

Company registration number: 02896700

Charity registration number: 1034808

NCFE

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 July 2023

NCFE

Contents

Reference and Administrative Details	1 to 2
Trustees' Report	3 to 14
Independent Auditors' Report	15 to 18
Consolidated Statement of Financial Activities	19
Comparative Consolidated Statement of Financial Activities	20
Consolidated Balance Sheet	21
Balance Sheet	22
Consolidated Statement of Cash Flows	23
Notes to the Financial Statements	24 to 47

NCFE

Reference and Administrative Details

Trustees	Ms D M Jenkins MBE DL, Chair Ms B H Ashton Mrs J Whitfield Mr M A Smith (appointed 27 February 2023) Mr R Ghurbhurun (appointed 5 December 2022) Mr D. Wilson Mr C M V Peel (resigned 21 March 2023) Ms R A Cushieri (resigned 21 March 2023) Mr C Hoggert (appointed 27 February 2023 and resigned 12 September 2023)
Secretary	E J Hoare
Key Management Personnel	D Gallagher, Chief Executive Officer K Todd, Chief Financial Officer S Foster, Chief Regulatory Officer P Le Feurve, Chief Operating Officer S Brown, Chief Commercial Officer H Ketteringham, Chief People Officer
Registered Office	Q6 Quorum Park Benton Lane Newcastle upon Tyne NE12 8BT The charity is incorporated in Wales.

NCFE

Reference and Administrative Details

Company Registration Number 02896700

Charity Registration Number 1034808

Solicitors Womble Bond Dickinson
The Spark
Draymans Way
Helix
Newcastle upon Tyne
NE4 5DE

Bates Wells
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Bankers Barclays Bank
Percy Street
Newcastle upon Tyne
NE1 4QL

Lloyds Bank PLC
King Street
Manchester
M2 4LQ

Auditor Azets Audit Services
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Investment Managers Brewin Dolphin Ltd
Time Central
Gallowgate
Newcastle Upon Tyne
NE1 4SR

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Trustees' Report

The Trustees present their annual directors' report and the audited financial statements of the charity for the year ending 31 July 2023.

The financial statements comply with current statutory requirements, the Articles of Association and the Charities Statement of Recommended Practice ("Charities SORP") applicable to charities preparing their accounts in accordance with FRS 102.

OBJECTIVES AND ACTIVITIES

Purpose and aims

As we celebrate our 175th anniversary we look back at our heritage, beginning in 1848 when the UK was experiencing a golden age of industry and growth, fuelled by technological and scientific advancements. To satisfy the high demand for skilled workers, the Northern Union of Mechanics Institutes established what would later become known as NCFE to "become a centre from whence the elements of knowledge and civilisation shall go on with an unceasing progress, conferring intellectual, scientific and moral blessings throughout the length and breadth of the Northern Counties."

175 years and a name change or two later, it is humbling to see how this core purpose has endured and inspired our people. New digital technologies and the increasingly prevalent adoption of artificial intelligence is disrupting not only what and how we learn, but also the shape of our careers and the skills we need to be successful. In that respect NCFE fulfils a very similar role to its early days - supporting the training and re-skilling of workers by promoting and advancing learning to help create a fairer society.

We are serious about changing education for the better, backed by a promise to support the delivery of the highest possible quality of learning experiences for our learners – our ultimate beneficiaries. For colleagues at NCFE, our purpose is one of our greatest motivations. Employees not only make a positive social impact – influencing the lives of hundreds of thousands of learners each year – their contributions affect what people learn and the way that learning is developed and delivered.

We believe that through shaping smarter learning, we can help to build a fairer society, create opportunities to progress and ensure that no learner is left behind. This means helping more individuals to realise their true potential and in turn, establishing more sustainable communities.

The strategies employed to achieve the charity's aims and objectives are:

1. *Developing deep and credible insight into need*

We use our deep understanding of the needs of learners, communities and the economy to focus resources on making the biggest difference.

2. *Creating brilliant qualifications and content*

We develop and deliver brilliant learning content that equips educators with the skillsets and resources to deliver the highest quality, transformational learning experiences.

3. *Assessing learner need, progress and attainment*

We are market leaders in the forms of assessment we specialise in, using advanced analytics to create richer, more personalised, lifelong learner journeys.

4. *Cultivating a purposeful and high-performance culture*

We cultivate a purpose-led collaborative, vibrant and high-performance culture where our people are connected with and aligned to achieving our ambitious goals.

NCFE

Trustees' Report

5. *Leading digital disruption in education*

We are a lean, digitally-enabled organisation that delivers innovative products and personalised experiences to every type of customer.

The Trustees review the aims, objectives and activities of the charity each year and ensure compliance with the Charities Act to have due regard to the Charity Commission's general guidance on public benefit. This report looks at what the charity has achieved and the outcomes of its work in the reporting period, including the benefits the charity has brought to its beneficiaries.

STRATEGIC REPORT

Achievements and performance

During 2022-23, the Group's products and services supported over 400,000 (2021-22: 375,000) learners to progress onto the next stage of their education, training or career.

Our core assessment products and services are tailored to support three key segments:

- ***Learning for Work***

This comprises a range of products, services and resources to support adult (19+) learners reach their potential, through either securing employment, supporting career development and/or progression to higher-skilled roles.

The core beneficiaries of the Learning for Work portfolio are funded adult learners, including community learners, unemployed and underemployed adults, offenders and ex-offenders, adults looking to up-skill, re-skill or change career, Armed Forces Service Members and Service Leavers and economically inactive individuals.

In delivering the Learning for Work portfolio to adult learners, NCFE works with approximately 1,500 centres, including Further Education Colleges, Training Providers, Schools, Employers and Local Authorities across the UK and internationally.

The volume of adult learners enrolling on regulated qualifications accessed by Adult Funding budgets has continued to steadily decline over the last decade. This, compounded by an increasingly competitive and price sensitive market, has resulted in challenging trading conditions. That said our Learning for Work portfolio grew 3% year on year with our Level 3+ qualifications performing well and we were delighted to retain our status as the number one Awarding Organisation for adult funded enrolments.

- ***Apprenticeships***

Our Apprenticeships portfolio supports learners, providers, and employers from the beginning to the end of their apprenticeship journey through a range of educational technology solutions, on programme mandatory and non-mandatory qualifications, supporting resources and an end point assessment service.

We recognise the sector continues to face challenges including apprentice recruitment, retention and achievement rates and the underutilisation of the levy. Furthermore, apprenticeships are still not being promoted equally to students alongside academic qualifications restricting social mobility and progression. Through our customer-focused and employer/labour market-led approach to product and solution development we continue to support the sector with this.

NCFE

Trustees' Report

In 2022-23 our End Point Assessment Organisation had its best performing year, supporting 9,084 apprentices (2022: 7,030) through gateway assessment and achievement representing 29% growth on previous year. In the same period, new apprenticeship standards were added in Data Technician, Data Analyst and Fundraising and a new Digital Functional Skills qualification was introduced to the qualification portfolio. We secured a national contract to deliver assessments for the Department of Education's Multiply programme and in October were delighted to be awarded both 'EPAO of the year' and 'Learner of the Year' at the FAB 2022 Awards.

- **Technical Education**

Our Technical Education portfolio is split into three main product focus areas: V Cert Technical Awards (vocational alternative to GCSEs), Entry to Level 2 qualifications, and Level 3 to Level 5 qualifications (including T-Levels and HTQs). Aside from V Certs, our qualifications are primarily used in 16-19 study programmes in the Health and Social Care, Early Years, Sport, Public Services, and Travel and Tourism sectors.

Our products and services in this portfolio are navigating a particularly turbulent period. Technical qualification reforms continue in England following the introduction of T-Levels, and a review of qualifications at Level 3 and below, primarily those that overlap with T-Levels and do not map to qualification standards. Until this process concludes, recruitment and enrolment on T-Level programmes, which are more robust than the legacy qualifications they are designed to replace, remains challenging while funding remains available for the legacy qualifications. As a result, the financial performance of our T Level qualifications has been below our estimates and expectations and is considered further in the Financial Review of this report.

Outside of our core Awarding and End Point Assessment Organisations, we continue to extend the charity's reach and impact through a range of new initiatives:

Assessment Innovation

In the summer of 2021, we launched the Assessment Innovation Fund ("AIF"). Recognising the need for evidence-based advancements, the AIF fills a gap in existing research by supporting organisations to test innovative approaches and explore the transformative potential of technology within the assessment landscape.

To date, we have committed £1m of funding through our Social Investment Strategy to support the AIF. This commitment translates into five funding windows, offering organisations the opportunity to secure Feasibility Project grants of up to £25,000 or Impact Project grants of up to £200,000.

To ensure the robustness of proposals and maximise the impact on learners, each project is evaluated against the AIF Evaluation Framework by an expert panel. The framework assesses each proposal against core principles: tangible learner benefit, project feasibility and thoroughness, and robust evaluation methodology.

By July 2023, through our AIF we had successfully:

- Generated £1.59m in Social Value and a Social Return On Investment of 1.7x. This means that for every £1 invested £1.70 was generated in Social Value.
- Worked with 12 organisations to involve over 3,289 learners, 206 educators, 2 continents and 49 institutions in the evaluation of proposals to ensure solutions provide a robust and reliable evidence base.

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Trustees' Report

- Launched 5 application windows where we received 114 applications from organisations with an innovative proposal that supports NCFE's ongoing horizon scanning and supported 12 innovative projects to test the boundaries of assessment.
- Further strengthened our strategic partnership Ufi VocTech Trust, including securing co-funding of £250,000 to deliver AIF Window 6 and a campaign for changes in assessment.
- Managed the applications and interests of 114 individual projects and organisations which are now feeding into NCFE in a formal way as insight into market trends.
- Involved over 126 individuals in our evaluation process for proposals which has included key strategic partners such as JISC, AoC, VTCT, AlphaPlus, Edge Foundation and NESTA.
- Collaborated with and supported leadership within the education sector through conference appearances such as The FE Collective, co-chairing the JCQ group for AI in assessment, and co-authoring future of assessment articles with JISC.

The Assessment Innovation Fund (AIF) stands as a transformational and collaborative initiative in assessment practices. Through the strategic allocation of funding, expert guidance, and dedicated time, the AIF is leading the way towards better assessment practices based on real evidence, supporting NCFE to shape the future of learning and assessment.

Social Investments

NCFE has made several social investments which are highly aligned with our purpose and strategy. We work closely with each of our partners as we seek to extend our charity's reach and impact, tracking the performance of our investment through a clear set of KPIs. During 2022-23 we supported the following programmes:

- We've collaborated with **WorldSkills UK** to create the innovative Centre of Excellence programme to advance vocational learning practice. The WorldSkills UK Centre of Excellence has developed from an award-winning workforce development programme into a sector-leading innovation space, equipping leaders and teaching practitioners with the knowledge and skills to raise the quality and standards of Technical and Vocational Learning within their provision.

Following the highly successful pilot and further investment, the Centre of Excellence has now expanded, with more than 140,000 young people and nearly 5,000 educators set to benefit from this first-of-its-kind initiative over the next three years. Alongside FE Colleges, all independent training providers and Higher Educational Institutions throughout the UK are now able to join.

Drawing on 70 years of experience in international skills benchmarking, members of the Centre of Excellence will benefit from access to: world-class teacher training based on international insights and best practices in the field of technical education and skills development; industry-led networks for innovation and communities of practice exploring priority skill sectors and a Global community for thought leadership driving forward research and shaping future policy, championing the demand for UK skills excellence.

- We're proud to be partnered with **Good for ME Good for FE**, a unique social impact project looking to create a sustainable programme of community action across the UK. Through encouraging staff and students to undertake a wide range of volunteering and fundraising activities, the pioneering initiative is having a real impact on the lives of people up and down the UK.

Having exceeded its initial £1m funding target, the campaign has generated over £3.7m of social value and is now focused on ensuring continued impact by growing and developing opportunities across the UK.

NCFE

Trustees' Report

- The **Research Further initiative** was established collaboratively by the **Association of Colleges** and NCFE to support, drive and encourage college-centred research that can help influence policy and practice. In early 2023 Research Further was joined by two additional funders, Education Training Foundation (ETF) and Edge.

To date, the programme has supported 16 FE practitioners to undertake post-graduate research in an area where evidence is currently lacking. Scholars are part of a supportive community of peers, and the topics that these scholars are investigating currently range from the regional impact of further education colleges to CPD and subject-specific pedagogy.

In addition to Research Further, AoC and NCFE also run the **Think Further partnership** which is a thought-leadership initiative that offers a platform for the FE sector to provide deep insight and informed debate on a range of topics. It brings together research-led think pieces and blogs steeped in the experience and expertise of the further education and skills sector.

- Data released by the Office for National Statistics in 2021 showed that only 22% of autistic adults are in any kind of employment. The National Autistic Society states that 60% of employers are worried about getting support for an autistic employee wrong, and the same proportion didn't know where to go for help or advice about employing an autistic person.

That's why we partnered with the **Greater Manchester Learning Provider Network (GMLPN)**. As a network of over 115 training providers, including independent, FE colleges, universities, and voluntary providers, it works to achieve closer alignment between the needs of employers, individuals, communities, and the suppliers of skills.

Together we've implemented a project to increase apprenticeship opportunities for autistic young people, helping to equip them with the technical and employability skills to progress into employment and improve the links between schools/colleges, training providers, referral agencies and employers to improve progression routes.

- At NCFE our core purpose is to promote and advance learning, helping to shape a fairer and more inclusive society. This is just one of the reasons that we're proud to be one of the several organisations supporting the **Helena Kennedy Foundation** to offer bursaries to learners to help with their education. Over the past 25 years, the Helena Kennedy Foundation has supported over 2,000 learners to progress from further education to higher education through their bursary scheme.

Energy and Carbon Report

We report under the UK energy and carbon reporting requirements ('SECR') and have set out in the table below our direct emissions.

GHG emission and energy data

	Year to 31 July 2023	Year to 31 July 2022
ENERGY CONSUMPTION TO CALCULATE EMISSIONS		
Gas combustion Kilowatt Hours (kWh)	42,337	43,234
Purchased electricity kWh	224,524	211,750
Transport fuel * kWh (Note 1)	348,391	94,617
Total energy consumption kWh	615,252	349,601
EMISSIONS		

NCFE

Trustees' Report

Gas combustion tonnes CO2 equivalent (tCO2e) (Scope 1)	7.7	7.9
Company vehicles tCO2e (Scope 1) (Note 2)	10.8	
Purchased electricity tCO2e (Scope 2)	46.0	40.9
Business travel in employee-owned vehicles where the organisation is responsible for purchasing the fuel *tCO2e (Scope 3)	82.6	21.3
Total gross emissions tCO2e based on above	147.1	70.1
INTENSITY RATIOS		
tCO2e per £m revenue	3.75	1.41
tCO2e per m2 of floorspace	0.05	0.02

**Represents fuel used in personal cars on business use for which the organisation reimburses its employees following claims for business mileage*

Note 1 – The kWh for transport fuel has increased in 2023 as business activities return onsite following the pandemic.

Note 2 - Represents company vehicles owned by Active IQ, following acquisition in November 2022.

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2023 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e.

Measures taken to improve energy efficiency

NCFE has continued to utilise a range of energy efficient measures including:

- All light are low-energy LED lighting throughout the building
- All lighting is fitted with Passive Infrared Sensors (PIR) in office spaces
- Lighting in stairwells and reception are fitted with 'dusk til dawn' sensors
- Timers are used on the Fan Coil Units (FCU's) to accommodate shorter working days

NCFE purchases 100% renewable electricity and natural gas for our Q6 Office. This is procured backed by recognised certification schemes (i.e. REGOs, GOOs), which provide evidence that the energy is from appropriately accredited renewable sources.

NCFE

Trustees' Report

Additional voluntary reporting activities

The majority of NCFE's carbon footprint comprises Scope 3 emissions from business travel i.e. fuel associated with transport (personal cars on business use) where the organisation does not operate the vehicle / service. Although this data is outside the mandatory requirements of the 'Energy and Carbon Report, the organisation voluntarily reports a full carbon emissions data set (including all Scope 3 emissions from business travel) on an annual basis.

FINANCIAL REVIEW

2022-23 represented a period of continued growth and investment in NCFE. In November, we were delighted with the successful acquisition of Active IQ Limited, the Awarding and End Point Assessment Organisation specialising in active leisure, fitness and well-being. Active IQ has performed well since its acquisition, making a positive contribution and providing access to a new sector for the Group.

Despite continued challenging trading conditions, our income for the year increased by over 10% to £43.0m (2021-22: £39.1m) thanks to the continued growth of our End Point Assessment Organisation, stable performance from our Awarding Organisation in a contracting market and the part-year contribution from Active IQ.

Total Expenditure during the year was £50.9m (2021-22: 41.9m) an increase of 21% compared to the prior year which, in addition to the incremental costs of delivering higher volumes of products and services, also reflects:

- The financial performance of our T Level contracts. T Levels are the Government's flagship alternative to A Levels and other 16-19 courses. We hold multiple contracts with the Institute for Apprenticeships and Technical Education for the development and delivery of T Level qualifications. These contracts represent a multi-year investment from NCFE but, to date, student enrolments have fallen below expectations. As a result, we have written down our development investment relating to T Levels which has resulted in an impairment charge of £2.5m in the year.
- The impact of a changing market and a shift towards larger, more complicated, and costly qualifications which is impacting on gross margins.
- The cost base of Active IQ which we owned for part of the financial year.
- Our ongoing Transformation programme which will deliver significant improvements in our business processes, systems and data and customer service levels and experience. We are currently implementing a new finance system which will go-live in 2024 and are finalising planning for a replacement CRM system; and
- The provision of funding for initiatives such as the Assessment Innovation Fund and Social Investments which, as outlined above, have helped to make significant contributions to our charitable purpose.

Our Net movement in funds for the year was a deficit of £7.9m, which was in-line with Budget with the exception of the T Level impairment charge. As our investment programmes are delivered, we anticipate the charity returning to generating surpluses within the next two years.

NCFE

Trustees' Report

Investment policy, objectives and performance

Under its Articles of Association, the Trustees have the authority to invest as they see fit in order to meet the charity's purpose. The investment policy agreed by the Trustees has continued to follow a 'managed funds' approach, based on a progressive risk profile. Day to day investment decisions are delegated to NCFE's investment advisors at Brewin Dolphin. This approach allows for tactical asset allocation across a range of investment types:

	Asset Allocation Ranges		
	Strategy Fund	Trading Fund Shock	Legacy Fund
Investment Horizon	Up to 4 years	5 years	10 years +
Fixed Interest	36% - 52%	17% - 33%	0% - 14%
UK Equities	0% - 14%	11% - 26%	21% - 27%
Overseas Equities	4% - 20%	26% - 42%	45% - 62%
Alternative Investments	15% - 30%	7% - 23%	0% - 14%
Property	0% - 15%	0% - 13%	0% - 10%
Cash	0% - 15%	0% - 10%	0% - 10%

The discrete funds have differing investment time horizons based on the charity's expectations on when they will be utilised. The Trustees' objective is to protect the capital value of its Reserves in real terms and maximise the return on investment for the acceptable and agreed level of risk.

Following a difficult year for our investment portfolio managed by Brewin Dolphin in 2021-22, our investment portfolio returned a modest loss during 2022-23 of £0.1m. The markets continue to be volatile, reacting to high levels of inflation and a number of global conflicts.

The performance of the portfolios is monitored by the Board of Trustees and the Audit, Risk and Investment Committee. The Trustees are disappointed with the performance of the portfolios over the last two years but understand this is in line with the wider investment market trends and is satisfied that given the longer-term investment horizons our portfolios should generate a better level of return than would have been achieved had the monies been held as cash.

PRINCIPAL RISKS AND UNCERTAINTIES

Our principal risks are recorded on the Strategic Risk Register and updated and reviewed regularly by the Executive and the Audit, Risk and Investment Committee. The register captures risk ratings and controls in place to mitigate risks where possible.

NCFE

Trustees' Report

Impact of changes in Government policy

NCFE relies on indirect government funding via colleges, training providers and schools and therefore is exposed to changes in government policy direction and funding for education. A recent example of this has been outlined in the Skills and Post-16 Education Bill where the Department for Education is proposing to remove the availability of funding from some Level 3 qualifications. This is mitigated to some extent with NCFE winning tenders for the development and delivery of T-Level Qualifications which grants NCFE an exclusive license to deliver the T-Levels awarded. NCFE continues to work closely with government bodies, regulators, stakeholders and customers to ensure influence in decision making and to be as proactive as possible in relation to changes to policy and regulatory direction.

Financial pressures within the education sector

The disruption and volatility caused by the COVID-19 pandemic, followed immediately by significant increases in inflation and interest rates have placed considerable financial pressures on our sector. Our centres are having to carefully manage their finances and without support, some may struggle to continue to trade. This in turn presents a risk to NCFE either through loss of income and surplus or by monies due from customers becoming uncollectable. We manage this exposure through credit monitoring and regular credit control meetings to identify customers that may present a risk.

Furthermore, our market for qualifications and assessments is changing with a shift towards larger, more complicated, and costly qualifications which is impacting on gross margins. We manage this through robust business planning, budget setting, performance monitoring and cash-flow forecasting processes, ensuring our cost base is aligned to our income levels and our businesses are sustainable.

An increasing reliance on data

Due to changes in the regulatory frameworks, and identification that data sharing between the different aspects of the educational system needs improvement, there has been a focus from educational regulators on the collection of data, with a 5-fold increase in the number of returns compared to the previous year. In response to this we have invested in establishing a dedicated regulatory data team, led by the Head of Regulatory Reporting, which oversees the management of timely submission of data returns and leads on improving the data that is collected to ensure appropriate support and management is maintained.

Delivery of Transformation Projects within NCFE

The Transformation programme comprises several projects, designed to elevate NCFE's position within the education sector, align different parts of the NCFE organisation, improve the quality and efficiency of underlying business processes and develop innovative ways to address educational challenges. The programme requires significant investment from NCFE, with the projects being at various stages of discovery or implementation and there is a risk that the intended benefits of the programme are not delivered. In order to mitigate this, a number of controls have been put in place, including; a programme management structure including boards at workstream, project, programme and executive level, named accountable owners and leads for each of the projects and the requirement for investment to be business cased and approved by the board of Trustees.

NCFE

Trustees' Report

RESERVES POLICY AND GOING CONCERN

The Trustees have reviewed the Charity's needs for reserves in line with guidance issued by the Charity Commission. At 31 July 2023, the Group had reserves of £31.8m (2021: £39.6m). All reserves are unrestricted funds.

The Reserves policy sets out a minimum level of reserves of £19.5m to satisfy the Group's commitments and protect it from any significant financial shocks. The remaining reserves will be available for the delivery of the strategic plan aimed at maximising our social impact and ensuring a sustainable future for the Group.

Going Concern

The Trustees have considered the company's current and future prospects and its availability of financing and are satisfied that the company can continue to pay its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. For this reason, the Trustees continue to adopt the going concern basis of preparation for these financial statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

NCFE is a company limited by guarantee, governed by its Articles of Association dated 10 February 1994 and last amended on 19 August 2020. It is a registered charity with the Charity Commission. Anyone over the age of 18 can become a member of the company and there are currently 6 members (2022: 6), each of whom agrees to contribute £1 in the event of the Charity winding up.

The members of the Board of Trustees, who are directors for the purposes of company law, are listed on page 1.

Method of appointment or election of Trustees

The management of the company and the group is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

The Chair and Deputy Chair of the Trustees is nominated in line with the Articles of Association by Trustees.

Individual Trustees are sought when a vacancy arises on the Board. The Board seeks to maintain a reasonable balance of gender, ethnicity, skills and work backgrounds. They will target individuals who have the requisite mix for any specific vacancy. The Board makes a positive effort to remove, reduce or prevent obstacles to people being trustees, allocating budgets, where necessary, to achieve this within the charity's available resources.

Trustees serve a 3 year term, at the end of which they may seek re-election. There is no outside party who can appoint trustees.

In accordance with the Articles of Association (14.2) no Director shall serve in office for more than nine consecutive years provided that a Director may be reappointed annually thereafter by the Board if there are exceptional circumstances.

NCFE

Trustees' Report

Trustee induction and training

All new Trustees undergo a detailed induction at which members of the Executive brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and the recent financial performance of the charity. During the induction they are also introduced to numerous key members of staff.

The Trustees undertake an annual self-assessment of performance which will either take the form of a one-to-one meeting with the Chair or Deputy Chair (for the Chair of Trustees) or a survey. A skills assessment will be undertaken at junctures where it is required for succession planning purposes or new members of the board join.

Organisational structure and decision making

The Board of Trustees, which can have up to 12 members, administers the charity.

The Board meets at least 4 times a year, at least one meeting of which is extended to enable members to give greater consideration to the future strategic direction of the organisation, as well as ensuring that the organisation's charitable purposes, and its external environment in which it works, continue to be relevant and valid.

Members also meet with the Executive between quarterly formal meetings to exchange views and receive updates on the organisation's progress. As stated above, none of the Trustees are directly involved in the operational activity of the Group. Where there are any conflicts, these are carefully reported, recorded and managed.

A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance, employment and education-related activity.

The Chief Executive manages the Executive who have Directorate level responsibility. Within each Directorate there are a number of teams each of which has a manager who sits as part of the Management team group with responsibility for operational activity.

Charity Governance Code

The Board applies the Charity Governance Code as an internal framework to review and monitor its own performance and governance. Compliance against the Code is scrutinised by the Audit, Risk and Investment Committee and reported to the main Board on an annual basis. The charity can demonstrate it has adopted the Code with an action plan in place for 2024 which will ensure there is continuous improvements.

Related parties

The links between Board members and the organisations in which they hold senior positions are disclosed in note 25.

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Trustees' Report

Pay policy for senior staff

The company's approach for determining salaries is set out in its Pay and Reward policy, which is published on the charity's website aligning to the requirements of the Charity Governance Code. All salaries are set and approved as follows:

- For the CEO, their remuneration is agreed by Trustees.
- Executives' remuneration is set by the CEO in consultation with Trustees.
- Salaries for other colleagues are guided by external benchmarking and proposed by Leaders in line with the Pay and Reward Policy and within the confines of departmental budgets agreed by the Board of Trustees each year.

Colleague involvement and employment of disabled people

The company conducts a colleague engagement survey quarterly in order to give colleagues the opportunity to provide feedback and suggestions. All line managers further engage colleagues in engagement plans, to promote continuous improvement. There are numerous communication channels used across the business, including the People Vision Committee and the Equality, Diversity and Inclusion Committee. There is a regular internal newsletter to communicate key messages and colleagues are offered an exit interview upon leaving the organisation.

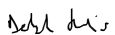
In accordance with the company's Equality, Diversity and Inclusion policy, there are long established fair employment practices in place regarding the recruitment, selection, retention and training of disabled colleagues. The company has become a Disability Confident Employer, guaranteeing interviews to all disabled candidates, subject to meeting the essential requirements of a vacant role. This data is monitored to ensure fairness and positive impact. All colleagues complete mandatory training in relation to employment matters and adhere to company policies in that regard. Full details of these policies are available from the company.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when the Report of the Board of Trustees is approved has confirmed that:

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

The annual report was approved by the trustees of the charity on 05/02/2024.... and signed on its behalf by:



Deborah Jenkins 05 Feb 2024 11:59:31 GMT (UTC +0)

Ms D M Jenkins MBE DL
Trustee

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Independent Auditor's Report to the Members of NCFE

Opinion

We have audited the financial statements of NCFE (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 31 July 2023, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (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 parent charity's affairs as at 31 July 2023 and of the group's incoming resources and application of resources, including its income and expenditure 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements were authorised for issue.

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

Other information

The trustees 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.

NCFE

Independent Auditor's Report to the Members of NCFE

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the and the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Auditor 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.

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

NCFE

Independent Auditor's Report to the Members of NCFE

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment law (including the Working Time Directive); Qualifications and examinations regulations, General Data Protection regulations and compliance with the UK Companies Act and Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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

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.

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Independent Auditor's Report to the Members of NCFE

Use of our report

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



Simon Brown 06 Feb 2024 08:40:55 GMT (UTC +0)

Simon Brown BA ACA DChA (Senior Statutory Auditor)

For and on behalf of Azets Audit Services

Chartered Accountants

Statutory Auditor

Bulman House

Regent Centre

Gosforth

Newcastle upon Tyne

NE3 3LS

Date: 06/02/2024

Azets Audit Services is a trading name of Azets Audit Services Limited..

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**Consolidated Statement of Financial Activities for the Year Ended
31 July 2023
(Including Consolidated Income and Expenditure Account and
Statement of Total Recognised Gains and Losses)**

	Note	Total 2023 £ 000	Total 2022 £ 000
Income and Endowments from:			
Charitable activities	3	42,480	38,140
Investment income	4	554	423
Other income	5	-	532
Total Income		<u>43,034</u>	<u>39,095</u>
Expenditure on:			
Raising funds	6	(74)	(90)
Charitable activities	7	(50,777)	(41,415)
Other expenditure		-	(401)
Total Expenditure		<u>(50,851)</u>	<u>(41,906)</u>
Gains/losses on investment assets		<u>(93)</u>	<u>(2,438)</u>
Net expenditure		<u>(7,910)</u>	<u>(5,249)</u>
Net movement in funds		(7,910)	(5,249)
Reconciliation of funds			
Total funds brought forward		<u>39,692</u>	<u>44,941</u>
Total funds carried forward	22	<u><u>31,782</u></u>	<u><u>39,692</u></u>

All of the group's activities derive from continuing operations during the above two periods.

The funds in both years are unrestricted funds only.

NCFE

**Comparative Consolidated Statement of Financial Activities for the
Year Ended 31 July 2022
(Including Consolidated Income and Expenditure Account and
Statement of Total Recognised Gains and Losses)**

	Note	Unrestricted £ 000	Total 2022 £ 000
Income and Endowments from:			
Charitable activities	3	38,140	38,140
Investment income	4	423	423
Other income	5	532	532
Total income		<u>39,095</u>	<u>39,095</u>
Expenditure on:			
Raising funds	6	(90)	(90)
Charitable activities	7	(41,415)	(41,415)
Other expenditure		<u>(401)</u>	<u>(401)</u>
Total expenditure		(41,906)	(41,906)
(Gain)/loss on programme related investments		<u>(2,438)</u>	<u>(2,438)</u>
Net expenditure		<u>(5,249)</u>	<u>(5,249)</u>
Net movement in funds		(5,249)	(5,249)
Reconciliation of funds			
Total funds brought forward		<u>44,941</u>	<u>44,941</u>
Total funds carried forward	22	<u><u>39,692</u></u>	<u><u>39,692</u></u>

NCFE**(Registration number: 02896700)
Consolidated Balance Sheet as at 31 July 2023**

	Note	2023 £ 000	2022 £ 000
Fixed assets			
Intangible assets	13	4,461	4,004
Tangible assets	14	2,188	2,501
Investments	15	19,108	21,503
		<u>25,757</u>	<u>28,008</u>
Current assets			
Stocks	16	258	400
Debtors	17	6,177	5,925
Cash at bank and in hand	18	5,635	10,653
		<u>12,070</u>	<u>16,978</u>
Creditors: Amounts falling due within one year	19	<u>(6,045)</u>	<u>(5,294)</u>
Net current assets		<u>6,025</u>	<u>11,684</u>
Net assets		<u>31,782</u>	<u>39,692</u>
Funds of the group:			
Unrestricted income funds			
Designated funds		19,500	15,000
General funds		12,282	25,620
Merger reserve		-	(928)
Total unrestricted funds		<u>31,782</u>	<u>39,692</u>
Total funds	22	<u>31,782</u>	<u>39,692</u>

The financial statements on pages 19 to 47 were approved by the trustees, and authorised for issue on 05/02/2024.... and signed on their behalf by:



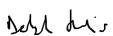
Deborah Jenkins 05 Feb 2024 11:59:31 GMT (UTC +0)

Ms D M Jenkins MBE DL
Chair

NCFE**(Registration number: 02896700)
Balance Sheet as at 31 July 2023**

	Note	2023 £ 000	2022 £ 000
Fixed assets			
Intangible assets	13	1,611	4,004
Tangible assets	14	2,177	2,501
Investments	15	22,652	21,503
		<u>26,440</u>	<u>28,008</u>
Current assets			
Stocks	16	212	400
Debtors	17	6,150	5,925
Cash at bank and in hand	18	5,230	10,528
		<u>11,592</u>	<u>16,853</u>
Creditors: Amounts falling due within one year	19	<u>(5,605)</u>	<u>(5,584)</u>
Net current assets		<u>5,987</u>	<u>11,269</u>
Net assets		<u>32,427</u>	<u>39,277</u>
Funds of the charity:			
Unrestricted income funds			
Designated funds		19,500	15,000
Unrestricted funds		12,927	25,205
Merger reserve		-	(928)
Total unrestricted funds		<u>32,427</u>	<u>39,277</u>
Total funds	22	<u>32,427</u>	<u>39,277</u>

The financial statements on pages 19 to 47 were approved by the trustees, and authorised for issue on 05/02/2024.... and signed on their behalf by:



Deborah Jenkins 05 Feb 2024 11:59:31 GMT (UTC +0)

Ms D M Jenkins MBE DL
Chair

NCFE**Consolidated Statement of Cash Flows for the Year Ended 31 July 2023**

	Note	2023 £ 000	2022 £ 000
Cash flows from operating activities			
Net cash expenditure		(7,910)	(5,249)
Adjustments to cash flows from non-cash items			
Depreciation	14	452	562
Amortisation	13	2,790	852
Investment income	4	(554)	(423)
Loss on disposal of intangible fixed assets		2,556	136
Revaluation of investments		99	2,438
		<u>(2,567)</u>	<u>(1,684)</u>
Working capital adjustments			
Decrease/(increase) in stocks	16	142	(382)
Increase in debtors	17	(252)	(707)
Increase in creditors	19	744	560
Increase in deferred income	19	7	24
Net cash flows from operating activities		<u>(1,926)</u>	<u>(2,189)</u>
Cash flows from investing activities			
Interest receivable and similar income	4	554	423
Purchase of intangible fixed assets	13	(5,803)	(1,686)
Purchase of tangible fixed assets	14	(139)	(137)
Purchase of investments	15	(1,608)	(24,820)
Sale of investments	15	3,904	9,968
Net cash flows from investing activities	15	<u>(3,092)</u>	<u>(16,252)</u>
Net decrease in cash and cash equivalents		(5,018)	(18,441)
Cash and cash equivalents at 1 August		<u>10,653</u>	<u>29,094</u>
Cash and cash equivalents at 31 July		<u>5,635</u>	<u>10,653</u>

All of the cash flows are derived from continuing operations during the above two periods.

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Notes to the Financial Statements for the Year Ended 31 July 2023

1 Charity status

The charity is limited by guarantee, incorporated in Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is: Q6 Quorum Park, Benton Lane, Newcastle upon Tyne, NE12 8BT

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) (issued in January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1,000.

Basis of preparation

NCFE meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 July 2023.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a deficit after tax for the financial year of £6,849,501 (2022 - deficit of £4,960,863).

On 22 November 2022, Active IQ limited became part of the group and the trading period 23 November to 31 July 2023 has been consolidated this year.

NCFE

Notes to the Financial Statements for the Year Ended 31 July 2023

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the statement of financial activities from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Going concern

The trustees consider that there are no material uncertainties about the group's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the group.

NCFE

Notes to the Financial Statements for the Year Ended 31 July 2023

Estimation uncertainty 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.

Key sources of estimation uncertainty

Estimates included within these financial statements include depreciation and amortisation charges based upon the useful economic lives of both tangible and intangible assets, and provisions against debtors. None of the estimates made in the preparation of these financial statements are considered to carry significant estimation uncertainty, nor to bear significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Critical areas of judgement

Judgement is also required in the assessment of the carrying values of fixed assets and investments, in the performing impairment tests. The impairment test calculations make assumptions around future trading performance, customer retention, cost rationalisation and external factors such as government funding. No material uncertainty is considered to exist in relation to this key area of judgement.

Government grants

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment. Grants are of a revenue nature, and as such are credited to income to match them with the expenditure to which they relate.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income

Interest receivable is included when receivable by the company.

Charitable activities

Income

Income from charitable activities represents the values of fees for the provision of examinations and assessments and related services.

Registration income is included within income resources in the period in which the relevant registration is made as all performance obligations have been met.

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Notes to the Financial Statements for the Year Ended 31 July 2023

Other income

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All expenditure is accounted for on an accruals basis. All expenses, including support costs are allocated to the applicable expenditure heading on a basis consistent with the use of resources.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure include expenditure relating to the provision of examination and assessment services and include both the direct costs and support costs relating to these activities.

Grant expenditure

Grants payable are payments made to third parties in the furtherance of the charity's objects. Grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the Trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the Charity.

Support costs

Support costs are those costs incurred directly in support of expenditure on the objects of the group and include project management carried out at the head office.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

NCFE

Notes to the Financial Statements for the Year Ended 31 July 2023

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Goodwill

Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Intangible assets

Intangible assets are stated in the Balance Sheet at cost less accumulated amortisation and impairment. They are amortised on a straight line basis over their estimated useful lives.

Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- The technical feasibility of completing the software so that it will be available for use or sale.
- The intention to complete the software and use or sell it.
- The ability to use the software or to sell it.
- How the software will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the software.
- The ability to measure reliably the expenditure attributable to the software during its development.

Brands acquired are valued as the difference between the identifiable net assets of the purchase, and the consideration paid.

Product development costs are recognised as intangible assets measured at cost.

Intellectual property is capitalised at cost on acquisition and amortised over their estimated useful lives using an amortisation method that reflects the pattern of their consumption.

Intangible assets are reviewed for impairment where market conditions or other factors indicate a reduction in future economic benefits. Impairment losses are recognised in the statement of financial activities where an asset's realisable amount exceeds its carrying value.

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Brands	5 Years straight line
Software and Intellectual property	2- 5 Years straight line
Product development	4 Years straight line

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Notes to the Financial Statements for the Year Ended 31 July 2023

Tangible fixed assets

Individual fixed assets costing £1,000.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Costs include the original purchase price plus any further costs directly attributable to bringing the asset to its working condition for its intended use.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Long Term Leasehold	Over Term of Lease
Fixtures and Fittings	5-15 years straight line
Office and Computer Equipment	3-5 years straight line

Impairment of fixed assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the statement of financial activities.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the statement of financial activities.

Investments

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Fixed asset investments

Listed investments, which have been classified as fixed asset investments, are measured initially and subsequently at fair value. The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Fixed asset investments in unquoted companies are stated at cost less impairment.

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks.

NCFE

Notes to the Financial Statements for the Year Ended 31 July 2023

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Provisions

Other liabilities and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

NCFE

Notes to the Financial Statements for the Year Ended 31 July 2023

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the group.

The aim and use of each designated fund, is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund

Hire purchase and finance leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

Pensions and other post retirement obligations

The group operates a defined contribution pension plan for its employees. Contributions are recognised as an expense when they fall due. Amounts due but not yet paid are included within creditors on the balance sheet.

NCFE makes an employer's contribution on pensionable pay, provided that the employee makes a minimum contribution. These amounts are paid over to the fund on a monthly basis.

Employee benefits

Short term benefits

Short-term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the employee's entitlement to the benefit accrues.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

NCFE

Notes to the Financial Statements for the Year Ended 31 July 2023

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

3 Income from charitable activities

	Unrestricted funds General £ 000	Total 2023 £ 000
Educational resources	42,480	42,480
	Unrestricted funds General £ 000	Total 2022 £ 000
Educational resources	38,140	38,140

NCFE

Notes to the Financial Statements for the Year Ended 31 July 2023

4 Investment income

	Unrestricted funds General £ 000	Total 2023 £ 000	Total 2022 £ 000
Interest receivable on bank deposits	75	75	4
Other income from fixed asset investments	346	346	293
Income from rents	133	133	126
	<u>554</u>	<u>554</u>	<u>423</u>

5 Other income

Other income consists of other trading activities. This amounted to £nil (2022; £532,000).

6 Expenditure on raising funds

a) Investment management costs

	Unrestricted funds General £ 000	Total 2023 £ 000	Total 2022 £ 000
Other investment management costs;			
Administration of the investments	74	74	90
	<u>74</u>	<u>74</u>	<u>90</u>

NCFE**Notes to the Financial Statements for the Year Ended 31 July 2023****7 Expenditure on charitable activities**

	Activity undertaken directly £ 000	Activity support costs £ 000	2023 £ 000
Examination and assessment activities	<u>44,463</u>	<u>6,314</u>	<u>50,777</u>
	Activity undertaken directly £ 000	Activity support costs £ 000	2022 £ 000
Examination and assessment activities	<u>35,647</u>	<u>5,768</u>	<u>41,415</u>

In addition to the expenditure analysed above, there are also governance costs of £193,000 (2022 - £132,000) which relate directly to charitable activities. See note 8 for further details.

8 Analysis of governance and support costs**Support costs allocated to charitable activities**

	Governance costs £ 000	Staff costs £ 000	Total 2023 £ 000	Total 2022 £ 000
Board Meetings	40	-	40	28
Audit Fees - Governance	28	-	28	48
Subsidiary Audit- Governance	14	-	14	-
Other Fees	111	-	111	56
Salaries	-	5,139	5,139	4,587
Employers NI	-	512	512	505
Pension Costs	-	470	470	544
	<u>193</u>	<u>6,121</u>	<u>6,314</u>	<u>5,768</u>

NCFE

Notes to the Financial Statements for the Year Ended 31 July 2023

9 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2023 £ 000	2022 £ 000
Operating leases - other assets	73	73
Audit fees	40	48
Other non-audit services	2	-
Loss on disposal of intangible fixed assets	2,556	136
Depreciation of fixed assets	898	562
Amortisation of intangibles and goodwill	<u>2,460</u>	<u>852</u>

10 Trustees remuneration and expenses

During the year 5 (2022: 3) trustees were reimbursed travelling expenses amounting to £1,705 (2022: £687). The amount owed at the year end amounted to £49 (2022: £nil).

No trustees, nor any persons connected with them, have received any remuneration from the group during the year.

No trustees have received any other benefits from the charity during the year.

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Notes to the Financial Statements for the Year Ended 31 July 2023

11 Staff costs

The aggregate payroll costs were as follows:

	2023 £ 000	2022 £ 000
Staff costs during the year were:		
Wages and salaries	28,477	24,668
Social security costs	2,724	2,497
Pension costs	2,521	2,286
	<u>33,722</u>	<u>29,451</u>

During the year, redundancy payments totalling £189,000 (2022: £2,000) were paid as part of the continuing restructuring of the business. These are included within staff costs.

The monthly average number of persons (including senior management / leadership team) employed by the group during the year expressed as full time equivalents was as follows:

	2023 No	2022 No
Employees	<u>1,014</u>	<u>900</u>

The number of employees whose emoluments fell within the following bands was:

	2023 No	2022 No
£60,001 - £70,000	18	19
£70,001 - £80,000	9	7
£80,001 - £90,000	2	2
£90,001 - £100,000	4	4
£100,001 - £110,000	3	2
£110,001 - £120,000	1	2
£120,001 - £130,000	2	-
£130,001 - £140,000	1	-
£140,001 - £150,000	-	2
£170,001 - £180,000	1	-
£190,001 - £200,000	1	-
Over £200,000	<u>-</u>	<u>1</u>

The total employee benefits of the Key Management Personnel of the group were £834,000 (2022 - £821,000).

NCFE**Notes to the Financial Statements for the Year Ended 31 July 2023****12 Auditors' remuneration**

	2023 £ 000	2022 £ 000
Audit of the financial statements	<u>40</u>	<u>48</u>
Other fees to auditors		
Taxation compliance services	<u>2</u>	<u>-</u>

13 Intangible fixed assets**Group**

	Goodwill and brands £ 000	Software and Intellectual Property £ 000	Research and development £ 000	Total £ 000
Cost				
At 1 August 2022	7,827	2,101	3,942	13,870
Additions	2,888	1,469	1,446	5,803
Disposals	<u>(2,901)</u>	<u>(1,661)</u>	<u>(3,493)</u>	<u>(8,055)</u>
At 31 July 2023	<u>7,814</u>	<u>1,909</u>	<u>1,895</u>	<u>11,618</u>
Amortisation				
At 1 August 2022	7,827	1,420	619	9,866
Charge for the year	385	1,455	950	2,790
Eliminated on disposals	<u>(2,901)</u>	<u>(1,629)</u>	<u>(969)</u>	<u>(5,499)</u>
At 31 July 2023	<u>5,311</u>	<u>1,246</u>	<u>600</u>	<u>7,157</u>
Net book value				
At 31 July 2023	<u>2,503</u>	<u>663</u>	<u>1,295</u>	<u>4,461</u>
At 31 July 2022	<u>-</u>	<u>681</u>	<u>3,323</u>	<u>4,004</u>

Included in Software additions is the brought Forward cost from Active IQ limited of £1,819,000 and in the charge for the year accumulated depreciation £1,384,000.

NCFE**Notes to the Financial Statements for the Year Ended 31 July 2023****Charity**

	Goodwill and brands £ 000	Software and Intellectual Property £ 000	Research and development £ 000	Total £ 000
Cost				
At 1 August 2022	4,926	1,242	3,942	10,110
Additions	-	129	864	993
Disposals	-	-	(3,457)	(3,457)
At 31 July 2023	<u>4,926</u>	<u>1,371</u>	<u>1,349</u>	<u>7,646</u>
Amortisation				
At 1 August 2022	4,926	561	619	6,106
Charge for the year	-	278	620	898
Eliminated on disposals	-	-	(969)	(969)
At 31 July 2023	<u>4,926</u>	<u>839</u>	<u>270</u>	<u>6,035</u>
Net book value				
At 31 July 2023	<u>-</u>	<u>532</u>	<u>1,079</u>	<u>1,611</u>
At 31 July 2022	<u>-</u>	<u>681</u>	<u>3,323</u>	<u>4,004</u>

Development costs

Development costs have been capitalised in accordance with FRS 102 Section 18 Intangible Assets other than Goodwill and are therefore not treated as a deficit to the charity.

NCFE**Notes to the Financial Statements for the Year Ended 31 July 2023****14 Tangible fixed assets****Group**

	Leasehold Land and buildings £ 000	Furniture and equipment £ 000	Computer equipment £ 000	Total £ 000
Cost				
At 1 August 2022	1,419	2,781	1,723	5,923
Additions	-	51	88	139
Disposals	-	(26)	-	(26)
At 31 July 2023	<u>1,419</u>	<u>2,806</u>	<u>1,811</u>	<u>6,036</u>
Depreciation				
At 1 August 2022	265	1,647	1,510	3,422
Charge for the year	30	292	130	452
Eliminated on disposals	-	(26)	-	(26)
At 31 July 2023	<u>295</u>	<u>1,913</u>	<u>1,640</u>	<u>3,848</u>
Net book value				
At 31 July 2023	<u>1,124</u>	<u>893</u>	<u>171</u>	<u>2,188</u>
At 31 July 2022	<u>1,154</u>	<u>1,134</u>	<u>213</u>	<u>2,501</u>

Charity

	Leasehold Land and buildings £ 000	Furniture and equipment £ 000	Computer equipment £ 000	Total £ 000
Cost				
At 1 August 2022	1,419	2,718	1,713	5,850
Additions	-	-	88	88
At 31 July 2023	<u>1,419</u>	<u>2,718</u>	<u>1,801</u>	<u>5,938</u>
Depreciation				
At 1 August 2022	264	1,586	1,499	3,349
Charge for the year	30	252	130	412
At 31 July 2023	<u>294</u>	<u>1,838</u>	<u>1,629</u>	<u>3,761</u>
Net book value				
At 31 July 2023	<u>1,125</u>	<u>880</u>	<u>172</u>	<u>2,177</u>
At 31 July 2022	<u>1,155</u>	<u>1,132</u>	<u>214</u>	<u>2,501</u>

NCFE

Notes to the Financial Statements for the Year Ended 31 July 2023

15 Fixed asset investments

Group

	2023 £ 000	2022 £ 000
Other investments	19,108	21,503

Shares in group undertakings and participating interests

Other investments

	Listed investments £ 000	Other investments £ 000	Total £ 000
Cost or Valuation			
At 1 August 2022	21,385	118	21,503
Revaluation	(99)	-	(99)
Additions	1,608	-	1,608
Disposals	(3,904)	-	(3,904)
At 31 July 2023	18,990	118	19,108
Net book value			
At 31 July 2023	18,990	118	19,108
At 31 July 2022	21,385	118	21,503

The historical cost of the portfolio is £20,612,000 (2022: £23,156,000).

Significant holdings

There was no holding in the portfolio greater than 5%

Type	2023	2022
UK Bonds	1,230	1,660
Overseas Bonds	2,712	3,438
UK Equities	2,733	3,801
Overseas Equities	7,708	7,949
Pooled Funds	4,607	4,537
Total	18,990	21,385

All listed investments are held in funds managed by Brewin Dolphin Investment Management on behalf of the company.

NCFE

Notes to the Financial Statements for the Year Ended 31 July 2023

Charity

	2023 £ 000	2022 £ 000
Shares in group undertakings and participating interests	3,544	-
Other investments	19,108	21,503
	<u>22,652</u>	<u>21,503</u>

Shares in group undertakings and participating interests

	Subsidiary undertakings £ 000	Total £ 000
Cost		
Additions	3,544	3,544
At 31 July 2023	<u>3,544</u>	<u>3,544</u>
Net book value		
At 31 July 2023	<u>3,544</u>	<u>3,544</u>

Details of undertakings

Details of the investments in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2023	2022	
Subsidiary undertakings					
Active IQ Limited	England and Wales	Ordinary share capital	100%	0%	Developing and providing fitness qualifications
NCFE Trading	England and Wales	Ordinary share capital	0%	100%	Dissolved
Skills Forward Limited	England and wales	Ordinary share capital	0%	100%	Dissolved
Peer Tutor Limited	England and Wales	Ordinary share capital	0%	100%	Dissolved

NCFE

Notes to the Financial Statements for the Year Ended 31 July 2023

Subsidiaries

The loss for the financial period of Active IQ Limited was £264,063 (2022 - £Nil) and the aggregate amount of capital and reserves at the end of the period was £391,701 (2022 - £Nil).

The company was purchased on 22 November 22. The consideration was £3,544,000 which includes goodwill of £2,888,000. The period consolidated in these accounts is 23 November 22 to 31 July 23.

Other investments

	Listed investments £ 000	Other investments £ 000	Total £ 000
Cost or Valuation			
At 1 August 2022	21,385	118	21,503
Revaluation	(99)	-	(99)
Additions	1,608	-	1,608
Disposals	<u>(3,904)</u>	<u>-</u>	<u>(3,904)</u>
At 31 July 2023	<u>18,990</u>	<u>118</u>	<u>19,108</u>
Net book value			
At 31 July 2023	<u>18,990</u>	<u>118</u>	<u>19,108</u>
At 31 July 2022	<u>21,385</u>	<u>118</u>	<u>21,503</u>

The market value of the listed investments at 31 July 2023 was £18,990,000 (2022 - £21,385,000).

NCFE**Notes to the Financial Statements for the Year Ended 31 July 2023****16 Stock**

	Group		Charity	
	2023 £ 000	2022 £ 000	2023 £ 000	2022 £ 000
Stocks	<u>258</u>	<u>400</u>	<u>212</u>	<u>400</u>

17 Debtors

	Group		Charity	
	2023 £ 000	2022 £ 000	2023 £ 000	2022 £ 000
Trade debtors	5,168	5,144	4,397	5,144
Due from group undertakings	-	-	814	-
Prepayments	982	757	912	757
Other debtors	<u>27</u>	<u>24</u>	<u>27</u>	<u>24</u>
	<u>6,177</u>	<u>5,925</u>	<u>6,150</u>	<u>5,925</u>

Included within trade debtors above is a group bad debt provision of £876,000 (2022: £456,000) and a charity only bad debt provision of £777,000 (2022: £456,000).

18 Cash and cash equivalents

	Group		Charity	
	2023 £ 000	2022 £ 000	2023 £ 000	2022 £ 000
Cash at bank	<u>5,635</u>	<u>10,653</u>	<u>5,230</u>	<u>10,528</u>

19 Creditors: amounts falling due within one year

	Group		Charity	
	2023 £ 000	2022 £ 000	2023 £ 000	2022 £ 000
Trade creditors	1,315	659	1,245	659
Due to group undertakings	-	-	-	290
Other taxation and social security	801	710	752	710
VAT grant repayable	192	351	147	351
Other creditors	278	452	241	452
Accruals	3,428	3,098	3,199	3,098
Deferred income	<u>31</u>	<u>24</u>	<u>21</u>	<u>24</u>
	<u>6,045</u>	<u>5,294</u>	<u>5,605</u>	<u>5,584</u>

NCFE

Notes to the Financial Statements for the Year Ended 31 July 2023

Deferred income

Group

	2023 £ 000	2022 £ 000
Deferred income at 1 August 2022	24	26
Resources deferred in the period	31	126
Amounts released from previous periods	(24)	(128)
Deferred income at year end	<u>31</u>	<u>24</u>

Charity

	2023 £ 000	2022 £ 000
Deferred income at 1 August 2022	24	23
Resources deferred in the period	21	126
Amounts released from previous periods	(24)	(125)
Deferred income at year end	<u>21</u>	<u>24</u>

20 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Charity	
	2023 £ 000	2022 £ 000	2023 £ 000	2022 £ 000
Land and buildings				
Within one year	28	28	28	28
Between one and five years	<u>25</u>	<u>83</u>	<u>25</u>	<u>83</u>
	<u>53</u>	<u>111</u>	<u>53</u>	<u>111</u>
Other				
Within one year	48	46	30	46
Between one and five years	<u>28</u>	<u>-</u>	<u>7</u>	<u>-</u>
	<u>76</u>	<u>46</u>	<u>37</u>	<u>46</u>

21 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £2,004,000 (2022 : £2,286,000).

Contributions totalling £277,810 (2022 : £427,000) were payable to the scheme at the end of the year and are included in creditors.

NCFE

Notes to the Financial Statements for the Year Ended 31 July 2023

22 Funds

Group

	Balance at 1 August 2022 £ 000	Incoming resources £ 000	Resources expended £ 000	Transfers £ 000	Balance at 31 July 2023 £ 000
Unrestricted					
General	25,620	43,034	(50,944)	(5,428)	12,282
Designated	15,000	-	-	4,500	19,500
Merger Reserve	(928)	-	-	928	-
Total funds	<u>39,692</u>	<u>43,034</u>	<u>(50,944)</u>	<u>-</u>	<u>31,782</u>

Charity

	Balance at 1 August 2022 £ 000	Incoming resources £ 000	Resources expended £ 000	Transfers £ 000	Balance at 31 July 2023 £ 000
Unrestricted funds					
General	25,205	40,450	(47,300)	(5,428)	12,927
Designated	15,000	-	-	4,500	19,500
Merger reserve	(928)	-	-	928	-
Total funds	<u>39,277</u>	<u>40,450</u>	<u>(47,300)</u>	<u>-</u>	<u>32,427</u>

The total funds of the charitable company include the following designated fund which has been set aside out of unrestricted funds by the Trustees to ensure that the Charity remains financially sound in the case of any significant changes to the market.

On 1 December 2021 the assets and liabilities of the subsidiary undertaking Skills Forward Limited were transferred to NCFE at net book value. On transfer the investment cost was recognised as a merger reserve. The Trustees made the decision to eliminate the merger reserve by means of a transfer in the 31 July 2023 year end.

NCFE

Notes to the Financial Statements for the Year Ended 31 July 2023

23 Analysis of net assets between funds

Group

	Unrestricted General £ 000	Total funds £ 000
Intangible fixed assets	4,461	4,461
Tangible fixed assets	2,188	2,188
Fixed asset investments	19,108	19,108
Net current assets/(liabilities)	6,025	6,025
Total net assets	<u>31,782</u>	<u>31,782</u>
	Unrestricted General £ 000	Total funds at 31 July 2022 £ 000
Intangible fixed assets	4,004	4,004
Tangible fixed assets	2,501	2,501
Fixed asset investments	21,503	21,503
Net current assets/(liabilities)	11,684	11,684
Total net assets	<u>39,692</u>	<u>39,692</u>

Charity

	Unrestricted General £ 000	Total funds £ 000
Intangible fixed assets	1,611	1,611
Tangible fixed assets	2,177	2,177
Fixed asset investments	22,652	22,652
Net current assets/(liabilities)	5,987	5,987
Total net assets	<u>32,427</u>	<u>32,427</u>
	Unrestricted General £ 000	Total funds at 31 July 2022 £ 000
Intangible fixed assets	4,004	4,004
Tangible fixed assets	2,501	2,501
Fixed asset investments	21,503	21,503
Net current assets/(liabilities)	11,269	11,269
Total net assets	<u>39,277</u>	<u>39,277</u>

NCFE

Notes to the Financial Statements for the Year Ended 31 July 2023

24 Analysis of net funds

Group

	At 1 August 2022 £ 000	Financing cash flows £ 000	At 31 July 2023 £ 000
Cash at bank and in hand	10,653	(5,018)	5,635
Net funds	10,653	(5,018)	5,635
	At 1 August 2021 £ 000	Financing cash flows £ 000	At 31 July 2022 £ 000
Cash at bank and in hand	29,094	(18,441)	10,653
Net funds	29,094	(18,441)	10,653

25 Related party transactions

Group

During the year the group made the following related party transactions:

Active IQ Limited

(This is a 100% Subsidiary)

The charity charged Active IQ Limited £80,000 for administration support from 23 November 2022. At the balance sheet date the amount due to Active IQ Limited was £814,000 (2022 - £Nil).

Charity

During the year the charity made the following related party transactions:

Kindling Limited

(Ms D M Jenkins MBE DL, a Trustee is also a Director of Kindling Limited which invoiced NCFE for Chair's remuneration.)

The entity was invoiced £20,347 (2022: £18,000) for chair remuneration. At the balance sheet date the amount due to/from Kindling Limited was £Nil (2022 - £Nil).

The Derwent Initiative (tdi)

(Ms D M Jenkins MBE DL, is the CEO.)

The entity was invoiced at arms length for Podcasts amounting to £5,000 (2022: £Nil). At the balance sheet date the amount due to/from The Derwent Initiative (tdi) was £Nil (2022 - £Nil).