Group is well placed to support businesses to build capacity and capability for skills and apprenticeship programmes.

Justice: FY22 saw a complete transformation in our justice business. In June 2021, the probation services delivered under the government's Transforming Rehabilitation contract was returned to the public sector, leaving the division with very little secured business. Since that time, we have secured nine contracts through the Dynamic Framework to deliver employability, accommodation and personal wellbeing support services to service users referred by the National Probation Service and three Resettlement hub contracts, designed to be informal, one stop shops for prison leavers to find support and signposting to services they need upon release. The Group has a strong reputation and its success in securing and delivering these opportunities is testament to the resilience of the staff we retained to build the business back. The prison reform agenda with a particular focus on education, training, employment, and rehabilitation outcomes provides further opportunities for the Group

through partnership models. We will also pursue opportunities in the provision of Approved Premises for people returning to the community from custody.

Ireland: An extension to the current JobPath contract, was secured in the course of FY22, with referrals which continued until June 2022. The impact of Coronavirus (Covid-19) and its effects on unemployment levels, has provided the opportunity to trial new service delivery initiatives in preparation for further procurement of labour market activation services in 2022 and beyond. There are opportunities that the division is pursuing outlined in the coalition's 'Programme for Government' and the Labour Market Advisory Council report across labour market activation, apprenticeships, re-skilling and re-training. The business will continue to respond to opportunities in these markets as they appear.

We maintain healthy cash balances to respond to these opportunities as and when they arise.

The results for the year and financial position of the Company and Group are as shown in the annexed financial statements.

Group strategic report: year ended 31 March 2022

Continued:

Principal risks and uncertainties

The Group is subject to the strategic, operational, financial and commercial risks that arise in the ordinary course of business. These risks and controls are reviewed by the Board of Directors through its Corporate Governance and risk management framework. A comprehensive Group Risk Framework is in place which enables the Board and the senior leadership team to set and manage risk appetite, identify, analyse, quantify and embrace risk, leading to enhanced performance and the ability to maximise opportunities and mitigate risk levels where appropriate.

The key business risks are:

- Management have given due regard to the continuing impacts on the business of the worldwide Coronavirus pandemic. The imposition of lockdown in March 2020 and intermittently since then, had different impacts in different parts of the group. For employability, both in the UK and ROI, referrals to programmes ceased immediately. The Skills business was hit particularly hard as apprentices, particularly in the aviation sector, were furloughed or made redundant. Seetec's Justice services were relatively unaffected and continued throughout the lockdown period, albeit under a revised delivery model. At the same time, all areas of the group moved to remote working to support our existing clients through the innovative use of digital and technological

solutions. Although the group has taken advantage of the Wage Subsidy Scheme in Ireland and the Job Retention Scheme in the UK, and the deferral of VAT payments, both these measures have now ceased and deferred VAT has been paid as it fell due during the year. Staff returned to offices in accordance with Government Guidance and some back-office functions retain a hybrid working arrangement. The directors consider that the steps taken provide sufficient mitigation against this risk;

- The Group's reliance upon income from Government funded contracts in an external environment where recent high-profile competitor company and contract failure is likely to impact on the type of public and business services that are outsourced and the perception and reputation of organisations operating in the market;
- The business has entered into a number of payment by results contracts that have significant upfront working capital requirements. The Company repaid its existing loans to Barclays Bank and took out a new loan of £6.5m under the Government's Recovery Loan Scheme to mitigate against the effects of this cash demand in the early years of these contracts; and
- Changes in public policy, such as the decision to return probation services to the public sector. This is mitigated through a diversified portfolio of contracts and a strategy of diversifying revenue streams out of Government to business arrangements, into more business to business relationships.

The Board has a policy to maintain sufficient cash reserves to support payment by results contracts and the associated working capital requirements, diversification into new markets, to support time lags experienced from the impact of policy changes and to fund investments in transformation programmes through a mixture of retained reserves and borrowings

Key performance indicators

The Group uses the following key performance indicators to monitor the performance of the business:

	2022 £'000	2021 £'000
Turnover	140,854	129,445
Profit/(loss) before taxation	5,031	(327)
EBITDA	8,677	3,400



Group strategic report: year ended 31 March 2022

Continued:

External benchmarking and accreditation remain critical to our ethos of transparency, delivering quality services and maintaining high standards. As a business with people at our heart, we have been an Investors in People Gold and Investors in People Health and Wellbeing accredited organisation since 2000, achieving gold status in 2016, and again successfully maintaining this level in September 2021 for the third consecutive time. We also hold the following accreditations Ban the Box, Real Living Wage, Time to Change, Mindful Employer and Disability Confident Leader. During 2020/2021 we signed up to the Race at Work Charter and Armed Forces Covenant, and also became a silver member of the British Dyslexia Association and a committed member of Inclusive Employers.

We use feedback from a range of stakeholders including employees, delivery partners, commissioner and service users gathered directly and through third party and external assessment processes to feed into the continual improvement cycle.

Employee engagement and wellbeing is a key social indicator for the business. Employee engagement surveys undertaken in 2020 indicated stability in Group employee engagement and wellbeing scores, whilst those for 2021 indicate an improvement, a remarkable achievement considering the impacts of COVID 19, remote working and the return of over 1,000 staff to the public sector. The majority of our employees indicated they are committed to the organisation's goals and feel inspired to do their best.

Delivering Social Value - As an employee-owned for-profit, for social purpose business operating in the public and business services markets, the organisation takes measures to embed and demonstrate ethical leadership and governance, and to deliver both social and economic value in the communities in which we operate. The organisation became a certified B Corporation® in 2016 underpinning the Board's commitment to corporate social responsibility, transparency, scrutiny, and accountability in both the services delivered and the way the organisation is run.

Certified B Corporations are leaders of a global movement of people using business as a force for good™. They meet the highest standards of overall social and environmental performance, transparency and accountability and aspire to use the power of business to solve social and environmental problems. In 2019, we went through re-accreditation, increasing our score against our original benchmark, demonstrating the increased emphasis the business is putting on delivering social value.

We have launched several initiatives to support our corporate social responsibility strategy and the emphasis we place on driving social value. In November 2018 we introduced our supported volunteering scheme, where all employees are entitled to up to one day's paid leave to carry out volunteering duties, which was raised to 2 days per annum during 2020. Seetec's Community Investment Fund is a voluntary group of employees, who coordinate the Company's charitable giving fund by supporting the individual fund-raising

efforts of our employees across the group and our recently launched Community, Environment and Social Value Committee has met regularly, having agreed Terms of Reference, to articulate, discuss and work out ways to evaluate pledges the business wishes to make to further its social contribution to its people, communities and environment.

As a result of Group operating activities in the financial year ended March 2022, despite the pandemic and intermittent lockdowns, we continued to deliver our services to individuals, resulting in both fiscal and social benefits to those individuals and the communities they operate in. In the Republic of Ireland, evidence has shown that those who obtain work, through our interventions, earn more as a result of their involvement in Jobpath, with other outputs including improved skills, a move closer to the labour market and greater willingness and confidence to consider self-employment.

We continually seek to reduce the impact of our operating activities on the environment through a range of initiatives to reduce waste and increase recycling. We consistently exceed our targets of 80% waste recycling across our service delivery outlets.

Group strategic report: year ended 31 March 2022

Section 172 (1) statement

General confirmation of directors' duties.

The Company's Board has a clear framework for determining the matters within its authority and has approved Terms of Reference for the matters delegated to its Committees and Supervisory Boards. Some strategic matters and financial authorities have been determined to require Board scrutiny and approval. The Directors meet regularly to review business objectives and evaluate the allocation of resources to achieve its strategic growth ambitions. This is to ensure likely consequences of any decisions are known and discussed in advance, the interests of Seetec's employee owners are reviewed and the highest level of transparency is maintained across the business.

S172 (1) (A) The likely consequences of any decision in the long-term

The Directors understand fully the importance and long-term impact of their decisions on those individuals who access services in the communities that Seetec serves. All long-term decision making is channelled through existing strategies and processes that follow a prescribed route to assess the impact of new and potential business workstreams. The business has appropriate management controls that are regularly reviewed to maintain the integrity of Directors' long-term decision making.

S172 (1) (B) The interests of the company's employees

The Directors recognise that Seetec's employee owners are a fundamental part of the business, by empowering them to shape the direction of the services delivered and strategic objectives pursued, this enhanced collaborative approach helps to cultivate a more engaged workforce. The Company is now indirectly employeeowned following the purchase by the Seetec Employee Ownership Trustee Limited of a controlling interest in the group. Success in the future and converting the benefits of employee ownership into reality will depend on attracting, retaining and empowering employees to deliver those benefits for themselves. Seetec is a Living Wage Employer, publishes a gender pay gap, and now an ethnicity pay gap report to monitor the parity of incomes, conducts annual employee engagement surveys, promotes mental health awareness, and includes employee owners on all Supervisory and Executive Boards. There is a determination at Director level that employee owners are involved in decision making, including areas that directly impact the wider workforce.

During the financial year, the Employee Council has met regularly. It feeds back following those meetings both to Senior Management and to colleagues through a variety of media. Members of the council attend governance boards at all levels of the organisation including the Group Executive Board, where they have an equal voice with other members. A number of Councillors came to the end of their terms of office during the period and the group went through an election process to replace them. Seetec is now an active member of the Employee Owners Association and offers some thought leadership to the meetings. The Directors have

continued to support the Council in contributing to both strategic plans and social value initiatives.

The Directors are working to put employees at the heart of building a sustainable business, encouraging greater productivity and more robust governance to establish an organisation that meets the shift in priorities across modern society to give workers a greater say. The collective talent and determination of Seetec's employee owners is establishing a lasting legacy not just for the business, but for all those in the communities it serves.

S172 (1) (C) The need to foster the company's business relationships with suppliers, customers, and others

In order to deliver the overall business strategy, the Group needs strong mutually beneficial agreements with all its partners, including commissioners, customers and suppliers. Seetec has developed a supply chain framework that recognises the part played by partners in the achievement of its strategic objectives. The Directors recognise and take responsibility for ensuring that processes and procedures, especially financial arrangements, are tailored to support and foster long lasting productive relationships. Building the resilience of local supply chains is important, Seetec helps small and medium-sized enterprises through its social enterprises and supports people to set up their own businesses.

Group strategic report: year ended 31 March 2022

S172 (1) (D) The impact of the company's operations on the community and the environment

In FY20 the Group approved the establishment of a new governance Committee, the Community, Environment and Social Value Committee, chaired by a Non-Executive Director and attended by the Chief Executive which has now begun to report on the effects of our work in this respect. The Committee meets quarterly and is currently finalising a number of pledges which the Group will undertake to deliver in the course of the next year and which will be further developed over the longer term. Its reports will provide Directors with regular updates on the Group's impact and contribution. Furthermore, the Group has held B Corp ® accreditation for a number of years, which is externally assessed and recognised.

The Group has a well-established set of social values that form the backbone of key decisions made by the business. Seetec continually assesses how it can reduce the environmental impact of its services. Directors encourage employee owners to support community groups and other organisations to maintain and improve local environments. Through the Group's employment, justice and skills services, it works with a range of vulnerable and disadvantaged people. Seetec supports community projects to improve rural and urban environments, is a Disability Confident supporter and works closely with people to achieve their work and life ambitions. Seetec's volunteering scheme promotes the importance of grassroots engagement.

S172 (1) (E) The desirability of the company maintaining a reputation for high standards of business conduct

The Directors regularly review all risks faced by the business. This includes the risk of the loss of reputation and the steps taken to mitigate it. The Group subscribes to the Seven Principles of Public Life, which are built into all governance frameworks. Following a review of business functions, the Directors have established policy communications and public affairs directorate to help manage the Group's external reputation.

Through the Employee Ownership Association, the Institute of Employability Professionals, and the Confederation of British Industry, Seetec works with its colleagues outside the business to further the interests of the sectors it operates in to develop partnerships and gain insights about future business opportunities.

Seetec's employee-ownership structure is enhancing its high standards of business conduct. The business is delivering true social value, particularly in the disadvantaged communities it serves. It will be using the collective knowledge and talent of its employee owners in smart and innovative ways to help transform more lives as part of the social inclusion agenda.

172 (1) (F) The need to act fairly as between members of the company

Seetec's Directors fully recognise that the long-term success of the group depends on the successful engagement of a number of stakeholders including its members. Since the establishment of the Employee Share Ownership Trust and Seetec's move to employee-owned status, all groups of shareholders have been fully sighted on decision making in the Group. Our corporate governance structure and its attendant committee and executive meetings include in their membership employee representatives and non-executive directors who inform and challenge the Board and whose views are contributory to strategic decision making, taking into consideration the impact on members. We believe that in this way the Directors act fairly as between the Company's members.

This report was approved by the board on 21 December 2022 and signed on its behalf.



John Baumbach,
Director

Directors' report: year ended 31 March 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

Results and dividends

The profit for the year, after taxation, amounted to £4,339k (2021 - restated loss £927k).

During the year no dividends were declared or paid (2021: £Nil).

Directors

The directors who served during the year were:

Peter Cooper (Non-Executive Chairman with effect from 1 April 2021)

John Baumbach

Lesley Barry

Alexander Butt (non-executive director) (resigned 31 August 2021)

David John Reynolds (non-executive director)

Ian Porée (appointed 1 August 2022)

Directors' responsibilities statement

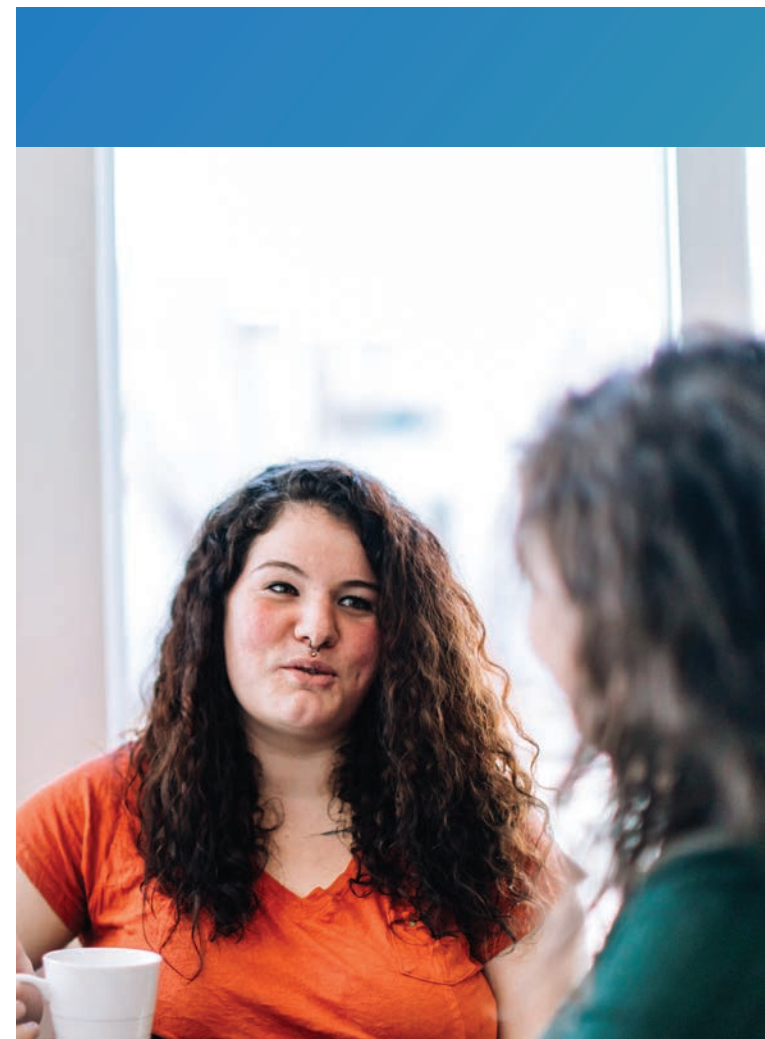
The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

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 law, 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 and profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent; and
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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 the Group 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 the Group and hence for taking

reasonable steps for the prevention and detection of fraud and other irregularities.



Directors' report: year ended 31 March 2022

Employees

As co-owners of the business our employees are fully informed and influence decision making at all levels in the organisation. There are a considerable number of employee 'Champions' drawn from all divisions of the group who meet regularly and feedback to their colleagues on all matters. Financial information is disseminated to all colleagues on a quarterly basis. The Chief Executive holds all-staff calls for open questioning each quarter to both inform and receive suggestions and queries on a more informal basis than through the governance processes. A number of working groups have been established over the course of the year including those to focus on environmental matters, volunteering and day to day cost of living impacts.

The group places considerable value on the involvement of its employees in the business and keeps them informed of matters affecting them and on various factors affecting the performance of the business units. This is achieved principally through formal and informal meetings, the Group's employee engagement strategy and the intranet site. Through the Employee forums that run in each business unit, employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

The group is committed to employment policies which follow best practice based on equal opportunities for all employees regardless of age, religion, sex, race, colour, disability, sexuality or marital status. The group gives full and fair

consideration to applications for employment from disabled people having regard to their aptitudes and abilities as outlined below.

Equality of Opportunity

We see persistent poorer life chances and inequality of opportunity in some of the communities we serve. As an organisation whose purpose is to create opportunities and improve lives in the communities where we have a presence, we must also do everything we can to undo any damage which has been caused over many years. This is a key priority for our employee-owners and over the coming year we will be engaging with colleagues to see how we can improve outcomes for those we support and their communities.

Seetec is a Disability Confident employer and is committed to a policy of Equal Opportunities with regards to its employment practices and procedures. The Group has a 'Diversity Policy' which includes its clear obligations towards employees or prospective employees to ensure that people with disabilities are afforded equal employment and development opportunities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the group.

Seetec is committed to the principle of equal opportunities and equal treatment for all employees. As required under the Equality Act 2010 (Gender Pay Gap Information) Regulations

2017 we have calculated our gender pay gap using the required analysis in order to show the difference between the average earnings of men and women across our business.

Gender Pay Gap reporting is not to be confused with Equal Pay; as an organisation Seetec has always been committed to ensuring they do not pay men and women differently for doing the same or equivalent work. The Gender Pay Gap is as a result of the roles which men and women are employed in and the salaries these roles attract. Our 2021 snapshot report illustrates a mean gender pay gap of 11.2% and a median gap of 6.5%. These figures are representative of an employee base where 35% are male and 65% are female. Our figures are in line with the national average. A quarter of our Main Board Directors and 42% of our Executive leadership team are female.

Political donations

Neither the Company nor any of its subsidiaries make any political donations or incurred any political expenditure during the year.



Directors' report: year ended 31 March 2022

Continued:

Corporate Governance

The Group's Board of Directors now has four members including two non-executive directors (NEDs) and meets approximately four times a year. The business of the group is dealt with by the Group Executive Board (GEB) which consists of the members of the main Board along with the Directors heading up the Corporate Services Departments, including HR, IT, Marketing and Strategy and Growth, plus the Executive Directors of each business unit and the Employee Trust Director. The GEB meets monthly. Supervisory or Strategy and Performance Boards for each business unit report directly into the GEB. Scrutiny of the Executive is provided through three committees, the Audit, Risk and Assurance Committee, the Social Value Committee and the Finance, Pay and Remuneration Committee. Each Committee meeting is held quarterly and is chaired by a Non-Executive Director.

Whilst the Board do not comply with the UK Corporate Governance Code, governance structures within the Seetec Group are based on the UK Corporate Governance Code and the Wates Corporate Governance principles and are designed to deliver public and business services in a commercial environment with the principles of transparency, clarity and honest accountability at the core. The accountability framework is built on

clear communication and understanding of roles and responsibilities, robust performance, financial, risk and information management systems which integrates into the parent Company board structures. Additional intraorganisation communication is enhanced by instituting protocols for operational agreements.

Research and development activities

There are no research and development activities carried out during the year.

Financial risk management

Price risk

The Seetec Group has a number of contracts, mostly with Government Departments. These contracts tend to be for a fixed period of time and a fixed price or price + indexation. This mitigates the risk associated with price. Further for the year FY22, a significant amount of Seetec's revenue was generated from delivering contracts on a cost plus basis so eradicating all price risk on those particular contracts.

Currency Risk

The group trades in the UK and Republic of Ireland. It manages currency risk and foreign exchange volatility through regular monitoring of exchange rates.

Liquidity Risk

In the usual course of business, the group generates sufficient cash from its trading activities to support operations in its subsidiaries. During FY22 it repaid the existing bank debt and replaced it with a loan of £6.5m, under the Government's Recovery Loan Scheme, to finance the working capital requirements of the Restart Scheme contracts, which pay 70% of their value on outcomes. Since drawing the loan it has continued to implement and mobilize its new contracts. Cash is monitored on a daily basis which is reported to the Board monthly. Annual budgeting and interim forecasting allow for a forward-looking cash view to plan appropriately.

Interest Rate Risk

The Company finances most of its operations through its own cash generation. During the year it entered into a £6.5m loan with Barclays bank under the Recovery Loan Scheme. This loan has a fixed rate of interest. Any interest charged between group companies is charged in line with the group's Transfer Pricing Policy.

Credit Risk

The group deals mainly with government departments. The Directors do not consider there to be risk associated with credit in this business.

Directors' report: year ended 31 March 2022

Continued:

Financial risk management

Cash flow risk

Cash in the business is recorded and reported up to group on a daily basis. Cash moves between group companies on an as required basis to fund all working capital requirements. Some contracts are delivered on a cost plus basis but the introduction of a payment by results regime for new contract wins increases pressure on working capital. The Directors consider that its working capital requirements will be supported by a diverse contract portfolio, bank borrowing and existing overdraft facilities, pending the development of the outcomes pipeline which will generate positive cash flows later in the contract.

Environmental matters

The Group will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The Group has complied with all applicable legislation and regulations.

In accordance with the government's Streamlined Energy and Carbon Reporting (SECR) policy, which came into force from 1st April 2019, the directors are committed to conducting business in an environmentally responsible manner, preventing pollution and to continual improvement in the running of its Environmental Management System. The Seetec group holds the ISO14001 EMS

certification and complies with all applicable legal, contractual and other requirements relative to its operations.

We have set, reviewed and maintained appropriate environmental objectives (noted below) and management targets and continue to set appropriate performance targets.

- Ensuring sustainability of resources
- Reducing our environmental impact
- Maximising our recycling opportunities
- Promoting ecological awareness

The Group Risk & Assurance Team provide subject matter expertise and assurance support for the Environmental Management System. This includes responsibility to ensure the Environmental Management System is implemented and maintained, and that performance, together with any recommendations for improvement, are reported to Senior Management.

The Environmental Aspects Register is used to identify and record the environmental aspects of the Group's activities and products and define the significant environmental impacts of such aspects which the Group controls directly and those over which it has influence. It also considers new developments, abnormal conditions, future activities, and emergency situations.

The directors have commissioned research on the installation of solar panels for electricity tariff charge back. The Company set an objective to reduce vehicle use for business purposes with an increase in the use of the Microsoft Teams video conferencing tool. This has reduced vehicle use in the UK and Ireland. Opportunities ahead include the promotion of online platforms for meetings, incentives for greener vehicles, incentives for car sharing, and replacement of company vans with hybrid alternatives.



Directors' report: year ended 31 March 2022

Continued:

Figures for consumption of energy and mileage incurred in the business are set out below

These figures are consolidated to include Seetec Business Technology Centre Limited, Seetec Pluss Limited, The Kent, Surrey and Sussex Community Rehabilitation Company Limited, The Pluss Organisation CIC, Outsource Education Group Limited and Outsource Training and Development Limited.

Greenhouse gas emissions and energy use data for the period April 2021 to March 2022.

	FY 21/22
Energy consumption used to calculate emissions (kWh)	9,489,073

Energy consumption breakdown (kWh)

- Grid Electricity
- Natural Gas
- Company fleet
- Grey Fleet

Scope 1 emissions in metric tonnes CO2e

- Natural Gas
- Company fleet

Scope 2 emissions in metric tonnes CO2e

- Grid electricity

Scope 3 emissions in metric tonnes CO2e

- Electricity T & D
- Grey Fleet

Total Gross emissions in metric tonnes CO2e

Intensity ratio t CO2e £m turnover

Apr 21 – Mar 22

Apr 20 – Mar 21

3,754,487

3,754,583

4,742,509

4,742,631

123,280

766,323

868,797

121,220

963

966

31

77

797

875

70

75

214

33

2,075

2,026

13.0

14.7



Directors' report: year ended 31 March 2022

Continued:

Quantification and reporting methodology

We have followed 2019 HM Government environmental reporting guidelines to ensure compliance with the SECR requirements. The DEFRA issued "Greenhouse gas reporting: conversion factors 2021" conversion figures for CO₂e were used along with the fuel property figures to determine the kWh content for Fleet. These are provided within the evidence pack.

Intensity measurement

The chosen intensity measurement ratio is £m turnover.

Measures taken to improve energy efficiency

Seetec Business Technology Centre Limited continue to strive for energy and carbon reduction arising from their activities. However, no principal energy efficiency action was undertaken during this reporting period.

Materiality

Seetec Business Technology Centre Limited are reporting upon all the required fuel sources as per SECR requirements, however for electricity and gas data, CIBSE TM46 kWh/m² has been used to estimate consumption data.

Going concern

The Group has recently secured updated borrowing facilities from its bankers. The Group's forecasts and projections for the period to 31 March 2024, taking account of debt repayments and reasonably possible changes in trading performance, show that the Group will be able to operate within the level of these facilities and the covenants related there to. After applying sensitivity analysis to cash flow forecasts, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

In spite of the fact that the Group lost over half its turnover when the MOJ contract returned to public sector in delivery in June 2021, the contract opportunities both already secured and yet to be secured de-risks the Group's forecasts significantly. The payment and profit profile of significant Payment By Results contract wins have impacted both cash and profit in FY22 and forecast for FY23. FY22 and particularly FY23 will see a step down in the level of profitability of the group due to the size of the Restart contract, compared to the other contracts in the group's portfolio, and of the typical PBR profit profile, which sees profit delivered in the back end of the contract. Whilst the Service Delivery Fee is spread evenly over the life of the contract, considerable costs are incurred building the outcome pipeline, which will start to flow during FY23, but which is forecast to deliver profitability by the beginning of 2024 and onwards. This fully

supports management's approach to preparing the financial statements on a going concern basis.

Employee involvement

As mentioned above, in December 2019 the business became one of the largest employee-owned business in the UK. An Employee Ownership Trust bought a controlling interest of 51% of the shares from the Company's founder for the sole benefit of the employees. As co-owners' employees now also input into the future strategy and direction of the business. The first Employee Council elections took place, with the inaugural meeting of the Council on 6th July 2020 and regular meetings occurring in accordance with the governance timetable since then. One member of the council has been elected as Employee Trustee Director and is a member of the Group Executive Board. Other council members attend the executive board meetings for their respective trading business.

Our employees are the heart of our service. Involving our employees and keeping them informed and engaged has been a Group priority, especially during periods of remote working. We have ensured senior and middle managers have been visible throughout the year and supported staff through an enhanced Employee Assistance Programme and a range of internally delivered staff well-being initiatives culminating in being highly commended by the CIPD for our support for staff during the Covid-19 pandemic.

Directors' report: year ended 31 March 2022

Continued:

Qualifying third party indemnity provisions

There are no third-party or pension scheme indemnity provisions in place for any of the directors.

Directors' report disclosures made in the strategic report

Likely future developments have instead been disclosed in the strategic report under strategic priorities, external environment and future developments.

Branches Outside the UK

The Group does not have branches outside the UK. However, the Group has a subsidiary in Ireland, Seetec Employment and Skills Ireland DAC (registration number 551677).

Disclosure of information to auditor

The directors confirm that:

- So far as each director is aware, there is no relevant audit information of which the company and the Group's auditor is unaware; and
- The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company and the Group's auditor is aware of that information.

Auditor

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

This report was approved by the board on 21 December 2022 and signed on its behalf



John Baumbach,
Director



Independent auditor's report

Independent auditor's report to the members of Seetec Business Technology Centre Limited

Opinion

We have audited the financial statements of Seetec Business Technology Centre Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2022, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows, the Consolidated and Company 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 Group's and of the parent Company's affairs as at 31 March 2022 and of the Group's 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 Group and the parent 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.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and of the parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our

report. However, future events or conditions may cause the Group and the parent Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's and of the parent Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Group's and of the parent Company's financial resources or ability to continue operations over the going concern period.

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 Group's and of the parent Company'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.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Independent auditor's report

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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Group Strategic Report and the Directors' Report have 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 Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or

- The parent company 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.



Independent auditor's report

Continued:

Responsibilities of directors for the financial statements

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, 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 Group's and the parent 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 Group or the parent 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.

Explanation as to what extent 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. Owing to the inherent limitations of an audit, there is an unavoidable risk that 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).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The Group is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified the following laws and regulations as the most likely to have a material effect if non-compliance were to occur: United Kingdom Generally Accepted Accounting Practice ("UK GAAP"), the Companies Act 2006, United Kingdom Corporation Tax legislation, anti-bribery legislation, GDPR and employment law.
- We enquired of management concerning the Group's policies and procedures relating to:
 - The identification, evaluation and compliance with laws and regulations;
 - The detection and response to the risks of fraud; and
 - The establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations

Independent auditor's report

Continued:

- We assessed the susceptibility of the parent Company and the Group's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls and through manipulation of accounting estimates. Audit procedures performed included:
 - Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud;
 - Identifying and testing journal entries, in particular, journal entries with characteristics that meet certain criteria assessed as higher risk;
 - Challenging assumptions and judgements made by management in its significant accounting estimates; and
 - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities

that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed noncompliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

- The Group's management have not communicated to the audit team any material matters of noncompliance with laws and regulations or fraud and no such matters were identified by the audit team.
- Component auditors have not communicated to the audit team any material matters of non-compliance with laws and regulations that could give rise to a material misstatement of the group financial statements.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
 - Knowledge of the industry in which the client operates; and
 - Understanding of the legal and regulatory

requirements specific to the entity including, the provisions of the applicable legislation, the regulator's rules and related guidance, including guidance issued by relevant authorities that interprets those rules and the applicable statutory provisions.

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

James Brown LLB ACA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Chelmsford

21 December 2022

Consolidated statement of comprehensive income: year ended 31 March 2022

			(As restated)
	Note*	2022 £000	2021 £000
Turnover	4	140,854	129,445
Cost of sales		<u>(98,094)</u>	<u>(97,350)</u>
Gross profit		42,760	32,095
Administrative expenses		(39,807)	(35,480)
Other operating income	5	<u>2,352</u>	<u>3,436</u>
Operating profit	6	5,305	51
Interest receivable and similar income	10	-	47
Interest payable and similar expenses	11	<u>(274)</u>	<u>(425)</u>
Profit/(loss) before taxation		5,031	(327)
Tax on profit/(loss)	12	<u>(692)</u>	<u>(600)</u>
(Loss)/profit for the financial year		<u>4,339</u>	<u>(927)</u>
Currency translation differences		<u>(8)</u>	<u>(244)</u>
Other comprehensive income for the year		<u>(8)</u>	<u>(244)</u>
Total comprehensive income for the year		<u>4,331</u>	<u>(1,171)</u>

*The notes on pages 56 - 83 form part of these financial statements.



Consolidated balance sheet as at 31 March 2022

	Note*	2022 £000	(As restated) 2021 £000
Fixed assets			
Intangible assets	13	1,195	2,526
Tangible assets	14	4,632	2,667
		<u>5,827</u>	<u>5,193</u>
Current assets			
Stocks	16	298	279
Debtors	17	26,414	21,993
Cash at bank and in hand	18	23,746	14,050
		<u>50,458</u>	<u>36,322</u>
Creditors: amounts falling due within one year	19	<u>(40,731)</u>	<u>(32,962)</u>
Net current assets		<u>9,727</u>	<u>3,360</u>
Total assets less current liabilities		<u>15,554</u>	<u>8,553</u>
Creditors: amounts falling due after more than one year	20	(5,372)	(2,530)
Provisions for liabilities			
Other provisions	25	<u>(2,734)</u>	<u>(2,906)</u>
		<u>(2,734)</u>	<u>(2,906)</u>
Net assets		<u>7,448</u>	<u>3,117</u>
Capital and reserves			
Called up share capital	26	666	666
Capital redemption reserve	27	10	10
Profit and loss account	27	6,772	2,441
Equity attributable to owners of the parent company		<u>7,448</u>	<u>3,117</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 December 2022.



John Baumbach, Director

*The notes on pages 56 - 83 form part of these financial statements.

Company balance sheet as at 31 March 2022

	Note*	2022 £000	(As restated) 2021 £000
Fixed assets			
Intangible assets	13	737	1,689
Tangible assets	14	893	385
		<u>1,630</u>	<u>2,074</u>
Current assets			
Debtors	17	16,156	8,226
Cash at bank and in hand	18	3,453	860
		<u>19,609</u>	<u>9,086</u>
Creditors: amounts falling due within one year	19	<u>(7,703)</u>	<u>(8,349)</u>
Net current assets		<u>11,906</u>	<u>737</u>
Total assets less current liabilities		<u>13,536</u>	<u>2,811</u>
Creditors: amounts falling due after more than one year	20	(5,219)	(2,500)
Provisions for liabilities			
Other provisions	25	<u>(329)</u>	<u>(187)</u>
		<u>(329)</u>	<u>(187)</u>
Net assets		<u>7,988</u>	<u>124</u>
Capital and reserves			
Called up share capital	26	666	666
Capital redemption reserve	27	10	10
Profit and loss account		<u>7,312</u>	<u>(552)</u>
Equity attributable to owners of the parent company		<u>7,988</u>	<u>124</u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these Financial Statements. The profit after tax of the parent company for the year was £7,864k (2021: restated loss £684k).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 December 2022.



John Baumbach, Director

*The notes on pages 56 - 83 form part of these financial statements.

Seetec Group In Review | 2022

Consolidated statement of changes in equity: year ended 31 March 2022

	Called up share capital £000	Capital redemption reserve £000	Profit and loss account £000	Total equity £000
At 1 April 2021 (as previously stated)	666	10	3,191	3,867
Prior year adjustment	-	-	(750)	(750)
At 1 April 2021 (as restated)	666	10	2,441	3,117
Comprehensive income for the year				
Profit for the year	-	-	4,339	4,339
Currency translation differences	-	-	(8)	(8)
Other comprehensive income for the year	-	-	(8)	(8)
Total comprehensive income for the year	-	-	4,331	4,331
At 31 March 2022	666	10	6,772	7,448

Consolidated statement of changes in equity: year ended 31 March 2021

	Called up share capital £000	Capital redemption reserve £000	Profit and loss account £000	Total equity £000
At 1 April 2020	666	10	3,612	4,288
Comprehensive income for the year				
Loss for the year (restated)	-	-	(927)	(927)
Currency translation differences	-	-	(244)	(244)
Other comprehensive income for the year	-	-	(244)	(244)
Total comprehensive income for the year	-	-	(1,171)	(1,171)
At 31 March 2021 (restated)	666	10	2,441	3,117

*The notes on pages 56 - 82 form part of these financial statements.

Company statement of changes in equity: year ended 31 March 2022

	Called up share capital £000	Capital redemption reserve £000	Profit and loss account £000	Total equity £000
At 1 April 2021 (as previously stated)	666	10	198	874
Prior year adjustment	-	-	(750)	(750)
At 1 April 2021 (as restated)	666	10	(552)	124
Comprehensive income for the year				
Profit for the year	-	-	7,864	7,864
Total comprehensive income for the year	-	-	7,864	7,864
At 31 March 2022	666	10	7,312	7,988

Company statement of changes in equity: year ended 31 March 2021

	Called up share capital £000	Capital redemption reserve £000	Profit and loss account £000	Total equity £000
At 1 April 2020	666	10	132	808
Comprehensive income for the year				
Loss for the year (restated)	-	-	(684)	(684)
Total comprehensive income for the year	-	-	(684)	(684)
At 31 March 2021	666	10	(552)	124

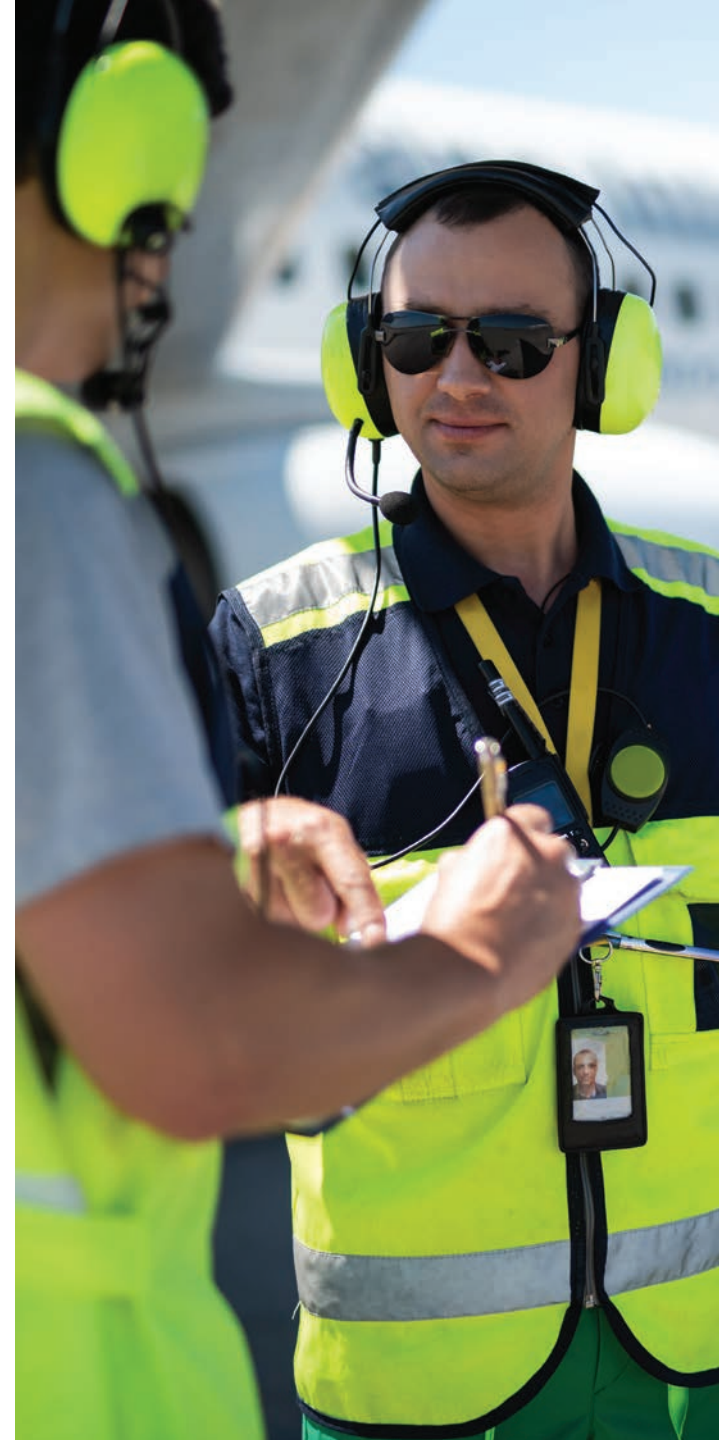
*The notes on pages 56 - 83 form part of these financial statements.

Consolidated statement of cash flows: year ended 31 March 2022

	2022 £000	(As restated) 2021 £000
Cash flows from operating activities		
Profit for the financial year	4,339	(927)
Adjustments for:		
Amortisation of intangible assets	1,331	1,760
Depreciation of tangible assets	2,041	1,120
Loss on disposal of tangible assets	91	35
Interest expense	274	425
Interest received	-	(47)
Taxation charge	692	600
(Increase) in stocks	(19)	(37)
(Increase) in debtors	(3,440)	(2,386)
Increase in creditors	12,880	11,952
(Decrease)/increase in provisions	(172)	749
Corporation tax (paid)	(1,675)	(1,112)
Foreign exchange	(8)	(206)
Net cash generated from operating activities	16,334	11,926
Cash flows from investing activities		
Purchase of tangible fixed assets	(4,768)	(819)
Sale of tangible fixed assets	671	60
Interest received	-	47
Capitalised development expenditure	-	(152)
Net cash from investing activities	(4,097)	(864)

Consolidated statement of cash flows: year ended 31 March 2022 (continued)

	2022 £000	(As restated) 2021 £000
Cash flows from financing activities		
New secured loans	6,500	-
Repayment of loans	(7,083)	(4,083)
New finance leases	287	(166)
Repayments of finance leases	(133)	-
Interest paid	(274)	(425)
Net cash used in financing activities	(703)	(4,674)
Net increase/(decrease) in cash and cash equivalents	11,534	6,388
Cash and cash equivalents at beginning of year	12,212	5,824
Cash and cash equivalents at the end of year	23,746	12,212
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	23,746	14,050
Bank overdrafts	-	(1,838)
	23,746	12,212



Notes to the financial statements: year ended 31 March 2022

1. General information

Seetec Business Technology Centre Limited (the “company”) is a private company limited by shares and incorporated and domiciled in the UK. Its registered head office is located at 75-77 Main Road, Hockley, Essex, SS5 4RG.

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.

All amounts in the financial statements have been rounded to the nearest £1,000.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The parent company is included in the consolidated financial statements and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company Cash Flow Statement with related notes is included; and

- Key Management Personnel compensation has not been included.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 March 2022. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the Consolidated Statement of Comprehensive Income from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

In the parent financial statements, investments in subsidiaries are carried at cost less impairment.

2.3 Going concern

The Group has recently secured updated borrowing facilities from its bankers. The Group's forecasts and projections for the period to 31 March 2024, taking account of debt repayments and reasonably possible changes in trading performance, show that the Group will be able to operate within the level of these facilities and the covenants related there to. After applying sensitivity analysis to cash flow forecasts, the Directors have a reasonable

expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

In spite of the fact that the Group lost over half its turnover when the MOJ contract returned to public sector in delivery in June 2021, the contract opportunities both already secured and yet to be secured de-risks the Group's forecasts significantly. The payment and profit profile of significant Payment By Results contract wins have impacted both cash and profit in FY22 and forecast for FY23. FY22 and particularly FY23 will see a step down in the level of profitability of the group due to the size of the Restart contract, compared to the other contracts in the group's portfolio, and of the typical PBR profit profile, which sees profit delivered in the back end of the contract. Whilst the Service Delivery Fee is spread evenly over the life of the contract, considerable costs are incurred building the outcome pipeline, which will start to flow during FY23, but which is forecast to deliver profitability by the beginning of 2024 and onwards. This fully supports management's approach to preparing the financial statements on a going concern basis.



Notes to the financial statements: year ended 31 March 2022

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.5 Classification of financial instruments issued by the Group

In accordance with FRS 102.22, financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

1. They include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and
2. Where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash

or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

2.6 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Investments in preference and ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through the Consolidated Statement of Comprehensive Income. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes

recognition in the Consolidated Statement of Comprehensive Income. Other investments are measured at cost less impairment in the Consolidated Statement of Comprehensive Income.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

2.7 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

Notes to the financial statements: year ended 31 March 2022

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

The estimated useful lives are as follows:

Leasehold improvement	- over the duration of the lease
Plant and machinery	- over 3 to 4 years
Motor vehicles	- over 4 years
Fixtures and fittings	- over 6 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

2.8 Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity.

At the acquisition date, the group recognises goodwill at the acquisition date as:

- The fair value of the consideration (excluding contingent consideration) transferred; plus
- Estimated amount of contingent consideration (see below); plus
- The fair value of the equity instruments issued; plus
- Directly attributable transaction costs; less

- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

When the excess is negative, this is recognised and separately disclosed on the face of the balance sheet as negative goodwill.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

2.9 Intangible assets, goodwill and negative goodwill

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Identifiable and separable intangible assets will be recognised outside of goodwill. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straightline basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An

impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Research and development

Expenditure on research activities is recognised in the Consolidated Statement of Comprehensive Income as an expense as incurred.

Expenditure on development activities may be capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve design for, construction or testing of the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the Consolidated Statement of Comprehensive Income as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Notes to the financial statements: year ended 31 March 2022

2. Accounting policies (continued)

2.9 Intangible assets, goodwill and negative goodwill (continued)

Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Capitalised development costs	over 4 to 10 years
Goodwill	over 2 to 5 years
Customer contracts	over 2 years

The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 of FRS 102. Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

2.10 Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through the Consolidated Statement of Comprehensive Income is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on

the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in the Consolidated Statement of Comprehensive Income. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the Consolidated Statement of Comprehensive Income.

Non-financial assets

The carrying amounts of the entity's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates

cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire group of entities into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Consolidated Statement of Comprehensive Income. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the financial statements: year ended 31 March 2022

2. Accounting policies (continued)

2.11 Employee benefits

Short term employee benefits

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.12 Provisions

A provision is recognised in the Balance Sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the parent Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the Company will be required to make a payment under the guarantee (see note 29).

2.13 Turnover

The Group has a number of different types of income: Grant income which is recognised as costs are incurred. Service income is recognised over time as the service is delivered. Payment by results income is recognised at a point in time where the

outcome is confirmed by the commissioner. The performance outcomes cannot be reliably measured and therefore revenue is only recognised once the outcomes are confirmed by the commissioner

2.14 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the Consolidated Statement of Comprehensive Income on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in the Consolidated Statement of Comprehensive Income over the term of the lease as an integral part of the total lease expense.

Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable and finance leases recognised in the Consolidated Statement of Comprehensive Income using the effective interest method and unwinding of the discount on provisions that are recognised in the Consolidated Statement of

Comprehensive Income (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in the Consolidated Statement of Comprehensive Income as they accrue, using the effective interest method. Dividend income is recognised in the Consolidated Statement of Comprehensive Income on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

2.15 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

Notes to the financial statements: year ended 31 March 2022

2. Accounting policies (continued)

2.16 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Consolidated Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2.17 Current and deferred taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation

and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the Balance Sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2.18 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a

pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

Defined benefit pension plan

A defined benefit pension plan for a small group of employees who joined Seetec under TUPE arrangements under a defined benefit pension scheme where the scheme funding levels are contractually capped by the Ministry of Justice. This scheme is accounted for as a defined contribution scheme in these financial statements (see note 3).

2.19 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.



Notes to the financial statements: year ended 31 March 2022

2. Accounting policies (continued)

2.20 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Consolidated Statement of Comprehensive Income.

2.21 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

3. Accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The directors make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and

liabilities within the next financial year are addressed below.

Provisions against income

Government contracts form a significant part of the Group's income. Due to extrapolation clauses included in the majority of the Group's contracts, the directors have recognised provisions in respect of the known clawbacks of income claims due to any number of possible factors, some of which are beyond the Group's control.

Prior to Seetec's ownership, (December 2018) a group company was subject to an Article 125 audit by the ESF. As a result, the Managing Authority had invoked a 100% audit on the grounds that 'the Managing Authority have determined the evidence supplied does not meet the evidence requirements for ESF to support a job outcome payment'. Although the liability back to Europe is to co-funders, they will look to their suppliers under their contracts for supply of services to provide this evidence.

A provision of £1,248m has been based on the best available information as at 31 March 2022, which reflects the uncertainty around this liability. The directors consider that this estimate should be included in the figures for FY21 and carried forward into FY22.

Dilapidations

The Group accrues a dilapidations provision against reinstatement costs to be incurred when it exits a property and hands it back to the landlord. This estimate is only accrued on properties where a

dilapidations clause is included in the terms of the lease or equivalent document. The provision is calculated on a property by property basis and is an amount equal to 6 month's rent payable on the property. This level of provision has been set based on an average of historic amounts paid. Where the property has been exited and the dilapidations amount is in negotiation the provision will be set at the value of the landlords claim. Where an amount is agreed the provision will be set at the agreed amount until it is settled. Once a dilapidations figure has been paid on a property or it is agreed that no amount is payable any residual provision is released to the Consolidated Statement of Comprehensive Income.



Notes to the financial statements: year ended 31 March 2022

3. Accounting estimates and judgements (continued)

Seetec Employee Ownership Trustee Limited (SEOTL)

In 2020, the SEOTL was set up to acquire a controlling interest in the ordinary shares of Seetec Business Technology Centre Limited. The purpose of the SEOTL is to represent the interest of all Seetec employees as indirect owners of the business. It is governed by an independent board of Trustees which includes the Employee Trustee Director.

The Trust is the registered holder of the Trust's 51% of the shares in issue in Seetec Business Technology Centre Limited. There is no prohibition on the exercise of the voting rights attaching to the shares held for the benefit of the Trust.

The Trust from time to time could exercise its rights under section 168 to remove (or appoint) directors to the board of SBTC acting in its capacity as a majority shareholder.

Decisions of the board of SEOTL (Trustee Board) as the Trustee are determined by a majority decision of the directors of SEOTL.

There are no payments made by the Trust to any of the employees within the beneficial class of the Trust. Remuneration payable to employees of SBTC (and any group companies) is entirely a matter for SBTC (or the relevant group company). Goodwill / intangible assets.

From the information above, it is the directors' judgement that SEOTL is not under control of the Company. The Trust has a 51% shareholding, is

entitled to dividends per the Trust deed (which have so far been waived) and has the same rights as all other shareholders. The Trust was set up in a way to facilitate employee ownership as opposed to serve the purposes of Seetec.

Consideration loan notes of £14.345 million in the form of the Vendor Loan Notes were issued by the SEOTL to the Vendor in part payment. Seetec Business Technology Centre Limited have provided a guarantee of the loan notes in the event that the trustee defaults on the repayment obligations in the future. It is the directors' judgement that the possibility of the Company being called upon to meet this guarantee is improbable and therefore this has not been shown as a liability on the Balance Sheet (see note 29).

Goodwill/Intangible assets

Goodwill and intangible assets are written down over their estimated useful life. Goodwill arising on the acquisition is attributed to the estimated value of discounted future cashflows generated by existing contracts and written down over their revenue generating life. Software development costs are valued at cost and written down over the estimated period for which they will be in use.

Goodwill impairment assessment

In respect of the goodwill attributable to the acquisition of the Pluss Group an impairment review was carried out at the year end whereby future predicted cashflows for the contracts that existed at the transfer date were calculated. These future cashflows were discounted at a rate of 7.5% and the resulting total was compared with

the carrying value in the financial statements. It was the directors' judgement that no impairment was required.

Intercompany impairment assessment

The group operates intercompany accounts between the parent company and its subsidiaries. These are reviewed annually to assess the likelihood of recovery of the balances outstanding at the year end. Where the likelihood of recovery is judged to make it necessary, impairment of the balances is provided for.

Defined Benefit Pension Scheme

The Company entered into an agreement with the Ministry of Justice, as part of the overall contracts let through the Dynamic Framework for Intervention Rehabilitation services, to contribute 16% of pensionable salary in respect of eligible employees to a defined benefit pension scheme held in the Greater Manchester Local Government Pension Fund. The agreement is underwritten by the MoJ who are also contracted to reimburse any liability, resulting in a £nil surplus or deficit at the year-end.

In the current year, this multi-employers defined benefit scheme has been accounted for as a defined contribution scheme per FRS 102.28.11 with no liability recognised as there is insufficient information to enable an accurate and reliable estimation of the liability. The Company is not liable to the plan for other entities' obligations.

Notes to the financial statements: year ended 31 March 2022

4. Turnover

An analysis of turnover by class of business is as follows:

	2022 £000	2021 £000
Contract Income	130,949	109,233
Services Income	9,905	20,212
	<u>140,854</u>	<u>129,445</u>

Analysis of turnover by country of destination:

	2022 £000	2021 £000
Republic of Ireland	14,220	13,281
UK	126,634	116,164
	<u>140,854</u>	<u>129,445</u>

5. Other operating income

	2022 £000	2021 £000
Income from property	-	22
Government support	2,352	3,414
	<u>2,352</u>	<u>3,436</u>

With regard to the Government support above, £2,345k (2021: £2,752k) relates to support from the Government of the Republic of Ireland and £7k (2021: £662k) from the UK Government.

Notes to the financial statements: year ended 31 March 2022

6. Operating profit

The operating profit is stated after charging:

	2022 £000	2021 £000
Amortisation of intangible assets	1,331	1,760
Depreciation of owned assets	1,943	1,017
Depreciation on assets held under finance lease	98	103
Operating lease rentals	4,915	2,544
Exchange differences	39	134
Grant income	2,352	3,414

7. Auditor's remuneration

	2022 £000	2021 £000
Fees payable to the group's auditor for audit of the company's financial statements	100	118
Fees payable to the group's auditor for audit of the subsidiaries' financial statements	100	82
	200	200

Fees payable to the Group's auditor and its associates in respect of:

Taxation compliance services	34	36
Advisory services	105	89
Accounts preparation	10	10
	149	135



Notes to the financial statements: year ended 31 March 2022

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Wages and salaries	61,672	66,201	25,175	9,067
Social security costs	5,289	5,770	2,364	910
Cost of defined contribution scheme	2,548	3,940	837	257
	69,509	75,911	28,376	10,234

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

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Operational staff	1,462	1,703	370	2
Administration and management staff	700	664	385	223
	2,162	2,367	755	225

9. Directors' remuneration

	2022 £000	2021 £000
Directors' emoluments	522	525
Company contributions to defined contribution pension schemes	28	31
	550	556

During the year retirement benefits were accruing to 3 directors (2021 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £233k (2021 - £198k).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £15k (2021 - £15k).

Notes to the financial statements: year ended 31 March 2022

10. Interest receivable

The operating profit is stated after charging:

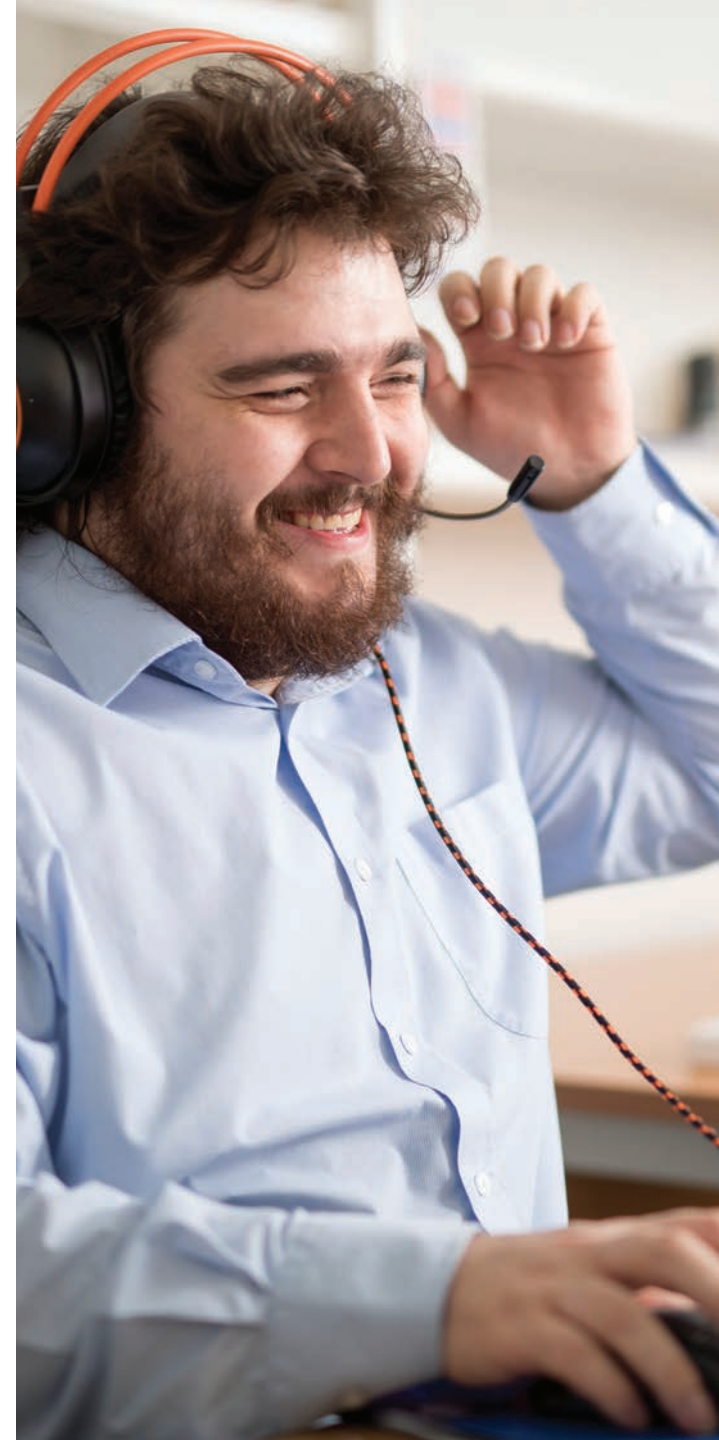
	2022 £000	2021 £000
Other interest receivable	-	47

11. Interest payable and similar expenses

	2022 £000	2021 £000
Bank interest payable	216	417
Finance leases and hire purchase contracts	58	8
	274	425

12. Taxation

	2022 £000	(As restated) 2021 £000
Corporation tax		
Current tax on profits for the year	1	281
Adjustments in respect of prior periods	-	(12)
Overseas taxation	396	323
Total current tax	397	592
Deferred tax		
Origination and reversal of timing differences	799	(8)
Adjustments in respect of prior periods	(165)	16
Effect of tax rate change on opening balance	(339)	-
Total deferred tax	295	8
Taxation on profit on ordinary activities	692	600



Notes to the financial statements: year ended 31 March 2022

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £000	(As restated) 2021 £000
Profit/(loss) on ordinary activities before tax	5,031	(327)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	956	(62)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	549	743
Other timing differences	(508)	(264)
Fixed asset differences	73	12
Adjustment to tax charge prior periods	(172)	4
Adjustment to tax charge prior periods - deferred tax	6	-
Deferred tax asset not recognised	145	287
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	-	(6)
Overseas tax difference	(197)	(114)
Remeasurement of deferred tax for changes in tax rates	(230)	-
Other permanent differences	70	-
Total tax charge for the year	692	600

Factors that may affect future tax charges

On 3 March 2021, the Chancellor of the Exchequer announced that the main rate of corporation tax in the United Kingdom will rise to 25% with effect from 1 April 2023 for companies earning annual taxable profits in excess of £250,000. Companies earning annual taxable profits of £50,000 or less will continue to pay corporation tax at 19% with a marginal rate adjustment for companies earning annual taxable profits between the two levels. These changes were substantively enacted at Balance Sheet date and therefore an adjustment has been made to deferred taxation balances to account for this change.

Notes to the financial statements: year ended 31 March 2022

13. Intangible assets

Group	Customer Contracts £000	Software Development £000	Goodwill £000	Total £000
Cost				
At 1 April 2021	1,109	4,113	2,049	7,271
At 31 March 2022	1,109	4,113	2,049	7,271
Amortisation				
At 1 April 2021	1,109	2,221	1,415	4,745
Charge for the year	-	994	337	1,331
At 31 March 2022	1,109	3,215	1,752	6,076
Net book value				
At 31 March 2022	-	898	297	1,195
At 31 March 2021	-	1,892	634	2,526

Amortisation on intangible assets is charged to administrative expenses.

Notes to the financial statements: year ended 31 March 2022

13. Intangible assets (continued)

Company

At 1 April 2021

At 31 March 2022

Amortisation

At 1 April 2021

Charge for the year

At 31 March 2022

Net book value

At 31 March 2022

At 31 March 2021

Amortisation on intangible assets is charged to administrative expenses.

Software Development £000

3,910

3,910

2,221

952

3,173

737

1,689



Notes to the financial statements: year ended 31 March 2022

14. Tangible fixed assets

Group	Short-term leasehold property £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Total £000
Cost or valuation					
At 1 April 2021	2,178	5,059	931	281	8,449
Additions	3,154	1,511	-	103	4,768
Disposals	(127)	(2,996)	(822)	(9)	(3,954)
At 31 March 2022	5,205	3,574	109	375	9,263
Depreciation					
At 1 April 2021	1,219	3,642	707	214	5,782
Charge for the year on owned assets	1,067	836	78	60	2,041
Disposals	(127)	(2,359)	(697)	(9)	(3,192)
At 31 March 2022	2,159	2,119	88	265	4,631
Net book value					
At 31 March 2022	3,046	1,455	21	110	4,632
At 31 March 2021	959	1,417	224	67	2,667

The net book value of the assets held under finance lease amounted to £266,000 (2021: £135,000).

Notes to the financial statements: year ended 31 March 2022

14. Tangible fixed assets (continued)

Company	Short-term leasehold property £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Total £000
Cost or valuation					
At 1 April 2021	279	221	109	8	617
Additions	631	334	-	-	965
At 31 March 2022	910	555	109	8	1,582
Depreciation					
At 1 April 2021	13	147	66	6	232
Charge for the year on owned assets	318	114	23	2	457
At 31 March 2022	331	261	89	8	689
Net book value					
At 31 March 2022	579	294	20	-	893
At 31 March 2021	266	74	43	2	385

The net book value of the assets held under finance lease amounted to £34,000 (2021: £27,000).



Notes to the financial statements: year ended 31 March 2022

15. Fixed asset investments

Company

Investments in subsidiary companies £000

Cost or valuation

At 1 April 2021

1,642

At 31 March 2022

1,642

Impairment

At 1 April 2020

1,642

At 31 March 2021

1,642

Net book value

At 31 March 2022

-

At 31 March 2021

-

Notes to the financial statements: year ended 31 March 2022

15. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Principal activity	Class of shares	Holding
Seetec Human Resource Development Limited	UK	Dormant	Ordinary	100%
Seetec Employment Limited	UK	Dormant	Ordinary	100%
The Kent, Surrey and Sussex Community Rehabilitation Company LTD	UK	Probation services	Ordinary	100%
Seetec Employment and Skills Ireland Designated Activity Company	Ireland	Employment services	Ordinary	100%
Digital Youth Academy Limited	UK	Dormant	Ordinary	100%
Outsource Education Group Limited	UK	Dormant	Ordinary	100%
Outsource Vocational Learning Limited	UK	Dormant	Ordinary	100%
Outsource Training and Development Limited	UK	Skills training	Ordinary	100%
Advanced Policing Solutions Limited	UK	Dormant	Ordinary	100%
Seetec Pluss Limited	UK	Employment services	Ordinary	100%
The Pluss Organisation CIC	UK	Employment services	Ordinary	100%
Pluss Limited	UK	Dormant	Ordinary	100%
Seetec Outsource Training and Skills Limited	UK	Skills training	Ordinary	100%
Seetec Justice Limited	UK	Dormant	Ordinary	100%

The registered office of the subsidiary undertakings is 75-77 Main Road, Hockley, Essex, SS5 4RG, other than Seetec Employment Skills Ireland whose registered office is 1 Stokes Place, St Stephens Green, Dublin.

The company has given a guarantee under section 479C of the Companies Act 2006 for the financial period ending 31st March 2021 in respect of Seetec Outsource Training and Skills Limited (registration number 12077291), Seetec Human Resource Development Limited (registration number 02465422), Outsource Vocational Learning Limited (registration number 04124818) and Advanced Policing Solutions Limited (registration number 07627598), all 100% subsidiaries. As such for the period ending 31st March 2021 these Companies were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Under section S394A of the Companies Act 2006, entities that have been dormant throughout the year are exempted from preparing individual accounts. The following dormant entities have not prepared individual accounts for the period ending 31 March 2022: Seetec Human Resource Development Limited (registration number 02465422), Advanced Policing Solution (registration number 07627598), Seetec Employment Limited (Registration number 02852862), Digital Youth Academy Limited (registration number 07803271) and Pluss Limited (registration number 07335611). The following dormant entities have prepared individual accounts for the period ending 31 March 2022: Outsource Vocational Learning Limited (registration number 04124818) and Seetec Justice Limited (registration number 12167432).

Notes to the financial statements: year ended 31 March 2022

16. Stocks

	Group 2022 £000	Group 2021 £000
Raw materials and consumables	103	123
Work in progress (goods to be sold)	195	126
Finished goods and goods for resale	-	30
	298	279

The difference between purchase price or production cost of stocks and their replacement cost is not material.

17. Debtors

	Group 2022 £000	Group (As restated) 2021 £000	Company 2022 £000	Company (As restated) 2021 £000
Trade debtors	6,343	9,524	2,061	827
Amounts owed by group undertakings	-	-	12,200	5,384
Amounts owed by related parties	242	836	280	900
Other debtors	1,302	350	259	104
Prepayments and accrued income	13,462	7,315	1,279	871
Tax recoverable	4,724	3,447	-	-
Deferred taxation	52	347	77	140
Grants receivable	289	174	-	-
	26,414	21,993	16,156	8,226

The grant receivable relates to a grant funded contract.

Notes to the financial statements: year ended 31 March 2022

18. Cash and cash equivalents

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Unrestricted cash	22,722	13,610	3,453	860
Restricted funds	1,024	440	-	-
Less: bank overdrafts	-	(1,838)	-	(1,838)
	23,746	12,212	3,453	(978)

The restricted funds represent cash held in respect of Big Lottery Fund and ESF Building Better Opportunities Grants.

19. Creditors: Amounts falling due within one year

	Group 2022 £000	(As restated) Group 2021 £000	Company 2022 £000	(As restated) Company 2021 £000
Bank overdrafts	-	1,838	-	1,838
Bank loans	1,300	4,583	1,300	3,333
Trade creditors	6,154	7,068	1,652	1,263
Amounts owed to group undertakings	-	-	497	10
Corporation tax	282	283	281	281
Other taxation and social security	7,734	8,682	2,077	576
Obligations under finance lease and hire purchase contracts	97	85	15	14
Other creditors	232	453	1	-
Accruals and deferred income	24,932	9,970	1,880	1,034
	40,731	32,962	7,703	8,349

Outstanding finance leases are secured against the corresponding assets.

The bank loans above are secured against assets of the Group.

Notes to the financial statements: year ended 31 March 2022

20. Creditors: Amounts falling due after more than one year

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Bank loans	5,200	2,500	5,200	2,500
Net obligations under finance leases and hire purchase contracts	117	30	19	-
	5,372	2,530	5,219	2,500

Outstanding finance leases are secured against the corresponding assets.

The bank loans above are secured against assets of the Group.

21. Loans

The Group has one loan with Barclays Bank totalling £6.5m (2021: £11.2m).

The loan for £6,500,000 due to be repaid over 15 installments, is payable quarterly commencing 6th July 2022. The interest rate on the loan is 5.0% margin rate + underlying fixed interest rate.

The bank loans above are secured against assets of the Group.

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Amounts falling due within one year				
Bank loans	1,300	4,583	1,300	3,333
Amounts falling due 1-2 years				
Bank loans	5,200	2,500	5,200	2,500
	6,500	7,083	6,500	5,833

Notes to the financial statements: year ended 31 March 2022

22. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2022 £000	Group 2021 £000
Within one year	97	85
Between 1-5 years	172	30
	<u>269</u>	<u>115</u>

23. Financial instruments

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Financial assets				
Financial assets measured at fair value	23,746	14,050	3,453	860
Financial assets measured at amortised cost	13,860	11,190	15,503	9,154
	<u>37,606</u>	<u>25,240</u>	<u>18,956</u>	<u>10,014</u>
Financial liabilities				
Financial liabilities measured at fair value	-	(1,838)	-	(1,838)
Financial liabilities measured at amortised cost	(34,535)	(24,791)	(9,638)	(10,094)
	<u>(34,535)</u>	<u>(26,629)</u>	<u>(9,638)</u>	<u>(11,932)</u>

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

Financial assets measured at amortised cost comprise investments, trade debtors, amounts owed by group undertakings, amounts owed by related undertakings, other debtors, grants receivable and accrued income.

Financial liabilities measured at fair value through profit or loss comprise cash and cash equivalents.

Financial liabilities measured at amortised cost comprise bank loans, hire purchase, trade creditors, amounts owed to group undertakings, amounts owed to related undertakings, other creditors and

Notes to the financial statements: year ended 31 March 2022

24. Deferred taxation

Group

	2022 £000	2021 £000
At beginning of year	347	355
Charged to the profit or loss	(295)	(8)
At end of year	52	347

Company

	2022 £000	2021 £000
At beginning of year	140	174
Charged to profit or loss	(63)	(34)
At end of year	77	140

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Accelerated capital allowances	<u>52</u>	<u>347</u>	<u>77</u>	<u>140</u>

Deferred tax assets represent the timing differences arising on various costs and provisions incurred by the company in advance of corporation tax relief being available.

Notes to the financial statements: year ended 31 March 2022

25. Provisions

Group	Property dilapidations £000	EVT Provision £000	Pension Strain £000	Total £000
At 1 April 2021	1,030	1,248	628	2,906
Charged to profit or loss	456	-	-	456
Utilised in year	-	-	(628)	(628)
At 31 March 2022	1,486	1,248	-	2,734

EVT provision

Government contracts form a significant part of the group's income. Due to extrapolation clauses included in the majority of the Company's contracts, the directors have recognised provisions in respect of the possible clawback of income claims due to any number of possible factors, some of which are beyond the Group's control. EVT provisions relate to a source of funding which ends in 2026. The provision is therefore expected to be utilised at the earlier of resolution of the matter and 2026.

Property dilapidations

The Group accrues a dilapidations provision against reinstatement costs to be incurred when it exits a property and hands it back to the landlord. The dilapidation provision is expected to be utilised between 2023 to 2030.

26. Share capital

Allotted, called up and fully paid

6,660,000 (2020: 6,660,000) Ordinary shares of £0.10 each

2022 £000	2021 £000
666	666

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

27. Reserves

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

Profit and loss account

This reserve represents all current and prior periods retained profits and losses.

Notes to the financial statements: year ended 31 March 2022

28. Analysis of net debt

	At 1 April 2021 £000	Cashflows £000	At 31 March 2022 £000
Cash at bank and in hand	14,050	9,696	23,746
Bank overdrafts	(1,838)	1,838	-
Debt due after 1 year	(2,500)	(2,700)	(5,200)
Debt due within 1 year	(4,583)	3,283	(1,300)
Finance leases	(115)	(154)	(269)
	<u>5,014</u>	<u>11,963</u>	<u>16,977</u>

29. Contingent liabilities

In 2020, Seetec Employee Ownership Trustee Limited (SEOTL) was set up to acquire a controlling interest in the ordinary shares of SBTC Limited.

Consideration loan notes of £14.345 million in the form of the Vendor Loan Notes were issued by SEOTL to the Vendor of shares in part payment of the purchase price. Seetec Business Technology Centre Limited has provided a guarantee of the loan notes in the event that the trustee defaults on the repayment obligations in the future.

Interest at 3.25% above the published Barclays base rate is payable by SEOTL for these loan notes on the 3rd, 5th and 7th anniversary with the capital falling due on the 7th anniversary or such later date as may be agreed in writing.

The directors consider the possibility of the Company being called upon to meet this guarantee is improbable and therefore this has not been shown as a liability on the Balance Sheet.

30. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £2.5m (2021: £3.9m). Contributions totalling £64k (2021: £179k) were payable to the fund at the Balance Sheet date and are Included in creditors.

The Company entered into an agreement with the Ministry of Justice, as part of the overall contracts let through the Dynamic Framework for Intervention Rehabilitation services, to contribute 16% of pensionable salary in respect of eligible employees to a defined benefit pension scheme held in the Greater Manchester Local Government Pension Fund. The agreement is underwritten by the MoJ who are also contracted to reimburse any liability, resulting in a £nil surplus or deficit at the year-end.

In the current year, this multi-employers defined benefit scheme has been accounted for as a defined contribution scheme per FRS 102.28.11 with no liability recognised as there is insufficient information to enable an accurate and reliable estimation of the liability. The Company is not liable to the plan for other entities' obligations.



Notes to the financial statements: year ended 31 March 2022

31. Commitments under operating leases

At 31 March 2022 the Group and the company had future minimum lease payments due under noncancellable operating leases for each of the following periods:

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Not later than 1 year	4,177	1,531	281	116
Later than 1 year and not later than 5 years	6,653	2,266	535	29
Later than 5 years	146	6	-	-
	10,976	3,803	816	145

During the year the year £4,915k was recognised as an expense in the profit and loss account in respect of operating leases (2021: £2,544k).

32. Related party transactions

Group

Seetec Employee Trustee Limited, a company controlled by a director, owed the Group £242,252 (2021: £143,019) at the Balance Sheet date.

Seetec Employee Ownership Trustee Limited, the ultimate controlling party for the Group, owed the Group £Nil (2021: £160,880) at the Balance Sheet date.

South East Essex Technology Centre (Your Ambition), a company controlled by a director, owed the Group £Nil (2021: £468,822) at the Balance Sheet date.

Seetec Properties Limited, a company controlled by a director, charged the Group market rent and insurance totalling £87,593 (2021: £87,066). At the Balance Sheet date the Group owed Seetec Properties Limited £Nil (2021: £15,268).

One of the directors owed the Group £1 (2021: £Nil) at the Balance sheet date. Total compensation of key

management personnel (including the directors) in the year amounted to £2,354,291 (2021: £1,933,513).

Please see note 29 with reference to the guarantee in support of the SEOTL.

Company

Seetec Employee Trustee Limited, a Company controlled by a director, owed the Company £279,885 (2021: £270,385) at the Balance Sheet date.

Seetec Employee Ownership Trustee Limited, the ultimate controlling party for the Company, owed the Company £Nil (2021: £160,880) at the Balance Sheet date.

South East Essex Technology Centre (Your Ambition), a company controlled by a director, owed the Company £Nil (2021: £468,822) at the Balance Sheet date.

Seetec Properties Limited, a company controlled by a director, charged the Company market rent and insurance totalling £87,593 (2021: £87,066). At the Balance Sheet date the Company owed Seetec Properties Limited £Nil (2021: £15,268).

One of the directors owed the Company £1 (2021:£Nil) at the Balance sheet date.

Transactions with fellow 100% group companies have not been disclosed as the Company has taken advantage of the exemption under FRS 102.

Please see note 29 with reference to the guarantee in support of the SEOTL.

33. Controlling party

At the Balance Sheet date, Seetec Employee Ownership Trust is the ultimate controlling party by virtue of its 51% shareholding in Seetec Business Technology Centre Limited.

Notes to the financial statements: year ended 31 March 2022

34. Prior year adjustment

The prior year adjustment amounting to £469k relates to expenses incurred by Seetec Business Technology Centre Limited (SBTC) for services provided as a subcontractor to Your Ambition (YA). Expenses incurred by SBTC amounting to £469k were reversed in 2021, and the same amount was billed to YA and recognised as revenue by SBTC. The reversal of the expenses overstated the prior year profit by £469k.

Within the Consolidated Statement of Comprehensive Income, the amendments affected the 2021 balances:

- Administrative expenses of £35,480k (£35,011k as previously stated).

Within the Consolidated Balance Sheet, the amendments affected the 2021 balances:

- Debtors of £21,993k (£22,462k as previously stated).

Within the Company Balance Sheet, the amendments affected the 2021 balances:

- Debtors of £8,226k (£8,695k as previously stated).

The prior year adjustment amounting to £281k relates to the recognition of income tax on the foreign exchange movement in respect of an intercompany loan which was reversed in 2021.

Within the Consolidated Statement of Comprehensive Income, the amendments affected the 2021 balances:

- Tax on profit of £600k (£319k as previously stated).

Within the Consolidated Balance Sheet, the amendments affected the 2021 balances:

- Creditor: amounts falling due within one year of £32,962k (£32,681k as previously stated).

Within the Company Balance Sheet, the amendments affected the 2021 balances:

- Creditor: amounts falling due within one year of £8,349k (£8,068k as previously stated).

Within the Consolidated Balance Sheet, the two prior period adjustments referred to above affected the 2021 profit and loss account as follows £2,441k (£3,191k previously stated).

Within the Company Balance Sheet, the two prior period adjustments referred to above affected the 2021 profit and loss account as follows (£552k) (£198k previously stated).

