

NOCN

England & Wales · Charity number 1079785

Details

Other names	NATIONAL OPEN COLLEGE NETWORK, NOCN, THE NATIONAL OPEN COLLEGE NETWORK
Status	Registered
Legal form	Charitable company
Company number	03829217
Registered	2000-03-10
Register	View on the Charity Commission register

Contact

Address	Acero Building 1 Concourse Way Sheaf Street Sheffield
Phone	0300-999-1177
Email	nocn@nocn.org.uk
Website	www.nocn.org.uk

Activities

Objects: THE CHARITY'S OBJECTS ARE THE ADVANCEMENT OF EDUCATION OF THE PUBLIC IN ONE OR MORE OF THE FOLLOWING WAYS;1 BY PROMOTING AND WIDENING PARTICIPATION IN EDUCATION AND TRAINING, INCLUDING FOR THOSE PEOPLE WHO HAVE PREVIOUSLY BEEN EXCLUDED FROM EDUCATIONAL OPPORTUNITIES;2 BY IMPROVING THE QUALITY AND FLEXIBILITY OF EDUCATIONAL PROVISION FOR THE PUBLIC BENEFIT, INCLUDING FOR THOSE PEOPLE WHO HAVE PREVIOUSLY BEEN EXCLUDED FROM EDUCATIONAL OPPORTUNITIES; AND3 BY IMPROVING ACCESS TO LEARNING OPPORTUNITIES AND FACILITATING PROGRESSION TO FURTHER LEARNING, EMPLOYMENT AND HIGHER EDUCATION PARTICULARLY THROUGH THE AWARDS OF CREDITS AND CREDIT-BASED QUALIFICATIONS

Activities: Awarding Body Services in Scotland, Awarding Organisation Services in England, Wales and Northern Ireland and Network Partnerships in Europe and Worldwide. In addition it delivers Apprenticeship End Point Assessment services in England.

Classification

- **How:** Provides Services, Acts As An Umbrella Or Resource Body, Other Charitable Activities
- **What:** Education/training
- **Who:** Children/young People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

Geography

- **Area of benefit:** NATIONAL
- Bahrain
- Bangladesh
- Botswana
- Ghana
- Greece
- India
- Italy
- Kenya
- Mauritius
- Nigeria
- Northern Ireland
- Scotland
- United States
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£20,084,772	£19,620,586	£5,611,023	317
2024-07-31	£19,082,376	£18,401,152	£5,146,837	317
2023-07-31	£16,502,142	£16,377,514	£4,465,613	290
2022-07-31	£15,341,508	£14,941,136	£4,340,985	242
2021-07-31	£14,755,135	£11,891,243	£2,133,411	184
2020-07-31	£11,412,716	£12,985,890	£-1,603,558	157

Trustees

Name	Role	Appointed
Simon Charles Perryman	Chair	2025-04-29
Adrian Toomey		2021-03-03
Corrina Dale Hembury		2017-09-15
David Peter Wilkins		2023-01-18
Kay Dickinson		2025-04-01
Mark James Froud		2023-09-07
Michaela Joanne Wain		2025-06-05
Paul John Allman		2025-04-01
Stephen Evans		2022-08-01
Timothy Brownridge		2025-04-01

NOCN

England & Wales - Charity number 1079785

Accounts

Company registration number: 03829217

Charity number: 1079785



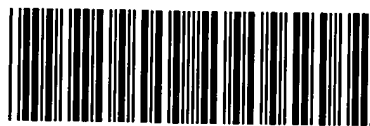
NOCN

(A Company limited by guarantee)

Trustee' Report and Consolidated Financial Statements

For the year ended 31 July 2025

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Reference and Administrative Details of the Charity, its Trustees and Advisers

For the Year Ended 31 July 2025

Director and Trustees

The Trustees of NOCN, who were also Company Directors for the purposes of Company Law, serving during the year and since the year-end are as follows:

NOCN Trustees' and Directors:

Chair	David Gareth Jones	(Retired 29 April 2025)
Chair	Simon Perryman	(Appointed 29 April 2025)
Chair Designate	Simon Perryman	(Appointed 31 October 2024)
Vice Chair	Corrina Hembury	
Trustees	Adrian Toomey	
	Lucy Hunte	(Resigned 8 October 2024)
	Stephen Evans	
	David Wilkins	
	Mark Froud	
	Deborah Haworth	
	Darryn Hedges	(Resigned 11 March 2025)
	Hannah Horne	
	Sylvia Ashton	(Resigned 24 January 2025)
	Mark Scott	(Resigned 23 December 2024)
	Paul Allman	(Appointed 1 April 2025)
	Timothy Brownbridge	(Appointed 1 April 2025)
	Kay Dickinson	(Appointed 1 April 2025)
	Michaela Wain	(Appointed 5 June 2025)
Secretary	Sarah Standeven	

NOCN Job Cards Trustees' and Directors:

Chair	Alison Duckles CBE	(Resigned 31 March 2025)
	Graham Hasting-Evans	
	Carl Hassell	
	Paul Allman	(Resigned 31 March 2025)
	Timothy Brownbridge	(Resigned 31 March 2025)
	Kay Dickinson	
	Deborah Haworth	

NOCN India Skills Foundation Directors:

Director	Graham Hasting-Evans
	Dr Sunil Abrol

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Reference and Administrative Details of the Charity, its trustees and Advisers

For the Year Ended 31 July 2025 (continued)

Key Management Personnel – NOCN Group Executive Committee in 24/25:

Graham Hasting-Evans - Group Chief Executive

Carl Hassell - Group Chief Operating Officer - from 14 October 2024

Carl Hassell - Group Director (Job Cards) - until 13 October 2024

Simon Renny - Group Director (Research and Strategy) - from 1 August 2024

Paul Johnson - Group Director (Awarding Organisation)

Gareth Cutts - Group Director (Digital Delivery and Improvement) - until 3 June 2025

Sohil Zokari - Group Director (Finance) - from 5 December 2024, Interim Group Director (Digital Delivery and Improvement) - until 31 July 2025

Steve Thompson - Group Director (Skills) - from 1 January 2025

Rachel Hobson - Group Director (Customer Service and Operations) - from 1 November 2025

Reference and administrative details:

Charity number: NOCN 1079785

Company number: NOCN 03829217

NOCN Registered office: Acero Building
1 Concourse Way
Sheaf Street
Sheffield, S1 2BJ

Our Advisers:

Bank National Westminster Bank Plc 7 Market Place
Derby, DE1 9DS

Solicitors Andrew Holland Law Limited Suite 2, The Bakery
Millenium Business Park
Steeton, Keighley
West Yorkshire, BD20 6RB

Auditors Armstrong Watson Audit Limited Thornfield Business Park
Northallerton, DL6 2XQ

Chair's Foreword

For the Year Ended 31 July 2025

I am pleased to present the NOCN Group Annual Report and Accounts for 2024/25.

Whilst our Group activities are guided and driven by our charitable objectives, it is essential to sustaining and enhancing those objectives that, year on year, we deliver a financial performance that underpins the Group's viability and provides funds for future investment and development for our beneficiaries. I am therefore pleased to report a strong financial position for the year, with total reserves increasing from £5.1 million to £5.6 million and an operating surplus standing at £1.8 million. Our cash position remains healthy, and the Group continues to operate within its reserves policy range, ensuring resilience and capacity for future growth.

These results reflect the strategic and operational disciplines embedded in the Group and our consistent focus on core competencies as a global charity delivering future-fit skills solutions.

Key strategic highlights include:

- **Qualification Reform and Expansion:** Despite ongoing government reforms, NOCN Awarding Organisation successfully prepared nine new vocational qualifications for launch in 2025/26, covering key construction trades aligned to national housing and infrastructure priorities. Alongside this, we developed 28 new qualifications, 25 assured courses, and approved 177 endorsed programmes, maintaining a portfolio of over 500 qualifications.
- **Digital Innovation and AI Integration:** We launched our first fully online qualification and advanced the use of AI to accelerate product development and enhance remote invigilation. Trials for AI-assisted marking are underway with Tata Consultancy Services, supporting efficiency without compromising quality.
- **Leadership in Green Skills:** Through our Chief Executive's role on the Green Skills Advisory Panel (GSAP), NOCN Group has continued to shape the national sustainability agenda. We expanded our retrofit qualification offer and supported initiatives such as the Construction Skills Mission Board, reinforcing our position as a leader in Net Zero skills.
- **Apprenticeship Reform and Operational Excellence:** NOCN Group actively participated in trials for reformed apprenticeship assessment plans and continued preparations for the transition to epaPRO, a leading assessment management platform, in the first half of the next financial year. We remain the end point assessment organisation with the most standards, with a concentration in the construction and engineering sectors.
- **Job Cards Integration and Digital Transformation:** The Construction Plant Competence Scheme (CPCS) introduced an online Health, Safety and Environment test and modular CPD renewal model, improving accessibility and compliance. On 31 March 2025, the trade and assets of NOCN Job Cards were successfully transferred to NOCN, paving the way for a fully integrated service.
- **International Growth:** We strengthened our presence in India, Bahrain, the Kingdom of Saudi Arabia and the wider Gulf region, securing regulatory approvals and partnerships to support skilled migration and workforce development. We expanded our ESOL International programme into Europe, ASEAN, and the GCC, with new centres planned for 2026.
- **Commitment to Staff Development:** Following a rigorous reassessment, NOCN Group retained its Investors in People Gold status, reaffirming our strong dedication to staff development and outstanding people management practices.
- **Policy and Research Leadership:** NOCN Group contributed to major publications and national forums, including reports on construction skills, apprenticeship achievement rates, and economic growth strategies, reinforcing our influence on education and skills policy.

Chair's Foreword *(continued)*

For the Year Ended 31 July 2025

Looking ahead, we face a dynamic environment shaped by government policy changes, evolving skills demands driven by technology and AI, and the accelerating Net Zero agenda. I am confident that NOCN Group is well positioned to navigate these challenges, expand its charitable reach, and maintain financial strength.

On behalf of the Board of Trustees, I extend my sincere thanks to all our staff and management for their commitment and professionalism throughout the year. Their dedication ensures that NOCN Group continues to deliver on its mission to provide skills for a better world.



Simon Perryman
Chair of Trustees, NOCN Group

9 December 2025

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Trustees' Report (including strategic report)

For the Year Ended 31 July 2025

The Trustees, who act as Directors for the purpose of Company Law, are pleased to present their report and consolidated financial statements for the year ending 31 July 2025.

This report and consolidated financial statements show a like for like comparative result at a consolidated level (as presented in the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Consolidated Statement of Cash Flows and accompanying notes). The company balance sheet for NOCN represents the position of the Company after the acquisition of the trade and assets of its subsidiary undertaking NOCN Job Cards on 31 March 2025. Accordingly, the movement in unrestricted general funds of the charity includes both the value of assets acquired (£768k) and four months of related surpluses generated by those assets.

The Purpose of the Charity

The purpose and mission statement of the Charity is to support learners and apprentices to achieve success in life and work and to support communities and organisations to develop and prosper through regulated qualifications, apprenticeship assessments, skills accreditation, assessment support, access to higher education, competency cards, consultancy advice and training.

The Objects of the Charity

The objects of the Charity are set out in the Charity's governing document, its Articles of Association and are:

The advancement of the education of the public in one or more of the following ways:

- by promoting and widening participation in education and training, including for those people who have previously been excluded from educational opportunities;
- by improving the quality and flexibility of education provision for the public benefit, including for those people who have previously been excluded from educational opportunities; and
- by improving access to learning opportunities and facilitating progression to further learning, employment and higher education, particularly through the award of credits and credit-based competency qualifications.

The Charity works to deliver these objectives through its key Group functions as follows:

- NOCN Education and Skills policy research – through NOCN's work in contributing to government vocational education and skills policy reviews and other research papers it has delivered in conjunction with partners with the aim of improving the quality of the vocational education system.
- NOCN Awarding Organisation – through its work in developing and promoting vocational qualifications that meet the needs of employers and help learners progress in employment or training.
- Apprenticeship End Point Assessment – through its work in providing a high quality, compliant apprenticeship assessment service to employers of apprentices.
- Card schemes – through its work in assessing the competence of workers to operate construction plant on construction sites and operating the scaffolding card scheme on behalf of CISRS, as well as other competency-based card schemes it may operate in the future.
- International – through the provision of consultancy to improve apprenticeship systems in other countries as well as the provision of ESOL International and other qualifications to countries that are keen to utilise UK qualifications. We are also extending our carding services internationally.

Trustees' Report (including strategic report) (continued)

For the Year Ended 31 July 2025

Public Benefit

The Trustees have complied with their duty in accordance with the UK Charities Act 2011 to follow the Charity Commission's guidance on the operation of this public benefit.

The Charity provides a public benefit to advance education and training for the general public through:

- the development and maintenance of credit based or component-based competency qualifications and units as well as short course learners' awards in the UK and international countries;
- its continued work as a leading accredited End Point Assessment Organisation for apprenticeships; and
- the operation of the Construction Plant Competency Scheme (CPCS) which ensures the Construction Plant Operators have the right qualifications and experience to operate different classes of plant machinery on construction sites. In addition, it operates the CISRS scaffolding card scheme, which NOCN operates on behalf of CISRS.

Within the requirements of the individual qualification standards, NOCN qualifications are open to all members of the public. The Charity is committed to equity, diversity and inclusion, accredited by the Inclusive Employers Standard and holds the Gold status of Investors in People.

The Charity continues to demonstrate its objective of widening participation in education, working with groups and communities that have traditionally not benefited from traditional or formal educational opportunities, for example learners working at lower educational levels; SEND learners; learners with few formal qualification; learners based in offender institutions; younger learners who are not in employment or training; the unemployed and people working in industries that have not traditionally valued formal qualifications.

Key Achievements, Activities & Performance in the year

The Charity is able to demonstrate progress against its key objects, and key achievements can be summarised as follows across the following divisions of the Group:

NOCN Awarding Organisation

The Westminster government's prolonged reform of regulated vocational and technical qualifications continued to impact significantly on NOCN Awarding Organisation, but it seems the end-point is now in sight, pending the final report from the Curriculum and Assessment Review scheduled for Autumn 2025. In the meantime, the intensive work carried out to respond to the reform so far will come to fruition for academic year 2025/26 with nine new qualifications available to learners. These qualifications cover the main construction trades such as carpentry and joinery, bricklaying and plant operations and together meet the skills needs for both 16 to 19 years and adults, including those who will be employed to meet the government's target of building 1.5 million new homes by the end of the Parliament. This qualification offer compares well with our competitors and should put us in a good position for the coming years.

Under the reform programme, as new qualifications become available, the older versions are being defunded by the Department for Education (DfE) which raises some business concerns, but these concerns are to be balanced by reasons for optimism. For example, NOCN continues to build relationships with, and influence, devolved authorities which control the adult skills budget in their regions, and, in a very positive development, the Construction Skills Mission Board (CSMB) was launched in June 2025 with a goal to recruit 100,000 new construction workers annually by the end of

Trustees' Report (including strategic report) (continued)

For the Year Ended 31 July 2025

NOCN Awarding Organisation (continued)

the Parliament. There will be closer ties between jobseekers and employers to offer work experience and tailored placements to kickstart fulfilling careers in the construction industry. A DfE initiative arising from the CSMB work is the setting up of ten regional Construction Technical Excellence Colleges. NOCN already has a relationship with most of these colleges and was pleased to support their applications for the new status. Discussions about working together are expected to start in early Autumn. In summary, by the end of the financial year, NOCN felt confident to reduce the risks to the business as they arise in our external environment.

Although publicly funded regulated qualifications remain a key part of NOCN's offer, we have continued to pursue a strategy of diversification, including expansion of the business internationally and an increased focus on different product types. Internationally, we go from strength to strength in India, which is giving a foundation to expand into other South Asian countries, and our office in Bahrain is proving to be an excellent platform for working in other Gulf states.

In terms of product types, these include assured courses, which are ideal for upskilling the existing workforce, and endorsed programmes which are usually bespoke for individual employers. We have also developed more skills online course which give learners a highly flexible way of building their knowledge. We have made full use of our membership with the CPD Certification Service to add value to our offer. In the year we developed 28 new qualifications, mainly in the construction sector, but we also refreshed our suite of productivity qualifications. Our total offer remained over 500 qualifications. We also developed 25 assured courses and approved 177 endorsed programmes.

The rapid rate of technological progress has continued to present us with opportunities which we have embraced. Our skills online courses are delivered entirely online and many of our products are supported by digital resources. We launched our first fully online qualification in the year. We have refined our use of artificial intelligence (AI) to speed up the development of new products and to bring greater efficiency into our remote invigilation service without compromising quality assurance. The plan is to roll out remote invigilation across all our examinations and assessments. We are trialling the use of AI to mark examinations with our partner Tata Consultancy Services.

We continued with strong leadership on the development of skills to support the transition to a net zero economy, through the NOCN Group Chief Executive sitting on the National Board of the Green Skills Advisory Panel (GSAP). GSAP is a great success story, rapidly becoming an authoritative voice on shaping the future of sustainable construction and providing green skills resources for schools and colleges. Alongside this work, NOCN has continued to develop qualifications and courses to support green skills, most notably the expansion of our retrofit qualification offer in line with national standards to provide assurance that the retrofit workforce is competent.

NOCN Apprenticeships

The 2024/25 academic year marked the start of the most wide-ranging reform to apprenticeships since the move from Frameworks to Standards in 2017. After seven years of Standards, there was a clear appetite for evolving into a more streamlined and cost-effective approach building on a strong evidence base gathered in the preceding years. The reform programme included an amendment to Functional Skills Gateway requirements, minimum time on programme and, most significantly for NOCN, changes to the assessment model.

In February 2024, the Department for Education announced a set of assessment principles that enable more flexibility in apprenticeship assessment, including on-programme assessment and assessment responsibility shared across training providers and awarding organisations. In other words, the abolition of mandatory end-point assessment and the introduction of new terminology 'apprenticeship

Trustees' Report (including strategic report) (continued)

For the Year Ended 31 July 2025

NOCN Apprenticeships (continued)

assessment'. This announcement triggered a huge amount of activity across the sector including a focus on developing five trial reformed assessment plans. NOCN participated in the trial and we expect the reformed assessment plans to be published in Autumn 2025, at which point awarding organisations will develop new assessments for apprentices. It is anticipated that all assessment plans will be reformed by August 2026.

Alongside the trial, Ofqual launched a consultation into a new regulatory framework for apprenticeship assessment which generated prolonged discussions about the need to balance flexibility with consistency and credibility. NOCN provided a detailed response to the consultation, taking the opportunity to express our concerns about the potential dilution of standards, and we await the outcomes expected in Autumn 2025. This will be followed by an Ofqual technical consultation.

A further aspect of apprenticeship reform was the introduction of Foundation Apprenticeships as a potential solution to the long-standing issue of transitioning young people into the world of work and onto full apprenticeships. After lengthy discussions with industry and training providers, we decided to offer Foundation Apprenticeships which we anticipate will be available early in the new academic year.

In a final major decision of the year, NOCN agreed to implement epaPRO, a leading apprenticeship assessment management platform from Skilltech Solutions, which is proven to streamline processes and improve customer experience. The transition to epaPRO is a significant project, impacting on all teams across NOCN, with an estimated launch date in first half of 2025/26.

In more routine business, NOCN continued to manage our end-point assessment offer, remaining as the end point assessment organisation with most Standards (more than 80 Standards) but gradually focusing on our key target sectors of construction and engineering. We developed 21 new end-point assessments in the year (either for new Standards or new versions of existing Standards) including seven in the construction sector and eight in engineering.

At operational level, we continued to face challenges with recruitment but made good progress over the year. On a very positive note, we finally achieved our plan of recruiting a strong, full-time employed quality assurance team, thus creating the twin benefits of delivering an improved and more cost-effective service. Finding assessors continued to be problematic, but generally for a small number of niche Standards only. In a small number of cases, after exhausting all other routes, we successfully applied for amendments to assessment plans to enable us to recruit assessors.

Card Schemes

The Construction Plant Competence Scheme (CPCS) has continued to support employment and career progression within the construction plant sector by ensuring operatives meet recognised industry standards and by issuing secure digital SMART cards. It remains the only plant card scheme fully compliant with the PSRO Card Scheme Framework and continues to meet the Construction Leadership Council (CLC) "One-Logo" requirements, verified through independent CSCS audit.

During the year, CPCS implemented significant reforms to align with the Standard Setting Body's "New Training Standards." Updated scheme rules and processes were introduced with strong industry support, shaped through active engagement with working groups. The remaining categories will be phased in as CITB develops further standards.

A major milestone was the modernisation of the renewal's tests, with a fully online, modular CPD model replacing the previous in-person requirement. This digital-first approach has enhanced accessibility, reduced barriers to maintaining competence, and streamlined the renewal process.

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Trustees' Report (including strategic report) (continued)

For the Year Ended 31 July 2025

Card Schemes (continued)

On 31 March 2025, the trade and assets of NOCN Job Cards were transferred to the parent charity, NOCN. Following this transfer, NOCN Job Cards ceased trading, and the trustees intend to formally close the NOCN Job Cards during the next financial year.

Until 31 March 2025 NOCN Job Cards continued to administer CISRS smart cards, with volumes consistent with the previous year. In response to cost pressures, the CISRS contract was renegotiated in 2024/25 to ensure sustainability of delivery for both parties. This activity continued within NOCN following the transfer.

Across all activities, NOCN Job Cards continued to support centres, employers, and operatives to strengthen competence and close critical skills gaps in the sector and again this continued within NOCN following the transfer.

International

Our ESOL International work continues to grow and develop in Europe. Our English for Speakers of Other Languages (ESOL) qualifications continued to be highly recognised and used in Greece. Our partnership with Global Awards based in Athens continued to be very productive and we are now present in a number of other European countries. During the year we have launched ESOL International in the Gulf Cooperation Council area, India and ASEAN.

In India our business continued to flourish based on a strong partnership with Nettur Technical Training Foundation (NTTF), Haryana State Board of Technical Education (HSBTE) and Odisha State (SCERT) on our L5 Top Up offer in construction, engineering, manufacturing and computer technologies. We have also supported Tamil Nadu State on the curriculum development for English language courses.

The international market continues to present significant opportunities for product diversification. The Group has experienced growth in several international partnerships, despite challenges in the global economy. We have strengthened our position in the Middle East and are appointed to undertake skills assessment tests in Kingdom of Saudi Arabia.

There has also been a concerted effort in the year to grow our international business focusing on the Indian sub-continent (SAARC) and the member states of the Gulf Cooperation Council. A particularly exciting and ongoing opportunity was to facilitate the migration of Indian and Pakistan labour to skilled jobs in the Kingdom of Saudi Arabia, which has instigated a major construction programme in the northwest of the country. Our offices in India and in Bahrain together with a new partner agent in Pakistan gives us a local presence, which places us in a strong position to provide our products and services internationally.

In addition to the new work in Asia with NISOH in Malaysia and Wild Geese Group in Indonesia, with centres for ESOL International being signed up for 2026 delivery in Cambodia and Vietnam.

Education and Skills Policy & Research

As an integral part of supporting our charitable objectives, the Group continues to support a number of national awards, which aim to encourage learning across society including disadvantaged groups. The national awards that we have supported this year include Learning & Work Institute Awards, Multi-Cultural Apprenticeship Network, National Apprenticeship Awards, National Federation of Builders Top 100 Women in Construction Awards, Newcastle College Group Skills Competition, North East Learning Providers, Outstanding Green and Sustainable Development Award, Exeter Apprenticeships and GSAP Awards.

Trustees' Report (including strategic report) (continued)

For the Year Ended 31 July 2025

Education and Skills Policy & Research (continued)

In addition, the Group has taken part in and supported research on education and skills development to promote learning and open skills development to more of our communities. In 2024/25, this included:

Quarter 1:

- Publication "NOCN Global Construction Skills Report"
- GCAP in Exeter and now nationally (all year-round support)
- Publication "BACH Construction Apprenticeship Achievement rates crisis: Good practice solutions"
- Contributed to CLC reports (all year-round support)
- Contribution to Learning & Work Institute (all year-round support)
- Labour Party Conference – New Statesman fringe event on skills
- Contribution to AELP Skills Strategy Group (all year-around support)
- FE Week Article: Growth & Skills Levy is Critical to Economic Success

Quarter 2:

- Publication "World Class Skills System for Fair Economic Growth"
- Multi-Cultural Apprenticeships Patrons Event
- BACH 1-day Conference in November
- All-Party Review with Policy Connect – NEET review
- Article FE News: Where are the people to build 1.5 million homes?
- Launch of New Octopus Energy Projects for Net Zero

Quarter 3:

- Publication "Get Britain Working: The Missing 'Part' of the Skills Gap Puzzle"
- BACH 2-day conference in March
- ATC in Liverpool
- New Statesman Energy & Climate Change conference

Quarter 4:

- Two Constructure events to feed into the work of the joint industry and government Construction Skills Mission Board
- FAB seminar 'Futures' in Birmingham
- AELP Construction and Clean Energy Sector Forum
- Published the Guide to UK's Education and Skills Offer
- Work on a report on Devolution in England

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Trustees' Report (including strategic report) (continued)

For the Year Ended 31 July 2025

Group simplification

On 31 March 2025, NOCN Job Cards transferred its trade and assets into NOCN, consolidating two interlinked skills charities into a single organisation. The combined entity now has expected annual income exceeding £21 million and employs circa 200 staff plus a network of subcontractors. The exercise saw an increase in general funds in the Charity of £768k as at 31 March 2025.

The combined business creates a streamlined "one stop shop" for skills solutions, integrating qualifications, apprenticeships, competence card schemes (CPCS and CISRS), assured courses and online training under a single brand. For cardholders and test centres, operations continue seamlessly with no disruption to service.

Prior to the combination, the boards of both organisations consulted with CSCS, CITB, CISRS, Ofqual, and the Charity Commission to ensure an effective transition. Looking forward, NOCN Group will build on this integration to deliver a joined-up service for learners, employers, and centres, while maintaining the social impact and charitable objectives of both organisations.

Financial Review

The Group's operating surplus was £1.8m as at 31 July 2025 compared to £1.9m at 31 July 2024. Although income increased, costs increased by a higher proportion this was mainly due to higher cost pressures.

	2025	2024
	£000's	£000's
Income	20,085	19,082
Operating costs	<u>(18,313)</u>	<u>(17,148)</u>
Operating surplus	1,772	1,934
Depreciation, Amortisation & Interest	<u>(1,307)</u>	<u>(1,253)</u>
Net incoming resources	<u>464</u>	<u>681</u>

The reserves of the Charity as at 31 July 2025 were £5,611,023 (2024: £5,146,837).

In measuring achievements against the Groups objectives, the Charity considers a number of financial measures including operating surplus margin, global diversity of income and profit margins achieved on core business areas. Operating surplus margin as reduced slightly from the previous financial year; however, the diversity of international income has continued to expand, and margins achieved in core business areas are in line with expectations.

Going Concern

The Board has assessed the current and projected solvency of the Group looking forward over 12 months from the point of signing.

In assessing the going concern of the Group at the date of this report we have reviewed our forecasts for 2025/26 and developed reasonable best and worst case income scenarios considering the likely external economic environment and other external market factors.

As part of the going concern assessment we carried out sensitivity tests on our Statement of Financial Activities and cash flow projections looking forward to end of 2026/27 and have looked at how much income would need to drop over this period beyond our worst case income scenario assuming we take no action to reduce costs, such that we cannot meet all our liabilities as they fall due at any point. The assessment has taken into account the year-to-date performance in 2025/26 and latest P&L and cashflow projections as at the end of October 2025.

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Trustees' Report (including strategic report) (continued)

For the Year Ended 31 July 2025

Going Concern (continued)

The Board has reviewed the assessment and considers that the Group to remain a going concern and that the Group will continue to make sufficient surpluses in 2025/26 and 2026/27 to cover liabilities as they fall due.

At 31 July 2025, and at the date of this report, the balance sheet and forward cash projections show that the Group can continue to meet its all its obligations as they fall due over at least the next 12 months.

If the business is impacted by economic downturn or other external factors, then the business will take prompt action to further reduce its cost base to ensure that it can still meet its obligations as they fall due.

Key Risks in the year

The key risks the Group has faced in 2024/25 have been:

- General cost inflation as we have seen pay and non-pay cost pressures persist in the year in line with the increase in inflation generally.
- We continued to see an increased risk in respect of our ability to recruit assessors to support the higher levels of activity. We continue to look to optimise our recruitment channels and our offer to ensure that we remain competitive in a difficult market.
- External UK Government policy in respect of vocational qualification funding levels in future years for our products continues to provide some uncertainty. We are mitigating this through the continued diversification of our product offering.
- General macroeconomic pressures within the UK construction sector, including inflationary cost increases and reduced project activity, have created uncertainty. These factors have been closely monitored and incorporated into our future planning.
- The risk of CPCS scheme being dependent on the stability and effectiveness of CITB funding arrangements and PRSO policy. Any material changes to these frameworks could have adversely affected the scheme operation or competitiveness.
- The risk that the ITB Review carried out by the Government to close CITB, as this could have had a detrimental impact on NOCN's operations. This risk ceased following the consensus achieved during the year.

Reserves Policy

The Group's reserves policy was reviewed and updated since the previous financial year. The aim of the policy is to keep the Group's balance sheet unrestricted reserves in the range of £5.5m and £8.1m. Equating to approximately 4 to 6 months of projected operating expenditure. The policy also aims to keep the Group's available cash within £2.1m and £3.8m. These unrestricted reserves, which are freely available for general use, are held to withstand any short-term financial risks and to support any net windup costs in the event of closure.

As at the end of July 2025, the Groups reserves were £5.6m, thus operating within the bottom of this reserve range. The Group's reserve levels have increased by £0.5m compared to the prior year levels of £5.1m. The Board approved a business plan and budget for 2025/26, which will increase the reserve and available cash levels further and the Group is expected to remain within the reserves target throughout 2025/26 and 2026/27.

NOCN
(A Company limited by Guarantee)

Trustees' Report (including strategic report) (continued)

For the Year Ended 31 July 2025

Powers of Investment

The Trustees are authorised by the Memorandum of Association to invest monies not immediately required for the Charity's own purposes in such investments, securities or property as they deem fit subject to any conditions required by law.

Future Plans

The Group's strategic objectives for NOCN Vision 2030 are to:

- Have maintained our profile with Government & our target industries as a leading Awarding Organisation.
- Be seen as the leader in Sustainability and Net Zero skills in the UK.
- Continue building a strong recognition as a skills organisation in Europe, Middle East, the Indian Sub-continent, South East Asia.
- Continue to operate from entry to L7.
- Maintain regulated qualification registration levels.
- Grow volumes in apprenticeships, assured courses, endorsed programmes, skills cards, short courses and accredited CPD.
- Have maximised the use of technology to support learners and employers.
- Increase the number of people we help into employment and progression in work, ensuring we support people from diverse cultures and backgrounds.
- Be a great organisation for our customers and employees by embedding and progressing equity, diversity, inclusion and belonging (EDIB).

These objectives are driven by the context we operate in, our mission and values, the need to maintain our business in what may be a difficult policy and economic context for a number of years and the need to develop new ways of working.

Structure, Governance and Management

NOCN is a company limited by guarantee and a registered charity and is governed by its Articles of Association, incorporated on 18 August 1999. There were 12 trustees of the charity as at the end of 31 July 2025 who are members of the Charity under company Law.

In July 2017 NOCN India Skills Foundation was incorporated in India as a subsidiary of NOCN and is included as part of these consolidated financial statements.

NOCN Job Cards was incorporated as a company limited by guarantee on 22 October 2018 and was registered as a charity on 15 February 2019. NOCN Job Cards is included as part of these consolidated financial statements given its articles give NOCN the right to appoint or terminate members of the Board. NOCN is the sole member of NOCN Job Cards.

Appointment of Trustees

As set out in the revised Articles of Association, the Charity seeks and recruits Trustees who are drawn from a wide range of backgrounds, including industry sectors where the Group operates. As at the end of 31 July 2025 there were 12 Trustees in post at the Group's Board. The chair of the Board and the sub-committees are appointed trustees.

During 2024/25 there were 5 appointments and 5 resignations to the NOCN Board.

Trustee posts are advertised. Applications are reviewed by the Board and where appropriate a shortlist established for interview. The Board makes the final appointment.

Trustees' Report (including strategic report) (continued)

For the Year Ended 31 July 2025

Trustee Induction and Training

When new Trustees join the Board, a formal briefing from the Chair and Group Chief Executive takes place and they receive an induction pack. Trustees receive formal training on their responsibilities, including their legal obligations.

Statement of Regulatory Compliance

All Awarding Organisations are required to submit their formal statement of compliance, under the General Conditions of Recognition, published by Ofqual. This is a key governance document, which NOCN will submit to the 2 regulators of qualifications in the UK in December 2025. NOCN recorded that it was compliant with the General Conditions of Recognition.

Compliance with the Charity Governance Code

The Trustees monitor the Group's compliance with the Charity Governance Code, the assessment of which was last updated in November 2025. It has been assessed that the Group continues to be compliant with the Code.

Organisational Structure

NOCN is governed by a board of trustees and as at 31 July 2025 the Charity has 12 Trustees. The Board of Trustees meets at least quarterly with a full business agenda including a review of the Management Accounts and budget achievement for the Group and each of its subsidiaries. During the year the Board was supported by two sub-committees: Group Audit & Risk Committee and Quality Assurance Committee. Each sub-committee meets between 3 and 4 times in the year and reports its activities and recommendations, at the Board meeting immediately following their own meetings.

The Board of Trustees delegates the management of the Charity to the Group Chief Executive who undertakes these responsibilities through an Executive Committee, which is comprised of the Group Chief Executive, Chief Operating Officer and all of the Group Directors, and an Operations Group which is made up of the Executive Committee (except the Group Chief Executive) plus the Heads of Departments of the Group entities.

Pay policy for senior staff

All Trustees give of their time freely and no director received remuneration in the year.

The pay of the Executive Committee is reviewed annually and normally increased in accordance with average earnings in line with the rest of the staff and market comparisons. Any changes to the Executive Committee staff salaries have to be approved by the Board of Trustees.

Details of the Trustees and Executive Committee related party transactions are disclosed in the notes to the accounts.

Risk Management

The Group operates a risk management policy and strategy. The aims of the policy and strategy are to:

- consider best practice in designing a risk management framework;
- encourage well-managed taking of risk to deliver business objectives;
- provide staff with policies and procedures necessary to manage risk;
- embed risk management in the day-to-day conduct of business;
- identify and prioritise risk using the risk management technology;
- regularly monitor risk at Group Chief Executive and Director Level; and
- achieve continuous improvement in risk management.

NOCN
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Trustees' Report (including strategic report) (continued)

For the Year Ended 31 July 2025

Risk Management (continued)

During the year the Group Audit & Risk Committee has routinely considered the Strategic Risk Register and examined specific areas of risk at the request of the Board and has overseen a review of the register's format and risks. The Strategic Risks are also reported to the Board on a quarterly basis. The Strategic Risk Register is also reviewed on a monthly basis by the Executive Committee.

In addition, the Quality Assurance Committee has regularly considered issues of risk relating to NOCN's status as a recognised and regulated awarding organisation, within the context of being compliant with the General Conditions of Recognition.

Trustees' responsibilities in relation to the strategic report, trustees report and consolidated financial statements

The Trustees are responsible for preparing the Trustees' Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare Financial Statements for each financial year. Under that law they are required to prepare the group and charitable company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS102 *the financial reporting standard applicable in the UK & Republic of Ireland*.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of their net incoming resources for that period.

In preparing each of the group and charitable company Financial Statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006.

The Trustees are also responsible for safeguarding the assets of the Charitable Company and the Group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

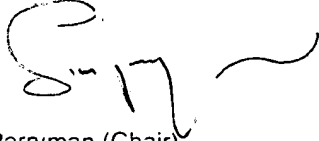
The Trustees who held office at the date of the Trustees report and this Strategic Report confirm that, so far as they are aware, there are no relevant information of which the group's auditor is unaware; and each Trustee has taken all steps that he/she ought to have taken as a Trustee to make himself/herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

NOCN
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Trustees' Report (including strategic report) (continued)

For the Year Ended 31 July 2025

In accordance with Section 414 of the Companies Act 2006, the company prepared a Trustees' report that includes information that would be included within a strategic report. The Trustees authorise both the Trustees' Report and Strategic Report below.



Simon Perryman (Chair)

9 December 2025

NOCN
(A Company limited by Guarantee)

Independent Auditor's Report
to the Members of NOCN Group

Opinion

We have audited the financial statements of NOCN (the 'parent charitable company') for the year ended 31 July 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated Statement of Financial Position, the Charity Statement of Financial Position, the 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 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 parent charitable company's affairs as at 31 July 2025 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 and parent charitable 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

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 and parent charitable 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.

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

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements

NOCN
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Independent Auditor's Report *(continued)*

to the Members of NOCN Group

themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 trustees' report (incorporating the 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 trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and the Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with this act.

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

NOCN
(A Company limited by Guarantee)

Independent Auditor's Report *(continued)*

to the Members of NOCN Group

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the parent charitable company through discussions with directors and other management, and from our commercial knowledge and experience of the industry. The key laws and regulations we identified were Charities Act 2011, Companies Act 2006, Employment legislation and Ofqual regulations;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and obtaining compliance certificates; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the entity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

NOCN
(A Company limited by Guarantee)

Independent Auditor's Report *(continued)*

to the Members of NOCN Group

Use of our report

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Turner (Senior Statutory Auditor)

for and on behalf of

Armstrong Watson Audit Limited

Chartered Accountants

Northallerton

18 December 2025

NOCN
(A Company limited by Guarantee)

Consolidated Statement of Financial Activities *(incorporating Income and Expenditure Account)*
For the Year Ended 31 July 2025

	Note	2025 Unrestricted Funds £	2024 Unrestricted Funds £
Incoming resources			
Charitable activities	1	20,084,772	19,082,376
Total incoming resources		20,084,772	19,082,376
Resources expended			
Charitable activities	2,3	19,620,586	18,401,152
Total resources expended		19,620,586	18,401,152
Net movement in funds before other recognised gains and losses			
		464,186	681,224
Net movement in funds		464,186	681,224
Total funds brought forward		5,146,837	4,465,613
Total funds carried forward	20	5,611,023	5,146,837

The notes on pages 25 to 42 form part of these financial statements.

The incoming resources and resources expended derive from continuing operations.

The Charity takes advantage of the exemption conferred by section 408 of the Companies Act 2006 in not preparing a separate income and expenditure account for the parent company. The net surplus recorded by the parent charity for the year was £74,076 (2024: £544,303), in addition unrestricted reserves of NOCN Job Cards of £768,405, were transferred to NOCN during the year.

NOCN
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Consolidated Balance Sheet

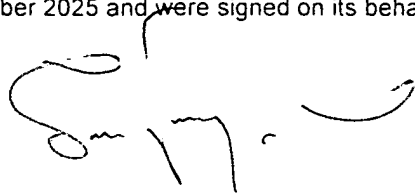
As at 31 July 2025

	Notes	2025 Unrestricted Funds £	2024 Unrestricted Funds £
Fixed assets			
Intangible assets	11	3,405,019	4,128,570
Tangible assets	12	182,481	201,399
Total fixed assets		3,587,500	4,329,969
Current assets			
Stock	15	25,198	30,335
Debtors	14	2,924,428	2,888,060
Cash at bank and in hand		2,439,187	1,880,622
Total current assets		5,388,813	4,799,017
Current liabilities			
Creditors: Amounts falling due within one year	16	(3,365,290)	(3,732,149)
Net current assets		2,023,523	1,066,868
Total assets less current liabilities			
Creditors: Amounts falling due after more than one year	18	-	(250,000)
Net assets		5,611,023	5,146,837
Represented by:			
General funds	20	5,611,023	5,146,837
Total funds		5,611,023	5,146,837

The notes on pages 25 to 42 form part of these financial statements.

All funds are unrestricted.

The financial statements were approved by the Board of Directors and authorised for issue on [9] December 2025 and were signed on its behalf by:



Simon Perryman

Chair, NOCN Board of Trustees

NOCN
(A Company limited by Guarantee)

Company Balance Sheet

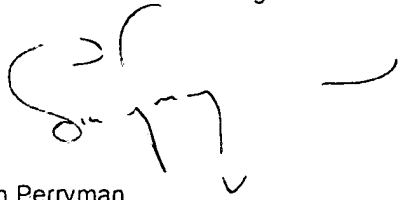
As at 31 July 2025

	Notes	2025 Unrestricted Funds £	2024 Unrestricted Funds £
Fixed assets			
Intangible assets	11	3,405,019	2,315,088
Tangible assets	12	182,481	184,934
Investments	13	99	99
Total fixed assets		3,587,599	2,500,121
Current assets			
Stock	15	25,198	30,335
Debtors	14	2,637,092	4,191,973
Cash at bank and in hand		2,413,848	1,536,079
Total current assets		5,076,138	5,758,387
Current liabilities			
Creditors: Amounts falling due within one year	16	(3,302,616)	(3,489,868)
Net current assets		1,773,522	2,268,519
Total assets less current liabilities			
		5,361,121	4,768,640
Creditors: Amounts falling due after more than one year	18	-	(250,000)
Total net assets		5,361,121	4,518,640
Represented by:			
General funds	20	5,361,121	4,518,640
Total funds		5,361,121	4,518,640

The notes on pages 25 to 42 form part of these financial statements.

All funds are unrestricted.

The financial statements were approved by the Board of Directors and authorised for issue on (9) December 2025 and were signed on its behalf by:



Simon Perryman

Chair, NOCN Board of Trustees

NOCN
(A Company limited by Guarantee)

Consolidated Statement of Cash Flows

For the Year Ended 31 July 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash provided by operating activities		1,436,749	1,289,176
Cash flows from investing activities			
Purchase of intangible fixed assets	11	(506,537)	(481,127)
Proceeds from the disposal of fixed assets		-	75,230
Interest received		15,819	5,846
Purchase of tangible fixed assets	12	(60,582)	(54,983)
Net cash from investing activities		(551,300)	(455,034)
Cash flows from financing activities			
Repayment of Bank Loan	24	(300,000)	(300,000)
Interest paid		(26,885)	(50,023)
Net cash from financing activities		(326,885)	(350,023)
Changes in cash and cash equivalents in the year		558,565	484,119
Cash and cash equivalents at the beginning of the year		1,880,622	1,396,503
Cash and cash equivalents at the end of the year		2,439,187	1,880,622
Reconciliation of net movement in funds before other gains / (losses) to net cash flow from / (used in) operating activities			
Net movement in funds in the period as per the statement of financial activities		464,186	681,224
Adjustments for:			
Depreciation & Amortisation	11,12	1,285,040	1,253,038
Interest receivable & similar income		(15,819)	(5,846)
Interest payable & similar charges		26,885	50,023
Loss/(profit) disposal on fixed assets		24,548	(62,228)
Decrease in stock	15	5,137	494
Increase in debtors	14	(36,368)	(290,002)
Decrease in creditors	16	(316,859)	(337,527)
Net cash provided by operating activities		1,436,749	1,289,176

The notes on pages 25 to 42 form part of these financial statements.

NOCN
(A Company limited by Guarantee)

Notes to the Financial Statements

For the Year Ended 31 July 2025

Accounting Policies

The following accounting policies have been applied consistently in dealing with items, which are considered material in relation to the Charitable groups Financial Statements.

Basis of preparation

NOCN (the "charity") is a charity limited by guarantee, a registered charity and is incorporated and domiciled in the United Kingdom. The charity is a public benefit entity. The Financial Statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, the reporting standard applicable in the UK and Ireland (Charities SORP FRS 102), the Charities Act 2011 and the Companies Act 2006.

The presentational and functional currency of these financial statements is sterling, and values are rounded to the nearest pound.

Basis of consolidation

The Consolidated Financial Statements include the Financial Statements of the Charity and all its subsidiary undertakings made up to 31 July 2025.

The Parent Company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual Statement of Financial Activities (SoFA).

Going Concern

The Trustees have carried out a review of the Group's financial performance and its reserves position and believe that it has adequate financial resources and is well placed to manage its business risks. The Group's business planning process, including financial projections, has taken into consideration the uncertainty within the current educational funding and qualification infrastructure and its potential impact on the sources of income and planned expenditure. In addition, sensitivity analysis and stress testing has been carried out on the Group's Statement of Financial Activities and cash projections. The Trustees have assessed that the Group has adequate resources to continue in operational existence for at least 12 months from the date of approval of the Financial Statements based on these forecasts and analysis. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

In assessing going concern of the Group at the date of this report we have reviewed our forecasts for 2025/26 and developed reasonable best and worst case income scenarios for the year taking into account the likely external economic environment and other market factors.

As part of the going concern assessment, we carried out sensitivity tests on our Statement of Financial Activities and cash flow projections looking forward to end of 2026/27 and have looked at how much income would need to drop over this period beyond our worst case income scenario assuming we take no action to reduce costs, such that we cannot meet all our liabilities as they fall due at any point

The Board has reviewed the assessment and considers that the Group remains a going concern and that the Group will continue to make sufficient surpluses in 2025/26 and 2026/27 to cover the Group's liabilities as they fall due. At 31 July 2025, and at the date of this report, the balance sheet and forward cash projections show that the Group can continue to meet its all its obligations as they fall due over at least the next 12 months.

In the event that the business is impacted by a significant economic slowdown impacting on its income, then the business will take prompt action to further reduce its cost base to ensure that it can still meet its obligations as they fall due.

NOCN
(A Company limited by Guarantee)

Notes to the Financial Statements *(continued)*

For the Year Ended 31 July 2025

Liability of Members

The Charity is a company limited by guarantee. In the event of the Charity being wound up, the liability of the members is limited to a sum not exceeding £1.00, being the amount that each member undertakes to contribute to the assets of the Charity in the event of its being wound up while he, she or it is a member or within one year after he, she or it ceases to be a member, for:

- payment of the Group's debts and liabilities incurred before he, she or it ceases to be a member;
- payment of the costs, charges and expenses of winding up; and
- adjustment of the rights of the contributories among themselves.

Incoming Resources

Incoming resources primarily comprise: learner registration charges, delivery partner annual fees, online card and test assessment fees, a wide range of endorsed programmes and apprenticeship end point assessment fees.

All income is recognised once the Group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The Group's income streams are recognised as follows:

- learner registration charges are recognised at the time of registration;
- replacement certificate income is recognised at point of request and in advance of release of certificate;
- apprenticeship end point assessment fees are recognised as follows: Initial up-front charge is recognised when the apprentice is registered with NOCN. The remaining charge is recognised at the point the assessment takes place;
- card and associated test fees are recognised at the point of booking/processing
- annual centre support fees are invoiced on the anniversary of the customer becoming an NOCN centre and is recognised over the period in which the support takes place.

Income is classed as unrestricted unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Foreign Currency

The Group financial statements are presented in pound sterling and are rounded to the nearest pound. The Charity's functional and presentation currency is sterling.

Foreign currency transactions are translated into functional currency using the exchange rate at the transaction date. At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when the fair value was determined. Foreign exchange gains and losses resulting from the settlement of transactions and from translation at the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Financial Activities.

The trading results of group undertakings are translated into sterling at the average exchange rate for the year. The assets and liabilities of overseas undertakings are translated at the exchange rates ruling at the year-end. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the Statement of Financial Activities at average rates are recognised in 'other comprehensive income'.

Notes to the Financial Statements *(continued)*

For the Year Ended 31 July 2025

Financial Instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Resources Expended

Resources expended are recognised on an accruals basis. Resources expended include attributable Value Added Tax which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Charitable expenditure comprises those costs incurred by the Group in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Group and include the audit fees and costs linked to the strategic management of the Group.

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of appropriate cost drivers depending on the nature of the activities the staff are involved in. The cost drivers include time spent, proportion of entity income level as a percentage of Group income level, and entity FTEs as a percentage of Group total FTEs. Depreciation charges are allocated on the portion of the assets use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

NOCN
(A Company limited by Guarantee)

Notes to the Financial Statements *(continued)*

For the Year Ended 31 July 2025

Investments

In the Charity's financial statements, investments are stated at cost less provision for permanent diminution in value.

Tangible Fixed Assets and Depreciation

Tangible assets are included at cost less accumulated depreciation.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful economic lives, using the straight-line method as follows:

Computer equipment	- 33.3% per annum
Fixtures and fittings	- 10% per annum

All tangible fixed assets costing over £1,000 are capitalised on acquisition and are included in the balance sheet at cost. The estimated useful economic lives and depreciation method are reviewed at each year end.

Intangible Fixed Assets and Amortisation

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Purchased goodwill is recognised at the cost of acquisition less the on-balance sheet assets purchased.

Software development costs are recognised as an intangible asset when purchased but amortised 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.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

Software development costs	5 years
Goodwill	10 years

If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

If the net fair value of the identifiable assets and liabilities acquired exceeds the cost of a business combination, the excess up to the fair value of non-monetary assets acquired is recognised in the SoFA in the periods in which the non-monetary assets are recovered. Any excess exceeding the fair value of non-monetary assets acquired is recognised in the statement of financial activities in the periods expected to be benefitted.

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Notes to the Financial Statements *(continued)*

For the Year Ended 31 July 2025

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 first in, first out basis.

Taxation

As a registered charity, NOCN, is entitled to exemptions from corporation tax on income and gains under the provisions of current UK corporation tax legislation, to the extent that such income and gains are applied to its charitable purposes.

The charity's activities consist primarily of the provision of educational support services, which fall within its charitable objects. The trustees have reviewed the nature of the charity's income and expenditure and are satisfied that no income or gains arose during the year that are subject to corporation tax.

Accordingly, no provision for corporation tax has been made in these financial statements.

Pensions

The Group operates a defined contribution pension scheme. The assets of the scheme are held in a *separately administered fund*. The amounts charged in the Financial Statements represent the contributions payable to the scheme during the year.

Leased Assets

Operating lease costs are charged on a straight-line basis over the term of the lease.

Fund Accounting

Restricted funds are funds to be used for specific purposes as laid down by the donor. Expenditure which meets this criterion is charged to the fund, together with a fair allocation of management and support costs.

Unrestricted funds comprise those funds, which the Trustees are free to use in accordance with the objects of the Charity.

Designated funds are unrestricted funds, which have been allocated for specific purposes by the Trustees.

Interest receivable and payable

Interest receivable or payable is recognised in the Statement of Financial Activities on an accruals basis.

NOCN
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Notes to the Financial Statements (continued)

For the Year Ended 31 July 2025

Notes to the Accounts

1. Incoming resources from charitable activities

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Awarding Organisation & Apprenticeships	15,375,373	15,375,373	14,978,095
Card Schemes (CPCS & CISRS)	4,463,083	4,463,083	3,804,383
NOCN India Skills Foundation	230,498	230,498	294,052
Interest receivable and similar income	15,819	15,819	5,846
Total	20,084,772	20,084,772	19,082,376

All income from charitable activities in the prior period was unrestricted.

2. Analysis of resource expended on charitable activities summary by fund type

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Awarding Organisation & Apprenticeships	14,760,877	14,760,877	13,865,588
Governance	440,940	440,940	298,348
Card Schemes (CPCS & CISRS)	2,982,844	2,982,844	2,810,493
NOCN India Skills Foundation	124,000	124,000	123,662
Depreciation & Amortisation	1,285,040	1,285,040	1,253,038
Interest payable and similar charges	26,885	26,885	50,023
Total	19,620,586	19,620,586	18,401,152

All resource expended from charitable activities in the prior period was unrestricted.

3. Total resources expended

	Activities undertaken directly £	Support costs £	2025 £
Awarding Organisation & Apprenticeships	11,656,190	3,104,687	14,760,877
Governance	-	440,940	440,940
Card Schemes (CPCS & CISRS)	2,967,463	15,381	2,982,844
NOCN India Skills Foundation	124,000	-	124,000
Depreciation & Amortisation	-	1,285,040	1,285,040
Interest payable and similar charges	-	26,885	26,885
Total	14,747,654	4,872,932	19,620,586

NOCN
(A Company limited by Guarantee)

Notes to the Financial Statements *(continued)*

For the Year Ended 31 July 2025

	Activities undertaken directly £	Support costs £	2024 £
Awarding Organisation & Apprenticeships	11,246,050	2,619,538	13,865,588
Governance	-	298,348	298,348
Card Schemes (CPCS & CISRS)	2,670,691	139,802	2,810,493
NOCN India Skills Foundation	123,662	-	123,662
Depreciation & Amortisation	-	1,253,038	1,253,038
Interest payable and similar charges	-	50,023	50,023
Total	14,040,403	4,360,749	18,401,152

Allocations have been made on the following basis:

- Governance costs are made up of the estimated time spent by the Executive Committee on group governance plus other direct governance costs.

4. Governance

	2025 £	2024 £
Meeting costs	25,459	20,073
Expenses paid to Trustees	2,244	1,156
Legal Costs	7,902	14,901
Internal audit fees	18,144	9,800
External audit fees	28,800	24,500
Management costs	358,392	227,918
Total	440,940	298,348

2024 numbers have been restated to declare the gross value of the audit fees as require by the Charites Statement of recommended Practice (SORP).

5. Net incoming resources

	2025 £	2024 £
Net incoming resources for the year are stated after charging:		
Depreciation	79,500	74,478
Amortisation	1,205,540	1,178,560
External audit fees	28,800	24,500
Operating lease in respect of buildings	330,389	338,169
Operating lease in respect of equipment and cars	542	14,540

6. Employee numbers and costs

	2025 £	2024 £
Employees		
Wages and salaries	8,064,226	7,322,785
Social security costs	872,411	749,975
Pension costs	617,142	548,333
Total	9,553,779	8,621,093

NOCN
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Notes to the Financial Statements *(continued)*

For the Year Ended 31 July 2025

6. Employee numbers and costs *(continued)*

The number of employees in the group whose emoluments amounted to over £60,000 in the year was as follows:

Employees	2025 Number	2024 Number
£60,000 to £69,999	9	9
£70,000 to £79,999	1	-
£80,000 to £89,999	-	-
£90,000 to £99,999	2	2
£100,000 to £109,999	1	1
£110,000 to £119,999	-	1
£120,000 to £129,999	1	1
£150,000 to £159,999	1	-
£210,000 to £219,999	-	1
£240,000 to £249,999	1	-

In respect of the above employees' employer pension contributions paid to a defined contribution pension scheme during the year were £119,647 (2024: £108,440)

2024 numbers have been restated to exclude employers NI as require by the Charities Statement of recommended Practice (SORP)

Employees

The average number of persons employed by function was:

	2025 Number	2024 Number
Charitable activities	141	140
Management and administration of the charity	44	42
Total	184	181

Contingent workers

The average number of Contingent Workers, calculated on a basis of number working in a month on average over the year, analysed by function was:

	2025 Number	2024 Number
Charitable activities	133	136
Total	133	136

During the financial year the Group incurred Organisational Change costs of £79,536 (2024: £154,379). This includes statutory redundancy pay, payment in lieu of notice and other miscellaneous costs. The Group policy for organisational change is documented fully and is available on-line to all staff. The objective of the policy is to ensure that unavoidable redundancies are handled in a fair, consistent, timely and non-discriminatory way.

NOCN
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Notes to the Financial Statements *(continued)*

For the Year Ended 31 July 2025

7. Pension Commitments

The charity operates a defined contribution pension scheme. The pension cost charge represents contributions payable by the charity to the fund and amounted to £617,142 (2024: £548,333). Contributions of £14,427 (2024: £17,676) were payable to the fund at the reporting date.

8. Trustee remuneration

Group & Company	2025	2024
	£	£
Travel and subsistence	2,244	1,156
Total	2,244	1,156

No remuneration was paid to the trustees in the year to 31 July 2025 (2024: £Nil).

Expenses for travel and subsistence were paid to 5 trustees during the year to 31 July 2025 (2024: 4)

9. Audit remuneration

	2025	2024
	£	£
External audit of Group / Parent company	21,600	20,400
External audit of NOCN Job Cards (Subsidiary)	7,200	9,000
Total	28,800	29,400

10. Net Income / Expenditure attributable to members of the parent company

The net surplus recorded by the Parent Charity for the year was £74,076 (2024: £544,303), in addition the reserves of NOCN Job Cards of £768,405, were transferred to NOCN during the year. All funds are unrestricted.

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Notes to the Financial Statements *(continued)*

For the Year Ended 31 July 2025

11. Intangible fixed assets

Group	Software development £	Goodwill £	Total £
Cost			
At beginning of year	1,593,234	9,311,448	10,904,682
Additions	506,537	-	506,537
Disposals	(381,326)	-	(381,326)
At end of year	1,718,445	9,311,448	11,029,893
Amortisation			
At beginning of year	651,528	6,124,584	6,776,112
Charge for the year	302,839	902,701	1,205,540
Disposals	(356,778)	-	(356,778)
At end of year	597,589	7,027,285	7,624,874
Net book value at 31 July 2025	1,120,856	2,284,163	3,405,019
Net book value at 31 July 2024	941,706	3,186,864	4,128,570

Company	Software development £	Goodwill £	Total £
Cost			
At beginning of year	925,265	6,021,789	6,947,054
Additions	382,839	-	382,839
Disposals	(315,438)	-	(315,438)
Group transfers	725,779	3,289,659	4,015,438
At end of year	1,718,445	9,311,448	11,029,893
Amortisation			
At beginning of year	419,647	4,212,319	4,631,966
Charge for the year	225,728	702,353	928,081
Disposals	(290,890)	-	(290,890)
Group transfers	243,104	2,112,613	2,355,717
At end of year	597,589	7,027,285	7,624,874
Net book value at 31 July 2025	1,120,856	2,284,163	3,405,019
Net book value at 31 July 2024	505,618	1,809,470	2,315,088

On 31 March 2025, as part of the Group simplification (see note 22), the trade and assets of NOCN Job Cards were transferred into NOCN. As such NOCN Job Cards held no intangible assets as at 31 July 2025. The net book value of intangible assets acquired have been recognised on a gross basis. The Trustees believe that this makes the Company position more comparable to the Group position and portrays a true and fair view.

NOCN
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Notes to the Financial Statements (continued)

For the Year Ended 31 July 2025

12. Tangible fixed assets

Group	Computer equipment £	Fixtures and fittings £	Total £
Cost			
At beginning of year	156,992	319,923	476,915
Additions	45,167	15,415	60,582
Disposals	(86,666)	(11,376)	(98,042)
At end of year	115,493	323,962	439,455
Depreciation			
At beginning of year	82,976	192,540	275,516
Charge for the year	47,419	32,081	79,500
Disposals	(86,666)	(11,376)	(98,042)
At end of year	43,729	213,245	256,974
Net book value at 31 July 2025	71,764	110,717	182,481
Net book value at 31 July 2024	74,016	127,383	201,399

Company	Computer equipment £	Fixtures and fittings £	Total £
Cost			
At beginning of year	134,646	287,880	422,526
Additions	45,167	15,415	60,582
Disposals	(64,320)	(11,376)	(75,696)
Group Transfers	-	32,043	32,043
At end of year	115,493	323,962	439,455
Depreciation			
At beginning of year	60,630	176,962	237,592
Charge for the year	47,419	29,945	77,364
Disposals	(64,320)	(11,376)	(75,696)
Group transfers	-	17,714	17,714
At end of year	43,729	213,245	256,974
Net book value at 31 July 2025	71,764	110,717	182,481
Net book value at 31 July 2024	74,016	110,918	184,934

On 31 March 2025, as part of the Group simplification (see note 22), the trade and assets of NOCN Job Cards were transferred into NOCN. As such NOCN Job Cards held no intangible assets at 31 July 2025. The net book value of intangible assets acquired have been recognised on a gross basis. The Trustees believe that this makes the Company position more comparable to the Group position and portrays a true and fair view.

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Notes to the Financial Statements *(continued)*

For the Year Ended 31 July 2025

13. Fixed asset investment

Company	2025	2024
	£	£
Cost		
At beginning of year & end of year	99	99

On 16 June 2017 NOCN acquired 99% of the share capital of NOCN India Skills Foundation for a consideration of £99.

Subsidiary Undertakings

The following were subsidiary undertakings of NOCN:

Name	Company Number	Charity Number	Country of Incorporation	Class of Shares	Holding
NOCN India Skills Foundation	U80200DL2017		India	Ordinary	99%
	NPL319311				
NOCN Job Cards	11634699	1182053	UK	N/A	*

* In respect of NOCN Job Cards, whilst its corporate structure is limited by guarantee it is treated as an investment by the group on the basis of control.

Results of material subsidiary undertakings

NOCN Job Cards supported learners to achieve success in life and work and support communities and organisations to develop and prosper through the provision and operation of competency card schemes until trade and assets were transferred to NOCN on 31 March 2025. The Charity ceased trading on this date and is being wound up on an orderly basis subsequent to the year end.

A Summary of NOCN Job Cards trading activity until the date of transfer is shown below:

	2025	2024
	Unrestricted	Total
	Funds	Funds
	£	£
Incoming resources	3,016,575	3,804,383
Resources expended	2,698,920	3,822,322
Net movement in funds	317,655	(17,939)
Total funds brought forward	450,750	468,689
Group transfer	(768,405)	-
Total funds carried forward	-	450,750

The assets and liabilities of NOCN Job Cards were as follows:

	Unrestricted & total funds 2025	Unrestricted & total funds 2024
	£	£
Tangible & Intangible fixed assets	-	1,829,947
Current assets	-	806,416
Current liabilities due in less than one year	-	(2,185,613)
Net Assets	-	450,750

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Notes to the Financial Statements (continued)

For the Year Ended 31 July 2025

13. Fixed asset investment (continued)

The registered office of NOCN India Skills Foundation is House No. M-27, M- Block Market, Greater Kailash-I, New Delhi, South Delhi, Delhi. The registered office for NOCN Job Cards is Acero Building, 1 Concourse Way, Sheaf Street, Sheffield, S1 2BJ.

NOCN India Skills Foundation financial year end is 31 March, however results for the 12 months to 31 July 2025 are consolidated within these accounts.

14. Debtors

Group	2025 £	2024 £
Trade debtors	2,579,084	2,592,976
Prepayments and accrued income	345,344	295,084
Total	2,924,428	2,888,060
Company	2025 £	2024 £
Trade debtors	2,278,161	1,935,764
Prepayments and accrued income	299,420	251,419
Intercompany debtors	59,511	2,004,790
Total	2,637,092	4,191,973

The intercompany debtors are interest free and repayable on demand.

15. Stock

Group & Company	2025 £	2024 £
Finished goods	25,198	30,335

16. Creditors – amounts falling due within one year

Group	2025 £	2024 £
Trade creditors	504,865	692,395
Accruals	706,716	564,101
Deferred income (note 17)	1,163,733	1,209,829
Taxes and social security	739,976	730,923
Coronavirus Business Interruption Loan (CBILS)	250,000	300,000
Other creditors	-	234,901
Total	3,365,290	3,732,149
Company	2025 £	2024 £
Trade creditors	442,092	580,194
Accruals	706,815	433,922
Deferred income (note 17)	1,163,733	1,209,829
Taxes and social security	739,976	730,923
Coronavirus Business Interruption Loan (CBILS)	250,000	300,000
Other creditors	-	235,000
Total	3,302,616	3,489,868

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Notes to the Financial Statements (continued)

For the Year Ended 31 July 2025

17. Deferred income

Group & Company	2025	2024
	£	£
At beginning of year	1,209,829	1,238,074
Added in the year	1,163,733	1,209,829
Released in the year	(1,209,829)	(1,238,074)
At end of the year	1,163,733	1,209,829

Annual centre fees and similar charges that are invoiced in advance are deferred to correspond with the period of service provided at the year-end 31 July 2025 was £659,710 (2024: £775,275). End point assessment fees invoiced prior to year-end are deferred where the assessment has yet to take place at year-end 31 July 2025 was £311,258 (2024: £218,558). International income received on account to be used against future registrations was £192,765 (2024: £215,996).

18. Creditors - amounts falling due after more than one year

Group & Company	2025	2024
	£	£
Coronavirus Business Interruption Loan (CBILS)	-	250,000
Total	-	250,000

The CBILS loan incurs interest at 1.88% over base rate and is repayable in equal monthly instalments over 72 months, commencing May 2021.

19. Analysis of net assets between funds

Group	2025	2024
	Unrestricted Funds £	Unrestricted Funds £
Intangible fixed assets	3,405,019	4,128,570
Tangible fixed assets	182,481	201,399
Current assets	5,388,813	4,799,017
Current liabilities due in less than one year	(3,365,290)	(3,732,149)
Liabilities due after more than one year	-	(250,000)
Net Assets	5,611,023	5,146,837

Company	2025	2024
	Unrestricted Funds £	Unrestricted Funds £
Intangible fixed assets	3,405,019	2,315,088
Tangible fixed assets	182,481	184,934
Investments	99	99
Current assets	5,076,138	5,758,387
Current liabilities due in less than one year	(3,302,616)	(3,489,868)
Liabilities due after more than one year	-	(250,000)
Net Assets	5,361,121	4,518,640

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Notes to the Financial Statements (continued)

For the Year Ended 31 July 2025

20. Statement of funds

Group	At 31 July 2024	Incoming resources £	Outgoing resources £	Transfer of funds £	At 31 July 2025 £
General funds	5,146,837	20,084,772	(19,620,586)	-	5,611,023
Total unrestricted funds	5,146,837	20,084,772	(19,620,586)	-	5,611,023

Company	At 31 July 2024 £	Incoming resources £	Outgoing resources £	Transfer of funds £	At 31 July 2025 £
General funds	4,518,640	16,837,699	(16,763,623)	768,405	5,361,121
Total unrestricted funds	4,518,640	16,837,699	(16,763,623)	768,405	5,361,121

21. Financial commitments

Group	2025 £	2024 £
Buildings:		
Within one year	339,665	338,169
Between two and five years	498,564	825,073
Equipment:		
Within one year	89	14,540
Between two and five years	-	89
Company	2025 £	2024 £
Buildings:		
Within one year	339,665	297,964
Between two and five years	498,564	781,454
Equipment:		
Within one year	89	7,822
Between two and five years	-	89

22. Group simplification

During the year, the Group underwent a group re-simplification exercise in order to streamline the Group's corporate structure into NOCN, to deliver a joined-up service for learners, employers, and centres, while maintaining the social impact and charitable objectives of both organisations.

As a result, the trade and assets of NOCN Job Cards were transferred into NOCN, the ultimate holding company on 31 March 2025. Assets and liabilities were transferred at their Net Book Value. Assets & liabilities transferred into NOCN Group consisted of:

	£'000
Fixed assets - Intangible	1,659,721
Fixed assets - Tangible	14,329
Debtors	251,950
Cash	22,861
Creditors	(1,180,456)
Net assets	768,405

This gain has been recognised after the net movement in funds within the statement of financial activities of the Charity. NOCN Job Cards ceased to trade following the transfer and the trustees intend to formally close the company within the next year.

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Notes to the Financial Statements (continued)

For the Year Ended 31 July 2025

23. Related Party Transactions

	2025	2025	2025
	Income	Purchases	Amount due
	£	£	from/(to) at
			the year end
	£	£	£
OCN Northern Ireland ¹	36,250	-	-
British Ass'n Construction Heads ²	-	15,523	-
Barnsley College ³	74,406	-	17,954
Maggie Hasting-Evans ⁴	-	800	-
BAM Nuttall ⁵	116,164	-	15,621
Access Training East Midlands Ltd ⁶	13,195	-	5,100
Construction Industry Scaffolders Record Scheme ⁷	-	363,547	41,386
ITS Group ⁸	850	-	850
Learning at Work Institute ⁹	-	42,000	-
Leeds College of Building ¹⁰	-	-	-
Bedford College ¹¹	119,896	-	6,454
TUC ¹²	20,860	-	-
Partnerfast ¹³	-	-	-
Amelia Renny ¹⁴	-	2,868	-
	2024	2024	2024
	Income	Purchases	Amount due
	£	£	from/(to) at
			the year end
	£	£	£
OCN Northern Ireland ¹	32,625	-	-
British Ass'n Construction Heads ²	-	5,123	-
Barnsley College ³	60,067	-	1,387
Maggie Hasting-Evans ⁴	-	400	-
BAM Nuttall ⁵	140,163	-	11,723
Access Training East Midlands Ltd ⁶	3,956	-	-
Construction Industry Scaffolders Record Scheme ⁷	-	397,181	33,408
ITS Group ⁸	1,354	-	-
Learning at Work Institute ⁹	-	38,000	-
Leeds College of Building ¹⁰	14,155	-	1,126
Bedford College ¹¹	222,837	-	16,368
TUC ¹²	19,867	-	-
Partnerfast ¹³	-	17,625	-
Amelia Renny ¹⁴	-	1,440	-

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Notes to the Financial Statements *(continued)*

For the Year Ended 31 July 2025

23. Related Party Transactions *(continued)*

¹ Transactions with OCN Northern Ireland consist of annual Licence fee income and occasional purchases. OCN Northern Ireland was a member of the Charity during the year.

² Transactions with BACH represent membership body fees. Graham Hasting-Evans is President of BACH.

³ Transactions with Barnsley College represent learner registration and certification income. Kay Dickinson was a Trustee until 29 July 2024 and Simon Perryman was the chair of Trustees of Barnsley College until 31 July 2025.

⁴ Maggie Hasting-Evans - Preparation and recording of ESOL exams in India & Greece. Maggie Hasting-Evans is related to Graham Hasting-Evans who is the Chief Executive of NOCN.

⁵ Transactions with BAM Nuttall represent learner registration, certification fees and CPCS cards. Timothy Brownbridge is an Academy Manager at BAM Nuttall.

⁶ Transactions with Access Training represent learner registration and certification fees. Corrina Hembury is a Managing Director at Access Training.

⁷ Transactions with Construction Industry Scaffolders Record Scheme in relation to the Card processing Income.

⁸ Transactions with ITS Group represent learner registration and certification income. ITS Group is a trading subsidiary of Barnsley College. Kay Dickinson was a Trustee of Barnsley College until 29 July 2024 and Simon Perryman was the chair of Trustees of Barnsley College until 31 July 2025.

⁹ Transactions with Learning at Work Institute represent Festival and Annual research cost. Stephen Evans is a member of the Learning and Work Institute.

¹⁰ Transactions with Leeds College of Building learner registration and certification income. Nicola Davis was a member of the Leeds College of Building and a Trustee of NOCN until 20 March 2024.

¹¹ Transactions with Bedford College learner registration and certification income. Dave Wilkins was a member of the Bedford College until December 2024.

¹² Transactions with TUC registration and certification income. Adrian Toomey is a member of the TUC.

¹³ Transactions with Partnerfast relate to Construction Industry consultancy. Alison Duckles is a director of Partnerfast Ltd and was a member on NOCN board until 31 March 2025

¹⁴ Transactions with Amelia Renny relate to e-learning development. Amelia Renny is related to Simon Renny who is a Group Director of NOCN.

NOCN
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Notes to the Financial Statements *(continued)*

For the Year Ended 31 July 2025

24. Reconciliation of Net Debt

Group	At 1 August 2024 £	Cashflows £	At 31 July 2025 £
Cash at bank and in hand	1,880,622	558,565	2,439,187
Bank Loan (Less than 12 months)	(300,000)	50,000	(250,000)
Bank Loan (More than 12 months)	(250,000)	250,000	-
	1,330,622	858,565	2,189,187

25. Directors and Key Management

Remuneration amounting to £873,005 (2024: £560,791) was paid to key management during the year. In addition, the Charity made contributions of £92,363 (2024: £44,488) to a defined contribution pension scheme in respect of key management personnel.

NOCN

England & Wales - Charity number 1079785

Accounts

Company registration number: 03829217

Charity number: 1079785



NOCN

(A Company limited by guarantee)

Trustee' Report and Consolidated Financial Statements

For the year ended 31 July 2024



NOCN
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Reference and Administrative Details of the Charity, its Trustees and Advisers

For the Year Ended 31 July 2024

Director and Trustees

The Trustees of NOCN, who were also company directors for the purposes of Company Law. Serving during the year and since the year-end are as follows:

NOCN Trustees' and Directors:

Chair	David Gareth Jones	
Vice Chair	Corrina Hembury	(Appointed as Vice Chair 16 August 2023)
Chair Designate	Simon Perryman	(Appointed 31 October 2024)
Trustees	Adrian Toomey	
	Lucy Hunte	(Resigned 8 October 2024)
	Stephen Evans	
	Nicola Davis	(Resigned 20 March 2024)
	David Wilkins	
	Mark Froud	(Appointed 7 September 2023)
	Deborah Howarth	(Appointed 12 September 2023)
	Darryn Hedges	(Appointed 29 November 2023)
	Hannah Horne	(Appointed 30 January 2024)
	Sylvia Ashton	(Appointed 21 February 2024)
	Mark Scott	(Appointed 26 April 2024)
	Kay Dickinson	(Resigned 30 October 2023)
Secretary	Sarah Standeven	

NOCN Job Cards Trustees' and Directors:

Chair	Alison Duckles CBE	
	Graham Hasting-Evans	
	David Mosley	(Resigned 8 July 2024)
	Carl Hassell	
	Paul Allman	
	Timothy Brownbridge	
	Kay Dickinson	
	Deborah Howarth	(Appointed 8 January 2024)

NOCN India Skills Foundation Directors:

Director	Graham Hasting-Evans
	Dr Sunil Abrol

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Reference and Administrative Details of the Charity, its trustees and Advisers

For the Year Ended 31 July 2024 (continued)

Key Management Personnel – NOCN Group Executive Committee in 23/24:

Graham Hasting-Evans - Group Chief Executive

Simon Renny - Group Director (Finance & Governance & Deputy CEO) - until 31 July 2024

Simon Renny - Group Director (Research and Strategy) - from 01 August 2024

Paul Johnson - Group Director (Awarding Organisation)

Carl Hassell - Group Director (Job Cards) – until 13 October 2024

Carl Hassell - Group Chief Operating Officer – from 14 October 2024

Gareth Cutts - Group Director (Digital Delivery and Improvement)

Louise Allen - Group Director (Global Business Development and Marketing - left 2 January 2024)

Sohil Zokari – Acting Group Director (Finance) – from 01 August 2024

Reference and administrative details:

Charity number:	NOCN	1079785
	Job Cards	1182053
Company number:	NOCN	03829217
	Job Cards	11634699
NOCN Registered office:	Acero Building	
	1 Concourse Way	
	Sheaf Street	
	Sheffield, S1 2BJ	

Our Advisers:

Bank	National Westminster Bank Plc (NOCN & NOCN Job Cards)	7 Market Place Derby, DE1 9DS
Solicitors	Andrew Holland Law Limited	Suite 2, The Bakery Millenium Business Park Steeton, Keighley West Yorkshire, BD20 6RB
Auditors	Armstrong Watson Audit Limited	Thornfield Business Park Northallerton, DL6 2XQ

NOCN
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Trustees' Report

For the Year Ended 31 July 2024

The Trustees are pleased to present their Annual Directors' Report together with the consolidated Financial Statements of the Charity and its subsidiary for the year ending 31 July 2024, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The Financial Statements comply with the Charities Act 2011, the Companies Act 2006, the memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard and applicable in the UK and Republic of Ireland (FRS102).

Trustees' Report (continued)

For the Year Ended 31 July 2024

Chair's Foreword

I am pleased to present the NOCN Group Annual Report and Accounts for 2023/24.

Whilst our Group activities are guided and driven by our charitable objectives it is important to sustaining and enhancing those objectives that year on year, we deliver a financial performance that not only underpins the Group's viability but provides funds for future investment and development for our beneficiaries. It is therefore pleasing to report a robust financial performance in the year with total income increasing from £16.5 million to £19 million and net income increasing over fivefold to £0.7 million. Total funds reported amount to £5.1 million with gross cash at bank standing at £1.9 million.

These results derive from the strategic and operational disciplines embedded in the Group in previous years and our consistent application of and focus on our core competencies as an international charity delivering future-fit skills solutions.

Key strategic highlights include:

- Leading the sector on developing skills to achieve a Net Zero carbon economy. Our profile in this area led to our representation on the government's Solar Taskforce and as a major player in building the Green Construction Advisory Panel (now Nationwide Net Zero Training and Skills Accreditation Programme). We finish the year with a strong green skills qualification offer.
- The major restructure of the organisation designed to fully support the growing and complex apprenticeship end-point assessment (EPA) business, including by strengthening customer service and by improving the consistency and quality of our assessment practices and decisions.
- Continuing to grow our international presence with growth of several international partnerships, despite challenges in the global economy. We have strengthened our position in the Middle East and are now recognised as the leading Technical and Vocational Education and Training (TVET) Awarding Organisation in Bahrain. Additionally, we have approved new Centres across the Kingdom of Saudi Arabia. We have also seen continued growth in our partnerships in Europe, India and ASEAN.
- In our Construction Plant Competency Scheme (CPCS) operations launching industry leading digitally innovations, expanding further our international offering, strengthening our regulatory approvals, compliance and quality assurance.
- Being named amongst the Best Medium-sized Organisations in the UK in the Sunday Times Best Places to Work 2024 list.

In addition, after the year end, one important organisational change has taken place and one is planned. Firstly, a Chief Operating Officer role was established and appointed for. This new role will allow a greater distinction between management accountability for the delivery of strategic and operational actions. Secondly, NOCN and its subsidiary NOCN Job Cards will merge during 2025. This will enable delivery of a fully integrated service incorporating all of Job Cards' operations to our customers whilst maintaining the same quality but with greater efficiency. It will also support our charitable objectives by enhancing the training and development opportunities and lifelong learning available to learners, operatives and card holders.

It is important to maintain our strategic direction and discipline moving forward. Our immediate future sees us face change on multiple fronts leading with a new Government with a wide-ranging growth and skills agenda, changing skills demands from innovations such as AI, a rapidly moving Net Zero agenda, changing funding and levy impacts and geo-political events. I believe however that NOCN Group is well positioned to deliver against this change and uncertain backdrop, expanding its charitable reach whilst maintaining its strong financial status.

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Trustees' Report (continued)

For the Year Ended 31 July 2024

I therefore expect to see further progress in 2024/25 built upon the commitment of all of our staff and management who on behalf of the Board of Trustees I thank for all their hard work and professionalism throughout the year.



Gareth Jones
Chair of Trustees, NOCN Group

5 December 2024

Trustees' Report (continued)

For the Year Ended 31 July 2024

Our Purpose, Objectives and Activities

The Purpose of the Charity

The purpose and mission statement of the Charitable Group is to support learners and apprentices to achieve success in life and work and to support communities and organisations to develop and prosper through regulated qualifications, apprenticeship assessments, skills accreditation, assessment support, access to higher education, competency cards, consultancy advice and training.

The Objectives of the Charitable Group

The Objectives of the Charitable Group are:

The advancement of the education of the public in one or more of the following ways:

- by promoting and widening participation in education and training, including for those people who have previously been excluded from educational opportunities;
- by improving the quality and flexibility of education provision for the public benefit, including for those people who have previously been excluded from educational opportunities; and
- by improving access to learning opportunities and facilitating progression to further learning, employment and higher education, particularly through the award of credits and credit based competency qualifications."

The Charitable Group works to deliver these objectives through its key Group functions as follows:

- NOCN Education and Skills policy research – through NOCN's work in contributing to government vocational education and skills policy reviews and other research papers it has delivered in conjunction with partners with the aim of improving the quality of the vocational education system.
- NOCN Awarding Organisation – through its work in developing and promoting vocational qualifications that meet the needs of employers and help learners progress in employment or training.
- Apprenticeship End Point Assessment – through its work in providing a high quality, compliant apprenticeship assessment service to employers of apprentices. Due to changes in Government regulation and quality assurance this activity became part of the Awarding Organisation in January 2023.
- NOCN Job Cards – through its work in assessing the competence of workers to operate construction plant on construction sites and operating the scaffolding card scheme on behalf of CISRS, as well as other competency-based card schemes it may operate in the future.
- International – through the provision of consultancy to improve apprenticeship systems in other countries as well as the provision of ESOL International and other qualifications to countries that are keen to utilise UK qualifications. We are also extending our carding services internationally.

Trustees' Report (continued)

For the Year Ended 31 July 2024

Public Benefit

The Trustees have complied with their duty in accordance with the UK Charities Act 2011 to follow the Charity Commission's guidance on the operation of this public benefit.

The Charitable Group provides a public benefit to advance education and training for the general public through:

- the development and maintenance of credit based or component-based competency qualifications and units as well as short course learners' awards in the UK and international countries;
- its continued work as a leading accredited End Point Assessment Organisation for apprenticeships; and
- the operation of the Construction Plant Competency Scheme (CPCS) which ensures the Construction Plant Operators have the right qualifications and experience to operate different classes of plant machinery on construction sites. In addition, it operates the CISRS scaffolding card scheme, which NOCN Job Cards operates on behalf of CISRS.

Within the requirements of the individual qualification standards, NOCN qualifications are open to all members of the public. The Charitable Group is committed to equality, diversity and inclusion and holds the status of a "Leader in Diversity" by the National Diversity Centre.

The Charitable Group continues to demonstrate its objective of widening participation in education, working with groups and communities that have traditionally not benefited from traditional or formal educational opportunities, for example learners working at lower educational levels; SEND learners; learners with few formal qualification; learners based in offender institutions; younger learners who are not in employment or training; the unemployed and people working in industries that have not traditionally valued formal qualifications.

Key Achievements, Activities & Performance in the year

The Charitable Group is able to demonstrate progress against its key objectives, and key achievements can be summarised as follows across the following divisions of the Group:

NOCN Awarding Organisation

NOCN continued throughout the year to engage fully with the Westminster government's reform of vocational and technical qualifications; the most significant events being the implementation of the first cycles for Level 3 and Level 2. NOCN subsequently gained approval from the Institute for Apprenticeships and Technical Education (IfATE) for five Level 3 qualifications and for 12 Level 2 qualifications. These 17 qualifications were selected as the most commercially important products for the NOCN business. However, when the general election was called for July 2024 the reform programme was paused and the new government is expected to make a decision about reform by the end of 2024. In the meantime, NOCN has continued to engage with the Department for Education to manage the risk to the business caused by the uncertainty.

NOCN's judgement is that the reform programme will accelerate the trend of a declining vocational and technical qualifications market in England. The decline poses significant threat to the business, but NOCN has, over the last five years, taken sustained action to mitigate the risk by diversifying our product offer away from nationally publicly funded qualifications to other product types and to the international market. The other product types include Assured Short Courses, which are in demand to run alongside main study programmes for apprentices or 16 to 19 years, or as upskilling courses for the existing workforce. We have also made a start on building a suite of online courses, which are sold directly to the public.

Trustees' Report (continued)

For the Year Ended 31 July 2024

NOCN continued to lead the sector on developing skills to achieve a net zero carbon economy. Our profile in this area led to our representation on the government's Solar Taskforce and as a major player in building GCAP (Net Zero Training and Skills Accreditation Programme). We finished the year with a strong green skills qualification offer and a rapidly expanding Assured Short Course offer including in hydrogen as an alternative, non-polluting source of fuel.

In summary, in 2023/24 we offered around 700 products in the UK and 340 internationally.

Outside of our core business, we continued to help support Onsite Construction T Level learners to demonstrate full occupational competence by developing initial and summative assessment. The contract involved us working with key partners in the sector including the Department for Education, the Institute for Apprenticeships and Technical Education, the Gatsby Foundation and the Association of Colleges (AoC).

Other notable achievements in the year included setting up a new Sector Management Team to improve the quality of our market research and to advise on the commercial viability of our products and product offers and the successful launch of a new assessment platform.

NOCN Apprenticeships

In 2023/24 NOCN saw the rewards from the major restructure of the awarding organisation designed to fully support the growing and complex apprenticeship End Point Assessment (EPA) business, including by strengthening customer service and by improving the consistency and quality of our assessment practices and decisions.

As a result, NOCN remained as the top End Point Assessment Organisation in a very competitive market, offering an assessment service for 89 apprenticeship standards across seven occupational routes and seven levels. Construction and engineering continued to comprise the highest volume of business.

In mid-year, as EPA continued to grow, and to enhance our position, NOCN appointed a dedicated Head of Customer Services and Operations to supplement the existing Heads of Department Team who contribute to EPA. We also strengthened the operational teams to continue to thrive in a competitive market.

There were also difficult decisions made about consolidating our offer to ensure a continued high level of service. We decided to withdraw from both the finance and retail market which are dominated by other organisations.

Our successes in EPA were all the more impressive as the whole sector continued to be challenged by a shortage of competent assessors and therefore the risk of us not delivering a timely service for apprentices. To mitigate the risk, we established a strong cross-functional team to forecast and control demand, and to recruit, train and deploy assessors to meet the demand. As a result, we consistently met our service standard of fulfilling 95% of assessment bookings within 10 working days.

Financially, NOCN continued to take action to improve the commercial position of EPA, including by driving down the costs of delivery. The action included the decision to recruit more full-time staff in place of freelance workers. At policy level, NOCN has been involved in discussions about developing a more cost effective End Point Assessment system.

NOCN Job Cards

CPCS supports people to gain employment and develop their careers within the construction plant sector by ensuring operatives meet the standards expected by industry CPCS, then issues operatives

Trustees' Report (continued)

For the Year Ended 31 July 2024

remain compliant and the only plant card scheme fully compliant with the PSRO Card Scheme Framework.

During 2023/24 CPCS has gone through significant changes to ensure that the CPCS card scheme meets the requirements of the Standard Setting Body for the introduction of "New Training Standards", as such we have had to change many of the scheme rules to ensure compliance. CPCS has strong support from industry. We have put together industry working groups to ensure that the training standards were adopted, improvements to the scheme are delivered and meet the needs of industry.

CPCS has been able to gain the support of the board and its industry representatives to create and launch an online version of the Health, Safety and Environment (HS&E) test for plant operatives with interactive learning and an invigilated test. Job Cards created great on-line learning content that is easy to navigate and improves knowledge of the health safety and environmental responsibilities of employers, employees and contractors. We have changed the approach of Renewal Testing in independent locations and have a full on-line offer of online CPD, which is also interactive.

Job Cards continues to support centres, employers, and operatives in enhancing skills and competence in the plant sector and working on closing the sector's skills gaps.

We have also changed the way that operatives renew their Blue Competence card. Operatives no longer have to book appointments and travel to test locations, instead they can book Renewal CPD online, the renewal CPD has a modular approach and covers family groupings relevant to the categories held on the blue card. Operatives can now self-serve and do their renewal fully online.

CISRS smart carding processes are managed by Job Cards, volumes have remained comparative to the previous year, however our costs have increased therefore we have recently renegotiated the CISRS Contract for the 2024/25 period.

International

The international market continues to present significant opportunities for product diversification. The Group has experienced growth in several international partnerships, despite challenges in the global economy. We have strengthened our position in the Middle East and are now recognised as the leading Technical and Vocational Education and Training (TVET) AO in Bahrain, having begun contractual work with Skills Bahrain to develop skills tests. Additionally, we have approved new centres across the Kingdom of Saudi Arabia.

There has also been a concerted effort in the year to grow our international business focusing on the Indian sub-continent and the member states of the Gulf Cooperation Council. A particularly exciting and ongoing opportunity was to facilitate the migration of Indian labour to skilled jobs in the Kingdom of Saudi Arabia, which has instigated a major construction programme in the north west of the country. Our offices in India and in Bahrain gave us a local presence, which places us in a strong position to provide our products and services internationally.

In addition to the new work in Asia, our existing management and productivity business in India continued to flourish based on a strong partnership with Nettur Technical Training Foundation (NTTF) and Haryana State Board of Technical Education (HSBTE). In Europe, our English for Speakers of Other Languages (ESOL) qualifications continued to be highly recognised and used in Greece. Our partnership with Global Awards based in Athens continued to be very productive and a project is underway to roll out the business across more of Europe.

Trustees' Report (continued)

For the Year Ended 31 July 2024

Education and Skills Policy & Research

As an integral part of supporting our charitable objectives, the Group continues to support a number of national awards, which aim to encourage learning across society including disadvantaged groups. The national awards that we have supported this year include Association of Colleges (AoC), Beacon Awards and Student of the Year Awards, Multi-Cultural Apprenticeship Network, National Apprenticeship Awards, National Federation of Builders Top 100 Women in Construction Awards, Construction Awards, Kent and Medway Graduation, North East Learning Providers, Outstanding Green and Sustainable Development Award, Nurse Training Sponsorship for Ashgate Hospice, Ashgate Hospice Sparkle Walk 2024 and Ted Wragg Trust Innovation Competition.

In addition, the Group has taken part in and supported research on education and skills development to promote learning and open skills development to more and more of our communities. In 2023/24, this included:

Quarter 1:

- GCAP in Exeter (all year-round support)
- CCATF Boosting Routes into Industry
- Contributed to CLC report and ITB review

Quarter 2:

- Multi-Cultural Apprenticeships Patrons Event
- Contributed to the AoC annual conference focussing in on Green Skills
- BACH 1-day Conference in November
- The APPG/Policy Connect report on HTQs launched in House of Lords on 5 December
- The College Alliance International Conference

Quarter 3:

- BACH 2-day conference in March
- Policy influencing on Level 2 reforms for Construction and other sectors jointly with AELP
- Contributed to the All-Party Review on the Skills System

Quarter 4:

- Published with BACH a report on apprenticeship completion rates
- Published the Global Construction Skills – Implications for UK report
- Sponsored 'The Great Skills Divide' report
- Published the Guide to UK's Education and Skills Offer
- Graham Hasting-Evans served as one of the commissioners for the 'Skills 2030' report

Financial Review

The Group has seen a continued growth in income across all main business areas in 2023/24.

The Group's Operating costs have increased by 12% mainly due to higher EPA costs in line with the growth in EPA income this year, as well as higher staff costs due to inflationary pay pressures and investment in the continued growth in the business offer to our customers.

NOCN
(A Company limited by Guarantee)

Trustees' Report (continued)

For the Year Ended 31 July 2024

As a result, our operating surplus increased to £1.9m in 2023/24 compared to £1.2m in 2022/23.

£000's	2023/24	2022/23
Income	19,082	16,502
Operating costs	(17,148)	(15,267)
Operating (deficit) / surplus	1,934	1,235
Depreciation, Amortisation & Interest	(1,253)	(1,111)
Other revaluations	-	-
Net incoming resources after other gains / (losses)	681	125

Going Concern

The Board has assessed the current and projected solvency of the Group looking forward over 12 months from the point of signing.

In assessing the going concern of the Group at the date of this report we have reviewed our forecasts for 2024/25 and developed reasonable best and worst case income scenarios taking into account the likely external economic environment and other external market factors.

As part of the going concern assessment we carried out sensitivity tests on our Statement of Financial Activities and cash flow projections looking forward to end of 2025/26 and have looked at how much income would need to drop over this period beyond our worst case income scenario assuming we take no action to reduce costs, such that we cannot meet all our liabilities as they fall due at any point. The assessment has taken into account the year to date performance in 2024/25 and latest P&L and cashflow projections as at the end of October 2024.

The Board has reviewed the assessment and considers that the Group to remain a going concern and that the Group will continue to make sufficient surpluses in 2024/25 and 2025/26 to cover liabilities as they fall due.

At 31 July 2024, and at the date of this report, the balance sheet and forward cash projections show that the Group can continue to meet its all its obligations as they fall due over at least the next 12 months.

In the event that the business is impacted by economic downturn or other external factors then the business will take prompt action to further reduce its cost base to ensure that it can still meet its obligations as they fall due.

Subsidiary going concern assessments and Group consolidation decision

In light of the Board's decision to merge Job Cards into the NOCN charity in 2024/25 the trade and assets of NOCN Job Cards will be transferred into the parent company of the Group, NOCN, in the financial year 2024/25. As a result, Job Cards as a legal entity will cease trading and hold no assets by the end of 2024/25. The financial statements of 2023/24 have therefore been prepared on a basis other than going concern.

No adjustments were required as a result of preparing the accounts on a basis other than going concern. The services delivered by the subsidiary will continue to operate post the merger with NOCN. NOCN Job Cards legal entity will continue to trade as normal until the merger with NOCN takes place in 2024/25. It is the intention of the Trustees to dissolve NOCN Job Cards soon after.

Trustees' Report (continued)

For the Year Ended 31 July 2024

Key Risks in the year

The key risks the Group has faced in 2023/24 have been:

- Cost inflation. We have seen staff and assessor pay cost pressures increase in the year in line with the increase in inflation generally as well as inflationary pressures on our other cost lines.
- We continued to see an increased risk in respect of our ability to recruit staff & assessors to support the higher levels of activity. We continue to look to optimise our recruitment channels and our offer to ensure that we remain competitive in a difficult market.
- External UK Government policy in respect of vocational qualification funding levels in future years for our products continues to provide some uncertainty. We are mitigating this through the continued diversification of our product offering.
- General economic uncertainty impacting the construction sector in particular, which we have been mindful of in our future planning.
- The risk that the CPCS scheme fails to adapt successfully to the new CITB funding arrangement such that market share and income is lost to its competitors. Through the work carried out in 2022/23 we have managed to successfully mitigate this risk.
- The risk that the ITB Review being carried out by the Government to close CITB, as this could have had a detrimental impact on NOCN's operations.

Reserves Policy

The Group's reserves policy was reviewed and updated in 2023/24. The aim of the policy is to keep the Group's balance sheet unrestricted reserves in the range of £6.8m and £9.7m. Equating to approximately 5 to 7 months of projected operating expenditure. The policy also aims to keep the Group's available cash within £1.8m and £3m. These unrestricted reserves, which are freely available for general use, are held to withstand any short-term financial risks and to support any net windup costs in the event of closure.

As at the end of July 2024, the Group was operating outside the bottom of this reserve range due to the need to invest in the business and address the increased costs facing the business. The Group's reserve levels have increased by £0.7m compared to the prior year levels of £4.5m. The Board approved a business plan and budget for 2024/25, which will increase the reserve and available cash levels and the Group is expected to move to coming within the reserves target by 2026/27.

Powers of Investment

The Trustees are authorised by the Memorandum of Association to invest monies not immediately required for the Charity's own purposes in such investments, securities or property as they deem fit subject to any conditions required by law.

Future Plans

The Group's strategic objectives for NOCN Vision 2030 are to:

- Have maintained our profile with Government & our target industries as a leading Awarding Organisation.
- Be seen as the leader in Sustainability and Net Zero skills in the UK.

Trustees' Report (continued)

For the Year Ended 31 July 2024

- Have strong recognition as a skills organisation in Europe, Middle East, India Sub-continent, SE Asia.
- Continue to operate from entry to L7.
- Maintain regulated qualification registration levels.
- Grow volumes in apprenticeships, assured courses, endorsed programmes, skills cards, short courses and accredited CPD (new).
- Have maximised the use of technology to support learners and employers.
- Have increased the number of people we help into employment and progression in work, ensuring we support people from diverse cultures and backgrounds.
- Be a great organisation for our customers and employees by embedding and progressing equity, diversity and inclusion.

These objectives are driven by the context we operate in, our mission and values, the need to maintain our business in what may be a difficult policy and economic context for a number of years and the need to develop new ways of working.

Structure, Governance and Management

Governing Document and Structure

The organisation is a charitable company limited by guarantee incorporated on 18 August 1999. There were 12 trustees of the charity as at the end of 31 July 2024.

In July 2017 NOCN India Skills Foundation was incorporated in India as a subsidiary of NOCN and is included as part of these consolidated set of accounts.

NOCN Job Cards was incorporated as a company limited by guarantee on 22 October 2018 and was registered as a charity on 15 February 2019. NOCN Job Cards is consolidated within NOCN Group given its articles give NOCN the right to appoint or terminate members of the Board. NOCN is the sole member of NOCN Job Cards.

Appointment of Trustees

As set out in the revised Articles of Association, the Group seeks and recruits Trustees who are drawn from a wide range of backgrounds, including industry sectors where the Group works. As at the end of 31 July 2024 there were 12 Trustees in post at the Group's Board. The chairs of the Board and the sub-committees are appointed trustees. As at the 31 July 2024 there were 7 trustees in post at NOCN Job Cards Board. The Chair of the Board is an appointed trustee and was Vice Chair of the NOCN Group Board until July 2023.

During 2023/24 there were 6 appointments and 1 resignation to the NOCN Board.

Trustee posts are advertised. Applications are reviewed by the Board and where appropriate a shortlist established for interview. The Board makes the final appointment.

Trustee Induction and Training

When new Trustees join the Board, a formal briefing from the Chair and Group Chief Executive takes place and they receive an induction pack. Trustees receive formal training on their responsibilities, including their legal obligations.

Trustees' Report (continued)

For the Year Ended 31 July 2024

Statement of Regulatory Compliance

All Awarding Organisations are required to submit their formal statement of compliance, under the General Conditions of Recognition, published by Ofqual. This is a key governance document, which NOCN submitted to the 3 regulators of qualifications in the UK in January 2024. NOCN recorded that it was compliant with the General Conditions of Recognition.

Compliance with the Charity Governance Code

The Trustees monitor the Group's compliance with the Charity Governance Code, the assessment of which was last updated in November 2024. It has been assessed that the Group continues to be compliant with the Code.

Organisational Structure

The Group's Board of Trustees meets at least quarterly with a full business agenda including a review of the Management Accounts and budget achievement for the Group and each of its subsidiaries. During the year the Group's Board was supported by two sub-committees: Group Audit & Risk Committee and Quality Assurance Committee. Each sub-committee meets between 3 and 4 times in the year and reports its activities and recommendations, at the Board meeting immediately following their own meetings.

The Board of Trustees delegates the management of the Charity to the Group Chief Executive who undertakes these responsibilities through an Executive Committee, which is comprised of the Group Chief Executive, Chief Operating Officer and all of the Group Directors, and an Operations Group which is made up of the Executive Committee (except the Group Chief Executive) plus the Heads of Departments of the Group entities.

Pay policy for senior staff

All Trustees give of their time freely and no director received remuneration in the year.

The pay of the Executive Committee is reviewed annually and normally increased in accordance with average earnings in line with the rest of the staff and market comparisons. Any changes to the Executive Committee staff salaries have to be approved by the Board of Trustees.

Details of the Trustees and Executive Committee related party transactions are disclosed in the notes to the accounts.

Risk Management

The Group operates a risk management policy and strategy. The aims of the policy and strategy are to:

- consider best practice in designing a risk management framework;
- encourage well-managed taking of risk to deliver business objectives;
- provide staff with policies and procedures necessary to manage risk;
- embed risk management in the day-to-day conduct of business;
- identify and prioritise risk using the risk management technology;
- regularly monitor risk at Group Chief Executive and Director Level; and
- achieve continuous improvement in risk management.

Trustees' Report (continued)

For the Year Ended 31 July 2024

During the year the Group Audit & Risk Committee has routinely considered the Strategic Risk Register and examined specific areas of risk at the request of the Board and has overseen a review of the register's format and risks. The Strategic Risks are also reported to the Board on a quarterly basis. The Strategic Risk Register is also reviewed on a monthly basis by the Executive Committee.

In addition, the Quality Assurance Committee has regularly considered issues of risk relating to NOCN's status as a recognised and regulated awarding organisation, within the context of being compliant with the General Conditions of Recognition.

Trustees' responsibilities in relation to the financial statements

The Charity's Trustees (who are also the directors of NOCN for the purposes of company law) are responsible for preparing the Trustees' Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare Financial Statements for each financial year. Under that law the Trustees have elected to prepare the group and charity financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

In preparing the Financial Statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and the Group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.



Gareth Jones (Chair)
5 December 2024

Independent Auditor's Report

to the Members of NOCN Group

Opinion

We have audited the financial statements of NOCN (the 'parent charitable company') for the year ended 31 July 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Statement of Financial Position, the Charity Statement of Financial Position, the 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 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 parent charitable company's affairs as at 31 July 2024 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 and parent charitable 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

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 and parent charitable 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.

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

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are

Independent Auditor's Report (continued)

to the Members of NOCN Group

required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 trustees' report (incorporating the 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 trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and the Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 15-16, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with this act.

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

Independent Auditor's Report (continued)

to the Members of NOCN Group

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the parent charitable company through discussions with directors and other management, and from our commercial knowledge and experience of the industry. The key laws and regulations we identified were Charities Act 2011, Companies Act 2006, Employment legislation and Ofqual regulations;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and obtaining compliance certificates; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the entity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

NOCN
(A Company limited by Guarantee)

Independent Auditor's Report (continued)

to the Members of NOCN Group

Use of our report

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Turner (Senior Statutory Auditor)

for and on behalf of

Armstrong Watson Audit Limited

Chartered Accountants

Statutory Auditors

Northallerton

Date: 5 December 2024

NOCN
(A Company limited by Guarantee)

Consolidated Statement of Financial Activities
Including the statement of comprehensive income
For the Year Ended 31 July 2024

	Note	2024 Unrestricted Funds £	2023 Unrestricted Funds £
Incoming resources			
Grants and Donations	1	-	1,493
Charitable activities	2	19,082,376	16,500,649
Total incoming resources		19,082,376	16,502,142
Resources expended			
Charitable activities	3,4	18,401,152	16,377,514
Total resources expended		18,401,152	16,377,514
Net movement in funds before other gains / (losses)		681,224	124,628
Other recognised gains / (losses)			
Net movement in funds after other gains / (losses)	25	681,224	124,628
Total funds brought forward		4,465,613	4,340,985
Total funds carried forward	20	5,146,837	4,465,613

The notes on pages 24 to 41 form part of these financial statements.

The incoming resources and resources expended derive from continuing operations.

NOCN uses the exemption conferred by section 408 of the Companies Act 2006 in not preparing a separate income and expenditure account for NOCN as a separate company. The net surplus recorded by the parent company for the year was £544,303 (2023: net surplus £85,790)

NOCN
(A Company limited by Guarantee)

Consolidated Statement of Financial Position

As at 31 July 2024

	Notes	2024 Unrestricted Funds £	2023 Unrestricted Funds £
Fixed assets			
Intangible assets	11	4,128,570	4,839,005
Tangible assets	12	201,399	220,894
Total fixed assets		4,329,969	5,059,899
Current assets			
Debtors	14	2,888,060	2,598,058
Stock	15	30,335	30,829
Cash at bank and in hand	24	1,880,622	1,396,503
Total current assets		4,799,017	4,025,390
Current liabilities			
Creditors: Amounts falling due within one year	16	(3,732,149)	(4,069,676)
Net current assets / (liabilities)		1,066,868	(44,286)
Total assets less current liabilities			
Creditors: Amounts falling due after more than one year	18	(250,000)	(550,000)
Net assets / (liabilities)		5,146,837	4,465,613
Represented by:			
General funds	20	5,146,837	4,465,613
Total funds		5,146,837	4,465,613

The notes on pages 24 to 41 form part of these financial statements.

All funds are unrestricted.

The financial statements were approved by the Board of Directors and authorised for issue on 5 December 2024 and were signed on its behalf by:



Gareth Jones

Chair, NOCN Board of Trustees

NOCN
(A Company limited by Guarantee)

Company Statement of Financial Position

As at 31 July 2024

	Notes	2024 Unrestricted Funds £	2023 Unrestricted Funds £
Fixed assets			
Intangible assets	11	2,315,088	2,846,247
Tangible assets	12	184,934	199,917
Investments	13	99	99
Total fixed assets		2,500,121	3,046,263
Current assets			
Debtors	14	4,191,973	3,989,323
Stock	15	30,335	30,829
Cash at bank and in hand	24	1,536,079	1,122,290
Total current assets		5,758,387	5,142,442
Current liabilities			
Creditors: Amounts falling due within one year	16	(3,489,868)	(3,664,368)
Net current assets / (liabilities)		2,268,519	1,478,074
Total assets less current liabilities			
		4,768,640	4,524,337
Creditors: Amounts falling due after more than one year	18	(250,000)	(550,000)
Total net assets		4,518,640	3,974,337
Represented by:			
General funds	20	4,518,640	3,974,337
Total funds		4,518,640	3,974,337

The notes on pages 24 to 41 form part of these financial statements.

All funds are unrestricted.

The financial statements were approved by the Board of Directors and authorised for issue on 5 December 2024 and were signed on its behalf by:



Gareth Jones

Chair, NOCN Board of Trustees

NOCN
(A Company limited by Guarantee)

Consolidated Statement of Cash Flows

For the Year Ended 31 July 2024

	2024 £	2023 £
Cash flows from operating activities		
Net cash provided by operating activities	1,244,999	1,449,567
Cash flows from investing activities		
Purchase of intangible fixed assets	(481,127)	(310,727)
Disposal of fixed assets	75,230	-
Payments made in respect of purchase of Cskills and CPCS	-	(750,000)
Purchase of tangible fixed assets	(54,983)	(36,010)
Net cash used in investing activities	(460,880)	(1,096,737)
Cash flows from financing activities		
Repayment of Bank Loan	(300,000)	(300,000)
Changes in cash and cash equivalents in the year	484,119	52,830
Cash and cash equivalents at the beginning of the year	1,396,503	1,343,673
Cash and cash equivalents at the end of the year	1,880,622	1,396,503
Reconciliation of net movement in funds before other gains / (losses) to net cash flow from / (used in) operating activities		
Net movement in funds in the period as per the statement of financial activities	681,224	124,628
Adjustments for:		
Depreciation & Amortisation charges	1,253,038	1,110,832
Disposal of fixed assets (Net)	(75,230)	-
Reversal of previously capitalised asset	13,002	-
Decrease / (Increase) in stock	494	(10,653)
Decrease / (increase) in debtors	(290,002)	(325,030)
(Decrease) / increase in creditors	(337,527)	549,790
Net cash provided by operating activities	1,244,999	1,449,567

The notes on pages 24 to 41 form part of these financial statements.

NOCN
(A Company limited by Guarantee)

Notes to the Financial Statements

For the Year Ended 31 July 2024

Accounting Policies

The following accounting policies have been applied consistently in dealing with items, which are considered material in relation to the Charity's Financial Statements.

Charitable company information

NOCN is a charitable company, limited by guarantee and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the 'Reference and Administrative Details of the Charity, its Trustees and Advisers' pages and the nature of the charitable company's operations and its principal activities are set out in the Trustees' report.

Basis of preparation

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) (effective 1 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. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

NOCN meets the definition of a public benefit entity under FRS 102.

Consolidation

The Financial Statements consolidate the Financial Statements of NOCN and all its subsidiary undertakings.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual Statement of Financial Activities (SOFA).

Preparation of the accounts on a going concern basis

The Trustees have carried out a review of the Group's financial performance and its reserves position and believe that it has adequate financial resources and is well placed to manage its business risks. The Group's business planning process, including financial projections, has taken into consideration the uncertainty within the current educational funding and qualification infrastructure and its potential impact on the sources of income and planned expenditure. In addition, sensitivity analysis and stress testing has been carried out on the Group's SOFA and cash projections. The Trustees have assessed that the organisation has adequate resources to continue in operational existence for at least 12 months from the date of approval of the Financial Statements based on these forecasts and analysis. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

In assessing going concern of the Group at the date of this report we have reviewed our forecasts for 2024/25 and developed reasonable best and worst case income scenarios for 2024/25 taking into account the likely external economic environment and other market factors.

As part of the going concern assessment, we have looked at how much income would need to drop over this period beyond our worst case income scenario assuming we take no action to reduce costs, such that we cannot meet all our liabilities as they fall due at any point.

Notes to the Financial Statements

For the Year Ended 31 July 2024

The Board has reviewed the assessment and considers that the Group remains a going concern and that the Group will continue to make sufficient surpluses in 2024/25 and 2025/26 to cover the Group's liabilities as they fall due.

At 31 July 2024, and at the date of this report, the balance sheet and forward cash projections show that the Group can continue to meet its all its obligations as they fall due over at least the next 12 months.

In the event that the business is impacted by a significant economic slowdown impacting on its income, then the business will take prompt action to further reduce its cost base to ensure that it can still meet its obligations as they fall due.

However, as noted in the Chair's Foreword, in light of the Board's decision to merge Job Cards into the NOCN charity in 2024/25, the trade and assets of NOCN Job Cards will be transferred into the parent company of the Group, NOCN, in the financial year 2024/25. As a result, Job Cards as a legal entity will cease trading and hold no assets by the end of 2024/25. The financial statements of 2023/24 for NOCN Job Cards have therefore been prepared on a basis other than going concern.

No adjustments were required as a result of preparing the accounts on a basis other than going concern. The services delivered by the subsidiary will continue to operate post the merger with NOCN. NOCN Job Cards legal entity will continue to trade as normal until the merger with NOCN takes place in 2024/25. It is the intention of the Trustees to dissolve NOCN Job Cards soon after.

Liability of Members

The Charity is a company limited by guarantee. In the event of the Charity being wound up, the liability of the members is limited to a sum not exceeding £1.00, being the amount that each member undertakes to contribute to the assets of the Charity in the event of its being wound up while he, she or it is a member or within one year after he, she or it ceases to be a member, for:

- payment of the Group's debts and liabilities incurred before he, she or it ceases to be a member;
- payment of the costs, charges and expenses of winding up; and
- adjustment of the rights of the contributories among themselves.

Incoming Resources

Incoming resources primarily comprise: Learner Registration charges, Delivery Partner Annual Fees, online card and test assessment fees, delivery of a wide range of endorsed programmes and Apprenticeship End Point Assessment fees.

All income is recognised once the Group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The Group's income streams are recognised as follows:

- delivery Partner Fees are recognised in full in the year the service is provided;
- learner registration charges are recognised at the time of registration;
- replacement certificate income is recognised at point of request and in advance of release of certificate;
- apprenticeship End point assessment fees are recognised as follows: Initial up-front charge is recognised when the apprentice is registered with NOCN. The remaining charge is recognised at the point the assessment takes place;
- Card and associated test fees are recognised at the point of booking/processing.

Notes to the Financial Statements

For the Year Ended 31 July 2024

Income is classed as unrestricted unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Foreign Currencies

Foreign currency transactions, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with gains or losses being taken to the Statement of Financial Activities. NOCN group is exposed to transactions in Indian Rupees, Euro and Sterling Pounds (functional currencies). However, all financial statements use Sterling Pounds as the presentation currency.

Financial Instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Resources Expended

Resources expended are recognised on an accruals basis. Resources expended include attributable Value Added Tax which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Charitable expenditure comprises those costs incurred by the Group in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Group and include the audit fees and costs linked to the strategic management of the Group.

Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty

The preparation of Financial Statements in compliance with FRS 102 requires the use of certain critical accounting estimates. The items in the Financial Statements where these judgements and estimates have been made include:

Notes to the Financial Statements

For the Year Ended 31 July 2024

Tangible Fixed Assets and Depreciation

Tangible assets are included at cost less accumulated depreciation.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful economic lives, using the straight line method as follows:

Computer equipment - rates varying from 20% to 33.3% per annum

Fixtures and fittings - 10% per annum

All tangible fixed assets costing over £1,000 are capitalised on acquisition and are included in the balance sheet at cost. The estimated useful economic lives and depreciation method are reviewed at each year end.

Intangible Fixed Assets and Amortisation

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Purchased goodwill is recognised at the cost of acquisition less the on balance sheet assets purchased.

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.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

Software development costs 5 years

Goodwill 10 years

If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

If the net fair value of the identifiable assets and liabilities acquired exceeds the cost of a business combination, the excess up to the fair value of non-monetary assets acquired is recognised in the SOFA (Statement of Financial Activities) in the periods in which the non-monetary assets are recovered. Any excess exceeding the fair value of non-monetary assets acquired is recognised in the statement of financial activities in the periods expected to be benefitted.

NOCN
(A Company limited by Guarantee)

Notes to the Financial Statements

For the Year Ended 31 July 2024

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 first in, first out basis. At each reporting date, inventories are assessed for impairment. If inventory 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 Statement of Financial Activities.

Annual Support Fee Provision

NOCN charges an annual centre support fee for which invoices are raised on the anniversary the customer became an NOCN centre. The invoiced income, where appropriate, is deferred to the following financial year to reflect when the support will take place.

Taxation

As a registered Charity, NOCN is exempt from liability to corporation tax on income and gains falling within section 505 of the Taxes Act 1988 or S256 of the Taxation of Charitable Gains Act 1992 to the extent that these are applied to its charitable objects. No provision or charges for taxation have therefore arisen.

Pensions

For NOCN and NOCN Job Cards, the pension costs charged in the Financial Statements represent the contributions payable by the Charity during the year.

Leased Assets

Operating lease costs are charged on a straight-line basis over the term of the lease.

Fund Accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets this criterion is charged to the fund, together with a fair allocation of management and support costs.

Unrestricted funds comprise those funds, which the Trustees are free to use in accordance with the objects of the Charity.

Designated funds are unrestricted funds, which have been allocated for specific purposes by the Trustees.

NOCN
(A Company limited by Guarantee)

Notes to the Financial Statements

For the Year Ended 31 July 2024

Notes to the Accounts

1. Incoming resources from government grants

	2024	2023
	£	£
Government Furlough Funds	-	1,493
Total	-	1,493

2. Incoming resources from charitable activities

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Awarding Organisation & End Point Assessment	14,983,941	14,983,941	12,640,091
NOCN Job Cards (CPCS & CISRS)	3,804,383	3,804,383	3,694,428
NOCN India Skills Foundation	294,052	294,052	166,130
Total	19,082,376	19,082,376	16,500,649

All income from charitable activities in the prior period was unrestricted.

3. Analysis of resource expended on charitable activities summary by fund type

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Awarding Organisation & End Point Assessment	13,915,611	13,915,611	12,250,016
Governance	298,348	298,348	262,619
NOCN Job Cards (CPCS & CISRS)	2,810,493	2,810,493	2,604,731
NOCN India Skills Foundation	123,662	123,662	149,316
Depreciation & Amortisation	1,253,038	1,253,038	1,110,832
Total	18,401,152	18,401,152	16,377,514

All resource expended from charitable activities in the prior period was unrestricted.

4. Total resources expended

	Activities undertaken directly £	Support costs £	2024 £
Awarding Organisation & End Point Assessment	11,296,073	2,619,538	13,915,611
Governance	-	298,348	298,348
NOCN Job Cards (CPCS & CISRS)	2,670,691	139,802	2,810,493
NOCN India Skills Foundation	123,662	-	123,662
Depreciation & Amortisation	-	1,253,038	1,253,038
Total	14,090,426	4,310,726	18,401,152

NOCN
(A Company limited by Guarantee)

Notes to the Financial Statements

For the Year Ended 31 July 2024

	Activities undertaken directly £	Support costs £	2023 £
Awarding Organisation & End Point Assessment	9,769,812	2,480,204	12,250,016
Governance	-	262,619	262,619
NOCN Job Cards (CPCS & CISRS)	2,470,707	134,024	2,604,731
NOCN India Skills Foundation	149,316	-	149,316
Depreciation & Amortisation	-	1,110,832	1,110,832
Total	12,389,835	3,987,679	16,377,514

Allocations have been made on the following basis:

- Governance costs are made up of the estimated time spent by the Executive Committee on group governance plus other direct governance costs.

5. Governance

	2024 £	2023 £
Meeting costs	20,073	21,812
Expenses paid to Trustees	1,156	-
Legal Costs	14,901	21,343
Internal audit fees	9,800	14,700
External audit fees	24,500	22,750
Management costs	227,918	182,014
Total	298,348	262,619

6. Net incoming resources

	2024 £	2023 £
Net incoming resources for the year are arrived at after charging:		
Depreciation	74,478	64,782
Amortisation	1,178,560	1,046,050
External audit fees	24,500	22,750
operating lease in respect of buildings	338,169	363,842
operating lease in respect of equipment and cars	14,540	17,181

7. Employee numbers and costs

	2024 £	2023 £
Staff		
Wages and salaries	7,322,785	6,895,216
Social security costs	749,975	660,531
Pension costs	548,333	506,017
Total	8,621,093	8,061,764

NOCN
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Notes to the Financial Statements

For the Year Ended 31 July 2024

The number of employees whose emoluments as defined for taxation purposes amount to £60,000 or more in the year was as follows:

Staff	2024 Number	2023 Number
£60,000 to £69,999	2	5
£70,000 to £79,999	8	2
£80,000 to £89,999	-	1
£90,000 to £99,999	-	1
£100,000 to £109,999	2	3
£110,000 to £119,999	1	-
£120,000 to £129,999	2	1
£220,000 to £229,999	-	1
£240,000 to £249,999	1	-

In respect of the above employees' employer pension contributions paid to a defined contribution pension scheme during the year were £108,440 (2023: £99,172)

Staff

The average number of persons employed analysed by function was:

	2024 Number	2023 Number
Charitable activities	140	123
Management and administration of the charity	42	48
Total	181	171

Contingent workers

The average number of Contingent Workers, calculated on a basis of number working in a month on average over the year, analysed by function was:

	2024 Number	2023 Number
Charitable activities	136	119
Total	136	119

During the financial year the Group incurred Organisational Change costs of £154,379 (2023: £105,624). This includes statutory redundancy pay, payment in lieu of notice and other miscellaneous costs. Group policy for organisational change is documented fully and is available on-line to all staff. The objective of the policy is to ensure that unavoidable redundancies are handled in a fair, consistent, timely and non-discriminatory way.

NOCN
(A Company limited by Guarantee)

Notes to the Financial Statements

For the Year Ended 31 July 2024

8. Trustee remuneration

Group	2024	2023
	£	£
Travel and subsistence	1,156	-
Total	1,156	-

Company

No remuneration or expenses were claimed by the trustees in the last 2 financial years.

9. Audit remuneration

	2024	2023
	£	£
External audit of Group / Parent company	17,000	16,000
External audit of NOCN Job Cards (Subsidiary)	7,500	6,750
Total	24,500	22,750

10. Net Income / Expenditure attributable to members of the parent company

The net surplus dealt with in the financial statements of the parent company was £544,303 (2023: £85,790). This is all unrestricted funds.

NOCN
(A Company limited by Guarantee)

Notes to the Financial Statements

For the Year Ended 31 July 2024

11. Intangible fixed assets

Group	Software development	Goodwill - Cskills	Software development	Goodwill - CPCS	Total
	NOCN	NOCN	NOCN Job Cards	NOCN Job Cards	
	£	£			£
Cost / valuation					
At beginning of year	764,459	6,021,789	422,878	3,289,659	10,498,785
Additions	236,036	-	245,091	-	481,127
Disposals	(75,230)	-	-	-	(75,230)
At end of year	925,265	6,021,789	667,969	3,289,659	10,904,682
Depreciation					
At beginning of year	329,861	3,610,140	136,479	1,583,300	5,659,780
Charge for the year	152,014	602,179	95,402	328,965	1,178,560
Disposals	(62,228)	-	-	-	(62,228)
At end of year	419,647	4,212,319	231,881	1,912,265	6,776,112
Net book value at 31 July 2024	505,618	1,809,470	436,088	1,377,394	4,128,570
Net book value at 31 July 2023	434,598	2,411,649	286,399	1,706,359	4,839,005

Company	Software development	Goodwill	Total
	£	Cskills £	
Cost / valuation			
At beginning of year	764,459	6,021,789	6,786,248
Additions	236,036	-	236,036
Disposals	(75,230)	-	(75,230)
At end of year	925,265	6,021,789	6,947,054
Depreciation			
At beginning of year	329,861	3,610,140	3,940,001
Charge for the year	152,014	602,179	754,193
Disposals	(62,228)	-	(62,228)
At end of year	419,647	4,212,319	4,631,966
Net book value at 31 July 2024	505,618	1,809,470	2,315,088
Net book value at 31 July 2023	434,598	2,411,649	2,846,247

NOCN
(A Company limited by Guarantee)

Notes to the Financial Statements

For the Year Ended 31 July 2024

12. Tangible fixed assets

Group	Computer equipment £	Fixtures and fittings £	Total £
Cost / valuation			
At beginning of year	341,457	387,511	728,968
Additions	53,309	1,674	54,983
Disposals	(237,774)	(69,262)	(307,036)
At end of year	156,992	319,923	476,915
Depreciation			
At beginning of year	278,236	229,838	508,074
Charge for the year	42,514	31,964	74,478
Disposals	(237,774)	(69,262)	(307,036)
At end of year	82,976	192,540	275,516
Net book value at 31 July 2024	74,016	127,383	201,399
Net book value at 31 July 2023	63,221	157,673	220,894

Company	Computer equipment £	Fixtures and fittings £	Total £
Cost / valuation			
At beginning of year	319,111	355,468	674,579
Additions	53,309	1,674	54,983
Disposals	(237,774)	(69,262)	(307,036)
At end of year	134,646	287,880	422,526
Depreciation			
At beginning of year	257,199	217,463	474,662
Charge for the year	41,205	28,761	69,966
Disposals	(237,774)	(69,262)	(307,036)
At end of year	60,630	176,962	237,592
Net book value at 31 July 2024	74,016	110,918	184,934
Net book value at 31 July 2023	61,912	138,005	199,917

NOCN
(A Company limited by Guarantee)

Notes to the Financial Statements

For the Year Ended 31 July 2024

13. Fixed asset investment

Company	2024	2023
	£	£
Cost		
At beginning of year	99	99
Additions	-	-
At end of year	99	99

On 16 June 2017 NOCN acquired 99% of the share capital of NOCN India Skills Foundation for a consideration of £99.

Subsidiary Undertakings

The following were subsidiary undertakings of NOCN:

Name	Incorporation	Class of Shares	Holding
NOCN India Skills Foundation	India	Ordinary	99%
NOCN Job Cards	UK	N/A	Majority Voting Rights Control

Note on NOCN India Skills Foundation: The aggregate of the share capital and reserves as at 31 July 2024 and of the profit or loss for the year ended on that date for this subsidiary undertaking were as follows:

	Aggregate of share capital and reserves	Profit / (Loss)
	£	£
NOCN India Skills Foundation	177,447	154,860

The registered office of the above subsidiary undertakings is House No. M-27, M- Block Market, Greater Kailash-I, New Delhi, South Delhi, Delhi.

14. Debtors

Group	2024	2023
	£	£
Trade debtors	2,592,976	2,255,556
Prepayments and accrued income	295,084	342,502
Total	2,888,060	2,598,058

Company	2024	2023
	£	£
Trade debtors	1,935,764	1,749,629
Prepayments and accrued income	251,419	221,257
Intercompany debtors	2,004,790	2,018,437
Total	4,191,973	3,989,323

The intercompany debtors are interest free and repayable on demand. NOCN has committed to continue the intercompany loan to NOCN Job Cards until 31 July 2025.

NOCN
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Notes to the Financial Statements

For the Year Ended 31 July 2024

15. Stock

Group	2024 £	2023 £
At beginning of year	30,829	20,176
Purchased in the year	30,335	30,829
Charged in the year	(30,829)	(20,176)
At end of the year	30,335	30,829

Company	2024 £	2023 £
At beginning of year	30,829	16,692
Purchased in the year	30,335	30,829
Charged in the year	(30,829)	(16,692)
At end of the year	30,335	30,829

16. Creditors – amounts falling due within one year

Group	2024 £	2023 £
Trade creditors	692,395	501,709
Accruals	564,101	602,406
Deferred income - see note 17	1,209,829	1,238,074
Taxes and social security	730,923	735,447
Coronavirus Business Interruption Loan (CBILS)	300,000	300,000
Other creditors	234,901	692,040
Total	3,732,149	4,069,676

Company	2024 £	2023 £
Trade creditors	580,194	417,798
Accruals	433,922	378,028
Deferred income - see note 17	1,209,829	1,238,074
Taxes and social security	730,923	732,947
Coronavirus Business Interruption Loan (CBILS)	300,000	300,000
Other creditors	235,000	597,521
Total	3,489,868	3,664,368

17. Deferred income

Group	2024 £	2023 £
At beginning of year	1,238,074	746,947
Released in the year	(1,238,074)	(746,947)
Added in the year	1,209,829	1,238,074
At end of the year	1,209,829	1,238,074

Company	2024 £	2023 £
At beginning of year	1,238,074	746,947
Released in the year	(1,238,074)	(746,947)
Added in the year	1,209,829	1,238,074
At end of the year	1,209,829	1,238,074

NOCN
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Notes to the Financial Statements

For the Year Ended 31 July 2024

Annual centre fees and similar charges that are invoiced in advance are deferred to correspond with the period of service provided. End point assessment fees invoiced prior to year-end are deferred where the assessment has yet to take place at year-end.

18. Creditors - amounts falling due after more than one year

Group	2024 £	2023 £
Coronavirus Business Interruption Loan (CBILS)	250,000	550,000
Total	250,000	550,000

Company	2024 £	2023 £
Coronavirus Business Interruption Loan (CBILS)	250,000	550,000
Total	250,000	550,000

The CBILS loan incurs interest at 1.88% over base rate and is repayable in equal monthly instalments over 72 months, commencing May 2021.

19. Analysis of net assets between funds

Group	2024 Unrestricted Funds £	2023 Unrestricted Funds £
Intangible fixed assets	4,128,570	4,839,005
Tangible fixed assets	201,399	220,894
Current assets	4,799,017	4,025,390
Current liabilities due in less than one year	(3,732,149)	(4,069,676)
Liabilities due after more than one year	(250,000)	(550,000)
Net Assets	5,146,837	4,465,613

Company	2024 Unrestricted Funds £	2023 Unrestricted Funds £
Intangible fixed assets	2,315,088	2,846,247
Tangible fixed assets	184,934	199,917
Investments	99	99
Current assets	5,758,387	5,142,442
Current liabilities due in less than one year	(3,489,868)	(3,664,368)
Liabilities due after more than one year	(250,000)	(550,000)
Net Assets	4,518,640	3,974,337

20. Statement of funds

Group	At 31 July 2023	Incoming resources £	Outgoing resources £	Gains / losses £	At 31 July 2024 £
General funds	4,465,613	19,082,376	(18,401,152)	-	5,146,837
Total unrestricted funds	4,465,613	19,082,376	(18,401,152)	-	5,146,837

Company	At 31 July 2023 £	Incoming resources £	Outgoing resources £	Gains / losses £	At 31 July 2024 £
General funds	3,974,337	14,983,941	(14,439,638)	-	4,518,640
Total unrestricted funds	3,974,337	14,983,941	(14,439,638)	-	4,518,640

NOCN
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Notes to the Financial Statements

For the Year Ended 31 July 2024

21. Financial commitments

Group	2024 £	2023 £
Buildings:		
Within one year	338,169	363,842
Between two and five years	825,073	1,264,045
Equipment:		
Within one year	14,540	17,181
Between two and five years	89	14,576
Company	2024 £	2023 £
Buildings:		
Within one year	297,964	323,637
Between two and five years	781,454	1,180,111
Equipment:		
Within one year	7,822	9,345
Between two and five years	89	7,849

22. Cash flows from investing activities

Purchase of tangible fixed assets:

During the year the Group acquired tangible fixed assets with the aggregate cost £54,983 (2023: £36,010). Cash payments were made totalling £54,983 (2023: £36,010) to purchase the equipment.

Purchase of intangible fixed assets:

During the year the Group acquired intangible fixed assets with the aggregate cost £481,127 (2023: £310,727). Cash payments totalling £481,127 (2023: £310,727) was paid in the year for the software developed.

Payments made in respect of purchase of Cskills and CPCS:

Cash payments were made totalling £Nil (2023: £Nil) towards settling the Cskills purchase liability with CITB.

Cash payments were made totalling £Nil (2023: £750,000) towards settling the CPCS purchase liability with CITB.

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Notes to the Financial Statements

For the Year Ended 31 July 2024

23. Related Party Transactions

	2024	2024	2024
	Income	Purchases	Amount due
	£	£	from/(to) at the
			year end
	£	£	£
OCN Northern Ireland ¹	32,625	-	-
British Ass'n Construction Heads ²	-	5,123	-
Barnsley College ³	60,067	-	1,387
Maggie Hasting-Evans ⁴	-	400	-
BAM Nuttall ⁵	140,163	-	11,723
Access Training East Midlands Ltd ⁶	3,956	-	-
Construction Plant Hire Association ⁷ ⁸	-	1,800	-
Construction Industry Scaffolders Record Scheme ⁸	-	397,181	(33,408)
ITS Group ⁹	1,354	-	-
Learning at Work Institute ¹⁰	-	38,000	-
Leeds College of Building ¹¹	14,155	-	1,126
Bedford College ¹²	222,837	-	16,368
TUC ¹³	19,867	-	-
Partner fast ¹⁴	-	17,625	-
Amelia Renny ¹⁵	-	1,440	-
NRC Services Ltd ¹⁶	-	570	-
	2023	2023	2023
	Income	Purchases	Amount due
	£	£	from/(to) at the
			year end
	£	£	£
OCN Northern Ireland ¹	36,250	-	-
British Ass'n Construction Heads ²	-	7,106	-
Barnsley College ³	49,701	-	3,581
Maggie Hasting-Evans ⁴	-	200	-
BAM Nuttall ⁵	154,152	-	21,701
Access Training East Midlands Ltd ⁶	4,110	-	-
Construction Plant Hire Association ⁷ ⁸	-	3,000	(1,200)
Construction Industry Scaffolders Record Scheme ⁸	-	303,290	(35,338)
ITS Group ⁹	1,618	-	-
Learning at Work Institute ¹⁰	-	38,000	(12,600)
Leeds College of Building ¹¹	5,295	-	980
Bedford College ¹²	131,781	-	13,029
TUC ¹³	18,743	-	-
Partner fast ¹⁴	-	-	-
Amelia Renny ¹⁵	-	270	-
NRC Services Ltd ¹⁶	-	515	-
Credit Services Association ¹⁷	120	-	-

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Notes to the Financial Statements

For the Year Ended 31 July 2024

- ¹ Transactions with OCN Northern Ireland consist of annual Licence fee income and occasional purchases, OCN Northern Ireland was a member of the Charity during the year.
- ² Transactions with BACH represent membership body fees. Graham Hasting-Evans is President of BACH.
- ³ Transactions with Barnsley College represent learner registration and certification income. Kay Dickinson is a Trustee of Barnsley College.
- ⁴ Maggie Hasting-Evans - Flight costs paid for by NOCN in lieu of fee paid in respect of work carried out on behalf of NOCN Group by Maggie in Greece and India.
- ⁵ Transactions with BAM Nuttall represent learner registration, certification fees and CPCS cards. Timothy Brownbridge is an Academy Manager at BAM Nuttall.
- ⁶ Transactions with Access Training represent learner registration and certification fees. Corrina Hembury is a Managing Director at Access Training.
- ⁷ Transactions with Construction Plant Hire Association relate to the issue of Job Cards. Kevin Minton is a member of the CPA (Resigned December 22).
- ⁸ Transactions with Construction Industry Scaffolders Record Scheme in relation to the Card processing Income.
- ⁹ Transactions with ITS Group represent learner registration and certification income. ITS Group is a trading subsidiary of Barnsley College. Kay Dickinson is a Trustee of Barnsley College.
- ¹⁰ Transactions with Learning at Work Institute represent Festival and Annual research cost. Stephen Evans is a member of the Learning and Work Institute.
- ¹¹ Transactions with Leeds College of Building learner registration and certification income. Nicola Davis is a member of the Leeds College of Building.
- ¹² Transactions with Bedford College learner registration and certification income. Dave Wilkins is a member of the Bedford College.
- ¹³ Transactions with TUC registration and certification income. Adrian Toomey is a member of the TUC.
- ¹⁴ Transactions with Partnerfast relate to Construction Industry consultancy. Alison Duckles (nee Lamplough) is a Director of Partnerfast.
- ¹⁵ Transactions with Amelia Renny relate to e-learning development. Amelia Renny is related to Simon Renny who is an Executive Director of NOCN.
- ¹⁶ Transactions with NRC Services Ltd relate to Electrical professional services. Louise Allen is related to a director at NRC Services Ltd.
- ¹⁷ Transactions with Credit Services Association relate to learner invigilation charges. Fiona Macaskill who is the Head of Learning & Development at the CSA (Resigned 30 May 2023).

NOCN
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Notes to the Financial Statements

For the Year Ended 31 July 2024

24. Analysis of cash and cash equivalents

The Group cash and cash equivalents included in the statement of cash flows comprise the following:

	2024 £	2023 £
Cash at bank	1,880,622	1,396,503
Total	1,880,622	1,396,503

The Company cash and cash equivalents amount to £1,536,079 in 2024 (£1,122,290 in 2023).

25. Operating surplus/(deficit) to Net movement in funds after other gains/(losses) reconciliation

A reconciliation of the operating surplus/(deficit) to the Net movement in funds after other gains/(losses) in the Statement of Financial Activity is as follows:

	2024 £	2023 £
Operating surplus / (deficit)	1,934,262	1,235,460
Depreciation & Amortisation	(1,253,038)	(1,110,832)
Net movement in funds after other gains / (losses)	681,224	124,628

26. Analysis of Net Debt

Group	At 1 August 2023 £	Movement in year £	At 31 July 2024 £
Cash at bank and in hand	1,396,503	484,119	1,880,622
Bank Loan (Less than 12 months)	(300,000)	-	(300,000)
Bank Loan (More than 12 months)	(550,000)	300,000	(250,000)
	<u>546,503</u>	<u>784,119</u>	<u>1,330,622</u>

Company	At 1 August 2023 £	Movement in year £	At 31 July 2024 £
Cash at bank and in hand	1,122,290	413,789	1,536,079
Bank Loan (Less than 12 months)	(300,000)	-	(300,000)
Bank Loan (More than 12 months)	(550,000)	300,000	(250,000)
	<u>272,290</u>	<u>713,789</u>	<u>986,079</u>

NOCN

England & Wales - Charity number 1079785

Accounts



NOCN

(A Company limited by guarantee)

Trustees' Report and Consolidated Financial Statements
31 July 2023

Registered Charity No. 1079785
Company Registration No. 03829217



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Reference and Administrative Details of the Charity, its Trustees and Advisers for the Year Ended 31 July 2023

Directors and Trustees

The Trustees of NOCN, who were also company directors, serving during the year and since the year-end are as follows:

NOCN Trustees' and Directors:

Chair	David Gareth Jones
Vice Chair	Alison Duckles CBE** (Retired end of nine-year term 31 July 2023) Corrina Hembury (Appointed as Vice Chair 16 August 2023)
Trustees	Kay Dickinson (Retired end of nine-year term 30 October 2023) Peter Wallwork (Resigned 22 August 2022) Adrian Toomey Fiona Macaskill (Resigned 30 May 2023) Lucy Hunte Stephen Evans (Appointed 1 August 2022) Nicola Davis (Appointed 7 November 2022) David Wilkins (Appointed 18 January 2023) Mark Froud (Appointed 7 September 2023) Deborah Howarth (Appointed 12 September 2023) Darryn Hedges (Appointed 29 November 2023)
Secretary	Sarah Standeven

** Trustee is also a trustee and Chair of NOCN Job Cards

NOCN Job Cards Trustees' and Directors

Chair	Alison Duckles CBE
Trustees	Graham Hasting-Evans Kevin Minton (Resigned 13 December 2022) Trevor Gamble MBE (Resigned 13 December 2022) Kay Dickinson (Appointed 12 May 2023) David Mosley Paul Allman Tim Brownbridge Carl Hassell

NOCN India Skills Foundation Directors:

Director	Graham Hasting-Evans Dr Sunil Abrol
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Key Management Personnel - NOCN Group Senior Leadership Team in 2022/23:

Group Chief Executive Graham Hasting-Evans
Group Executive Director (Finance & Governance & Deputy CEO) Simon Renny
Group Director (Awarding Organisation) Paul Johnson
Group Director (Global Business Development and Marketing) Louise Allen
Group Director (Job Cards) Carl Hassell
Group Director (Digital Delivery and Improvement) Gareth Cutts
Group Director (Apprenticeships) Thomas Burton (left 28 February 2023)

Reference and Administrative Details of the Charity, its Trustees and Advisers for the Year Ended 31 July 2023 (continued)

Reference and administrative details

Charity Number: NOCN: 1079785
Job Cards: 1182053

Company number: NOCN: 03829217
Job Cards: 11634699

NOCN Registered office: Acero Building
1 Concourse Way
Sheaf Street
Sheffield, S1 2BJ

Our Advisers

Bank National Westminster Bank Plc 7 Market Place,
(NOCN & NOCN Job Cards) Derby, DE1 9DS

Solicitors Andrew Holland Law Limited Suite 2, The Bakery
Millennium Business Park
Steeton, Keighley
West Yorkshire, BD20 6RB

Auditors Armstrong Watson Audit Limited Thornfield Business Park
Northallerton
DL6 2XQ

Trustees' Report for the year ending 31 July 2023

The Trustees are pleased to present their Annual Directors' Report together with the consolidated Financial Statements of the charity and its subsidiaries for the year ending 31 July 2023, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The Financial Statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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).

Chair's Foreword

I am pleased to present the NOCN Annual Report and Accounts for 2022/23.

The year has been one of continued change for the vocational and technical education sector, with the Westminster government's reform programme continuing to have a significant impact on our Awarding Organisation business. The key aims of the reform - to streamline the number of publicly funded qualifications and to enhance employer engagement – presents a significant challenge to NOCN and to the wider Awarding Organisation sector over the coming years. Alongside this we have seen inflationary cost pressures and skills gaps impact our business as in the rest of the economy.

Despite these challenges, NOCN has continued to develop and grow as an organisation. We have achieved this by focusing on the following key areas:

- **Product diversification:** We have developed new qualifications and services to meet the changing needs of our customers including an increasing range of green skills qualifications. This includes developing Higher Technical Qualifications (HTQs), commercially funded qualifications, and endorsed programmes. We have also expanded our SiteRight brand of short, quality assured upskilling courses for the construction sector.
- **IT systems:** We have invested in developing new IT systems to support our operational processes. This includes a new assessment platform, which will be launched in early 2024 and the development of an online CPCS Health and Safety Test and CPCS Renewal Test which has recently been launched which will make the testing process neurodiverse, more convenient and cheaper for cardholders than previous arrangements.
- **Geographic diversification:** We have also made significant progress in the international market. We have consolidated our position in the Middle East region and are now seen as the leading vocational AO in Bahrain. We have also seen continued growth in our partnerships in Greece and in India.

The Group has continued to increase its capacity and investment to support these above areas as well as paying the final instalment in the year to CITB for the purchase of the CPCS business.

Finally, NOCN Group's policy and advocacy role has continued to evolve with a number of key papers and think pieces published in the year in partnership with others, including 2 reports on Green Skills.

I am confident that NOCN is well-positioned to meet the challenges of the future. The Group has a strong track record of innovation and a commitment to providing high-quality products and services to our customers. We will continue to focus on product & geographic diversification, IT systems, and our people to ensure that we continue to deliver for the benefit of our beneficiaries.

I would like to thank all of our staff, board members, and partners for their hard work and dedication over the past year. We have achieved a great deal together, and I am confident that we can continue to build on our success in the years to come.

Gareth Jones
Chair of Trustees, NOCN Group

14 December 2023



Our Purpose, Objectives and Activities

The Purpose of the Charity

The purpose and mission statement of the Charity is to support learners and apprentices to achieve success in life and work and to support communities and organisations to develop and prosper, through regulated qualifications, apprenticeship assessments, skills accreditation, assessment support, access to higher education, competency cards, consultancy advice and training.

The Objectives of the Charity

The Objectives of the Charity are:

“The advancement of the education of the public in one or more of the following ways:

- *by promoting and widening participation in education and training, including for those people who have previously been excluded from educational opportunities;*
- *by improving the quality and flexibility of education provision for the public benefit, including for those people who have previously been excluded from educational opportunities; and*
- *by improving access to learning opportunities and facilitating progression to further learning, employment and higher education, particularly through the award of credits and credit based competency qualifications.”*

The Charity works to deliver these objectives through its key Group functions as follows:

- NOCN Education and Skills policy research – through NOCN’s work in contributing to government vocational education and skills policy reviews and other research papers it has delivered in conjunction with partners with the aim of improving the quality of the vocational education system.
- NOCN Awarding Organisation - through its work in developing and promoting vocational qualifications that meet the needs of employers and help learners progress in employment or learning.
- Apprenticeship End Point Assessment - through its work in providing a high quality, compliant apprenticeship assessment service to employers of apprentices. Due to changes in Government regulation and quality assurance this activity became part of the Awarding Organisation in January 2023.
- NOCN Job Cards - through its work in assessing the competence of workers to operate construction plant on construction sites and operating the scaffolding card scheme on behalf of CISRS, as well as other competency-based card schemes it may operate in the future.
- International – through the provision of consultancy to improve apprenticeship systems in other countries as well as the provision of ESOL International and other qualifications to countries that are keen to utilise UK qualifications. We are also extending our carding services internationally.

Public Benefit

Our Trustees have complied with their duty in accordance with the UK Charities Act 2011 to follow the Charity Commission's guidance on the operation of this public benefit.

The Charity provides a public benefit to advance education and training for the general public through:

- the development and maintenance of credit based or component-based competency qualifications and units as well as short course learners' awards in the UK and international countries;
- its continued work as a leading accredited End Point Assessment Organisation for apprenticeships; and
- the operation of the Construction Plant Competency Scheme (CPCS) which ensures that Construction Plant Operators have the right qualifications and experience to operate different classes of plant machinery on construction sites. In addition, it operates the CISRS scaffolding card scheme, which NOCN Job Cards operates on behalf of CISRS.

Within the requirements of the individual qualification standards, NOCN qualifications are open to all members of the public. The Charity is committed to equality, diversity and inclusion and holds the status of a 'Leader in Diversity' by the National Diversity Centre.

The Charity continues to demonstrate its objective of widening participation in education, working with groups and communities that have traditionally not benefited from traditional or formal educational opportunities, for example learners working at lower educational levels; learners with disabilities (SEND); learners with few formal qualifications; learners based in offender institutions; younger learners who are not in employment or training; the unemployed and people working in industries that have not traditionally valued formal qualifications.

Key Achievements, Activities & Performance in the year

The Charity is able to demonstrate progress against its key objectives, and key achievements can be summarised as follows across the following divisions of the Group:

NOCN Awarding Organisation

The Awarding Organisation's work in 2022/23 continued to be heavily influenced by the Westminster government's programme to reform vocational and technical qualifications. The key aims of the reform are to streamline the number of publicly funded qualifications and to enhance employer engagement. Both aims present a significant business risk, to NOCN and to the wider Awarding Organisation sector, by potentially reducing income and increasing costs.

The reform is being implemented in cycles, depending on level and sector, and is planned to conclude in 2028.

NOCN continues to rise to the challenge presented by the reform by developing qualifications which comply with the new requirements for public funding, and by diversifying our product offer. For example, NOCN submitted two more Higher Technical Qualifications (HTQs) for funding approval in HTQ cycle 4, Level 5 Healthcare Assistant Practitioner and Level 4 Data Analyst, and work continued to develop Level 4 Engineering Manufacturing Technician ready for the next submission window. These HTQs add to the Level 4 Construction Site Supervisor qualification which has already been approved. and are starting to give NOCN a market presence at levels which are not traditionally our core business.

NOCN also submitted five construction qualifications in Level 3 cycle 1 and work continued to prepare Level 2 qualifications for Level 2 cycle 1.

A key element of the product diversification strategy is to develop and grow the market share for products that are commercially funded instead of publicly funded. This includes qualifications, short-duration assured courses and endorsed programmes.

The international market offers rich potential for product diversification. Our ESOL International qualifications, supported by our strategic partner in Greece, continued to grow in the year and we added three focused Listening and Reading qualifications which include innovative adaptive assessments. In India, our partnership with Nettur Technical Foundation (NTTF), to provide top-up management and productivity Diplomas for engineering learners, flourished and we were delighted to work with Haryana State Board of Technical Education (HSBTE) to develop a similar offer. Our expertise in developing English language qualifications, alongside our presence in India, enabled us to win a contract with British Council to support people from the rural communities in Tamil Nadu to gain employment.

Outside of qualifications, our SiteRight brand continued to generate significant income. The brand includes short, quality assured upskilling courses for the construction sector and its success underlined our conviction that skills development for the current workforce is equally as important as that for young people who are preparing to enter the workforce.

In addition to assured courses, we made a concerted effort to grow our endorsed programmes business. The NOCN endorsement process assures learners they are getting a good quality programme whilst allowing training providers more flexibility in the design and delivery of the programmes.

NOCN continued to lead the sector on developing skills to achieve a net zero carbon economy. We finished the year with 18 (2022- 11) green qualifications, ranging from Entry Level to Level 5 and a green skills unit catalogue to support upskilling. Additionally, and of equal importance, we embedded green skills units into existing qualifications to provide learners with the opportunity to study environmental awareness and sustainability in the context of their learning programmes.

In total, we finished the year with 511 (2022- 507) qualifications available for learners.

Outside of our core business, we won a contract to help support Onsite Construction T Level learners to demonstrate full occupational competence by developing initial and summative assessment. The contract involved us working with key partners in the sector including the Department for Education, the Institute for Apprenticeships and Technical Education, the Gatsby Foundation and the Association of Colleges (AOC).

Aside from product diversification, NOCN recognises that the quality of the IT systems we use to drive our operational processes is critical to the success of the business and as such the major development in the year was a tender process for a new assessment platform. Through a rigorous scoring exercise carried out by users of the platform, the number of potential new suppliers was reduced to two, both of which participated in a pilot including customers. A final decision about the supplier will be made early into next year.

NOCN Apprenticeships

One of the most significant changes in the Awarding Organisation sector occurred in January when Ofqual, the qualifications regulator, became the single regulator for all apprenticeship end-point assessments offered by NOCN. Ofqual categorised end-point assessments as a qualification type and started to regulate in line with its established practices for other qualification types.

NOCN quickly understood the significance of this change and took immediate action. A new Regulation and Compliance Team was created, staffed by members with extensive experience of qualification regulation, to ensure compliance across all qualification types including end-point assessments. Additionally, a new Assessment and Quality Assurance Team was created, and the process started to recruit members with experience of end-point assessment in order to drive greater consistency in assessment.

We also took the opportunity to introduce greater efficiency into our product development process by integrating qualifications development and end-point assessment development. Publicly funded qualifications and end-point assessments are developed against the same occupational standards, so it made sense to have a single team.

As the restructure took place in the background, NOCN continued to lead the way as the organisation offering end-point assessment against the greatest number of standards; 82 at the end of the year. The majority of apprentices undertaking NOCN assessment continued to work in the construction and engineering sectors with carpentry and joinery accounting for the highest volumes.

The whole sector was challenged by a shortage of competent assessors and the dedicated recruitment team was fully occupied with searching for assessors to add to the team.

Despite these issues, we continued to service the great majority of assessment bookings within our service standards and to retain first-time pass rates 90% or slightly below.

NOCN Job Cards

CPCS supports people to gain employment and develop their careers within the construction plant sector by ensuring operatives meet the standards expected by industry CPCS then issues operatives with digital SMART cards. The scheme, which is competency based, has different colour cards that indicate the level of skill.

CPCS is compliant with the Construction Leadership Council (CLC) requirements for a “One-Logo” skilled work force, as such we are audited by Construction Skills Certification Scheme (CSCS) and remain compliant.

During 2022/23 CPCS has gone through significant changes to ensure that the CPCS card scheme meets the requirements of the Standard Setting Body for the introduction of “New Training Standards”, as such we have had to change many of the scheme rules to ensure compliance. CPCS has strong support from industry. We have put together industry working groups to ensure that the training standards were adopted and improvements to the scheme are delivered and meet the needs of industry.

Job Cards continues to support centres, employers, and operatives in enhancing skills and competence supporting the plant sector and supporting the sector skills gap.

Quality assurance has strengthened during the financial year, CPCS has a new Quality Assurance Manual, new reporting forms and EQA's are now more efficient due to completing documentation in real time.

Our competitors have a presence in some parts of the construction sector, which has some impact on CPCS market share.

CPCS has been able to gain the support of the board and its industry representatives to create an online version of the Health, safety & environment test (HS&E) for plant operatives, CPCS has created great on-line learning content that is easy to navigate and improves knowledge of the health safety and environmental responsibilities of employers, employees and contractors. At the end of the learning operatives are able to access an online test platform to ensure that learning has been effective. The test has facial recognition and is artificially quality assured, all tests are video recorded and are quality assured before results are issued. Test numbers are growing and we will be releasing enhanced versions and other online products throughout 2023/24.

CISRS smart carding processes are managed by Job Cards on a commission basis, volumes have increased during 2022/23 and forecast to further increase in 2023/24.

International

The international market offers rich potential for product diversification. The Group has continued to see growth in several of our international partnerships, despite challenges in the global economy. We have consolidated our position in the Middle East region and are now seen as the leading Technical and Vocational Education and Training (TVET) AO in Bahrain. The partnership with Global Awards (Greece) to deliver ESOL International qualifications has seen continued growth and their online testing platform, and the development of a short English Language Test, will secure and further grow our market share for ESOL in Greece and other areas in Europe and Middle East. In addition, we added three focused Listening and Reading qualifications which include innovative adaptive assessments.

In India, our partnership with Nettur Technical Foundation (NTTF), to provide top-up management and productivity Diplomas for engineering learners, flourished and we were delighted to work with Haryana State Board of Technical Education (HSBTE) to develop a similar offer. Our expertise in developing English language qualifications, alongside our presence in India, enabled us to win a contract with British Council to support people from the rural communities in Tamil Nadu to gain employment.

The strategic relationship with NTTF Colleges in India has already seen 1,200 registrations in the last three months of the new financial year. There are additional opportunities arising from our presence in India with All India Management Association (AIMA), Haryana State, Tamil Nadu State, Construction Skill Development Council of India and National Skills Development Corporation. There is slow but steady growth from centres in Africa and Malaysia. Looking forward, we are forming new partnerships in Nepal, Bangladesh, Borneo, Eastern Indonesia, and the Philippines to position ourselves in these emerging TVET markets.

Education and Skills Policy & Research

As an integral part of supporting our charitable objectives, the Group continues to support a number of national awards, which aim to encourage learning for across society including disadvantaged groups. The national awards that we have supported this year include Association of Colleges (AoC) Beacon Awards and Student of the Year Awards, Multi-Cultural Apprenticeship Network, CPA Stars of the Future, Learning & Work Institute Awards, National

Apprenticeship Awards, National Federation of Builders Top 100 Women in Construction Awards, CN Workforce Awards and Sheffield City Region Apprenticeship Awards.

In addition, the Group has taken part in and supported research on education and skills development to promote learning and open skills development to more and more of our communities. In 2022/23, this included:

- Published two Green Skills reports one in November 2022 with the British Association of Construction Heads (BACH) "Greening the UK's Skills" and the other "Accelerating towards a Net Zero Skilled Economy" in March 2023.
- Collaboration on Green Skills with Green Construction Advisory Panel (GCAP) in the Southwest, City Corporation of London, Centre for Engineering and Manufacturing Excellence (CEME) and AoC.
- Published a discussion piece on "Thoughts on a Sustainable Skills System for the UK" in November 2022.
- Published a White Paper on the difference between apprenticeships in Germany and the UK.
- Contributing to the Learning and Work Institute's research report called "Time to Learn" and commenced research on "Building a Skills Superpower".
- Contributing to the research work of the All Parliamentary Policy Group for education and skills through collaboration with Policy Connect on Higher Technical Qualifications (HTQs) which will be published in October 2023.
- Worked with Association of Colleges, CITB, BACH and the Construction Leadership Council (CLC) to progress proposals for supporting learners in FE Colleges into employment in construction.
- Published research with AELP on the benefits of level 2 occupations.
- Published research with Cross Construction Industry Apprenticeship Task Force (CCATF) on "Building the Operational Workforce for 2030" in September 2022.
- Ran the CCAFT Annual Debate on 4 July 2023 in Sheffield.
- Commenced research on "Routes into Industry" with CSCS for the Construction Leadership Council (CLC).

Financial Review

The Group has seen a continued growth in income across all main business areas in 2022/23.

The Group's costs have increased mainly due to higher staffing levels to support our investment in the continued growth in the business offer to our customers and support functions as well as inflationary pressures on pay and other costs, and growth in EPA assessor costs.

As a result, our operating surplus reduced to £1.25m in 2022/23 compared to £1.8m in 2021/22.

In 2022/23 the final instalment to CITB for the purchase of the CPCS business was paid.

£000s	2022/23	2021/22
Income	16,502	15,342
Operating costs	(15,266)	(13,583)
Operating surplus	1,236	1,759
Depreciation, Amortisation & Interest	(1,111)	(1,213)
OA pension servicing cost	-	(145)
One Awards Pension liability revaluation (loss)/gain in the year	-	2,409
Loss on disposal of One Awards for nil consideration	-	(602)
Other revaluations	-	-
Net incoming resources after other gains/(losses)	125	2,208

Going Concern

The Board has assessed the current and projected solvency of the Group looking forward over 12 months from the point of signing.

In assessing going concern of the Group at the date of this report we have reviewed our forecasts for 2023/24 and developed reasonable best and worst case income scenarios taking into account the likely external economic environment and other external market factors.

As part of the going concern assessment we carried out sensitivity tests on our Statement of Financial Activities and cashflow projections looking forward to end of 2024/25 and have looked at how much income would need to drop over this period beyond our worst case income scenario assuming we take no action to reduce costs, such that we cannot meet all our liabilities as they fall due at any point. The assessment has taken into account the year to date performance in 2023/24 and latest P&L and cashflow projections as at the end of October 2023.

The Board has reviewed the assessment and considers that the Group and its subsidiaries remain a going concern and that the Group will continue to make sufficient surpluses in 2023/24 and 2024/25 to cover liabilities as they fall due.

At 31 July 2023, and at the date of this report, the balance sheet and forward cash projections show that the Group can continue to meet its all its obligations as they fall due over at least the next 12 months.

In the event that the business is impacted by economic downturn or other external factors then the business will take prompt action to further reduce its cost base to ensure that it can still meet its obligations as they fall due.

Subsidiary going concern assessments

NOCN Job Cards also continues to borrow from NOCN to fund its activities given it is still building its reserves following deficits in previous years. The Board has considered NOCN Job Cards future projections of income and costs and considers that the business will remain a going concern and is expected to continue to generate a surplus in 2023/24 and in future years as a result of continued actions to ensure the CPCS card scheme meets the needs of employers and the new CITB grant scheme. The Group Board has agreed to continue to provide the intercompany loan to NOCN Job Cards. It is projected that the intercompany loan from NOCN will be paid down within 2-3 years.

Key Risks in the year

The key risks the Group has faced in 2022/23 have been:

- Cost inflation. We have seen staff and assessor pay cost pressures increase in the year in line with the increase in inflation generally as well as inflationary pressures on our other cost lines.
- We continued to see an increased risk in respect of our ability to recruit staff & assessors to support the higher levels of activity. We continue to look to optimise our recruitment channels and our offer to ensure that we remain competitive in a difficult market.
- External UK Government policy in respect of vocational qualification funding levels in future years for our products continues to provide some uncertainty. We are mitigating this through the continued diversification of our product offering.
- General economic uncertainty in the light of increased inflation and interest rates which we have been mindful of in our future planning.
- The risk that the CPCS scheme fails to adapt successfully to the new CITB funding arrangement such that market share and income is lost to its competitors. Through the work carried out in 2022/23 we have managed to successfully mitigate this risk.

Reserves Policy

The Group's reserves policy was reviewed and updated in 2022/23. The aim of the policy is to keep the Group's balance sheet unrestricted reserves in the range of £5.6m and £9.6m. Equating to approximately 4 to 7 months of projected operating expenditure. The policy also aims to keep the Group's available cash within £1.6m and £2.5m. These unrestricted reserves, which are freely available for general use, are held to withstand any short-term financial risks and to support any net windup costs in the event of closure.

As at the end of July 2023, the Group was operating outside the bottom of this reserve range due to the need to invest in the business and address the increased costs facing the business. The Group's reserve levels have increased by £0.1m compared to the prior year levels of £4.3m. The Board approved a business plan and budget for 2023/24, which will increase the reserve and available cash levels and the Group is expected to move to coming within the reserves target by 2024/25.

Powers of Investment

The Trustees are authorised by the Memorandum of Association to invest monies not immediately required for the Charity's own purposes in such investments, securities or property as they deem fit subject to any conditions required by law.

Future Plans

The Group's strategic objectives over the next 2 years are:

- Building our customer base to secure growth and maintain existing customers.
- Providing excellent customer service and journey.
- Diversifying products and services to upskill and reskill in the post pandemic economy & support the net zero agenda.
- Building digitally efficient online operations.
- Strengthening our financial position – grow income and surplus, rebuild reserves and invest in the business.
- Acting as one team, breaking down silos and working flexibly.
- Maintaining risk-based quality standards and regulatory compliance.

These objectives are driven by the context we operate in, our mission and values, the need to maintain our business in what may be a difficult policy and economic context for a number of years and the need to develop new ways of working.

Structure, Governance and Management

Governing Document and Structure

The organisation is a charitable company limited by guarantee incorporated on 18 August 1999. There were 8 members of the charity as at the end of 31 July 2023.

In July 2017 NOCN India Skills Foundation was incorporated in India as a subsidiary of NOCN and is included as part of these consolidated set of accounts.

NOCN Job Cards was incorporated as a company limited by guarantee on 22 October 2018 and was registered as a charity on 15 February 2019. NOCN Job Cards is consolidated within NOCN Group given its articles give NOCN the right to appoint or terminate members of the Board. NOCN is the sole member of NOCN Job Cards.

Appointment of Trustees

As set out in the revised Articles of Association, the Group seeks and recruits Trustees who are drawn from a wide range of backgrounds, including industry sectors where the Group works. As at the end of 31 July 2023 there were 8 Trustees in post at the Group's Board. The chairs of the Board and the sub-committees are appointed trustees. As at the 31 July 2023 there were 7 trustees in post at NOCN Job Cards Board. The Chair of the Board is an appointed trustee and was Vice Chair of the NOCN Group Board until July 2023.

During 2022/23 there were 3 appointments and 2 resignations to the NOCN Board.

Trustee posts are advertised. Applications are reviewed by the Board and where appropriate a shortlist established for interview. The Board makes the final appointment.

Trustee Induction and Training

When new Trustees join the Board, a formal briefing from the Chair and Group Chief Executive takes place and they receive an induction pack. Trustees receive formal training on their responsibilities, including their legal obligations.

Statement of Regulatory Compliance

All Awarding Organisations are required to submit their formal statement of compliance, under the General Conditions of Recognition, published by Ofqual. This is a key governance document, which NOCN submitted to the 3 regulators of qualifications in the UK in December 2022. NOCN recorded that it was compliant with the General Conditions of Recognition.

Compliance with the Charity Governance Code

The Trustees monitor the Group's compliance with the Charity Governance Code, the assessment of which was last updated in September 2023. It has been assessed that the Group continues to be compliant with the Code.

Organisational Structure

The Group's Board of Trustees meets at least quarterly with a full business agenda including a review of the Management Accounts and budget achievement for the Group and each of its subsidiaries. During the year the Group's Board was supported by two sub-committees: Group Audit & Risk Committee and Regulation Committee and Enhancement Committee. Each sub-

committee meets between 3 and 4 times in the year and reports its activities and recommendations, at the Board meeting immediately following their own meetings.

The Board of Trustees delegates the management of the Charity to the Group Chief Executive who undertakes these responsibilities through a Senior Leadership Team (SLT) which is comprised of the Group Chief Executive, Deputy Group Chief Executive and all the Executive Directors within the Group, and a Group Management Team which is made up of the SLT plus the Heads of Functions of the Group entities.

Pay policy for senior staff

All Trustees give of their time freely and no director received remuneration in the year.

The pay of the Senior Leadership team is reviewed annually and normally increased in accordance with average earnings in line with the rest of the staff and market comparisons. Any changes to Senior Leadership staff salaries have to be approved by the Board of Trustees.

Details of the Trustees and Senior Leadership Team related party transactions are disclosed in the notes to the accounts.

Risk Management

The Group operates a risk management policy and strategy. The aims of the policy and strategy are to:

- consider best practice in designing a risk management framework;
- encourage well-managed taking of risk to deliver business objectives;
- provide staff with policies and procedures necessary to manage risk;
- embed risk management in the day-to-day conduct of business;
- identify and prioritise risk using the risk management technology;
- regularly monitor risk at Group Chief Executive and Director Level; and
- achieve continuous improvement in risk management.

During the year the Audit & Risk Committee has routinely considered the Strategic Risk Register and examined specific areas of risk at the request of the Board and has overseen a review of the register's format and risks. The Strategic Risks are also reported to the Board on a quarterly basis. The Strategic Risk Register is also reviewed on a monthly basis by the SLT.

In addition, the Regulation and Enhancement Committee has regularly considered issues of risk relating to NOCN's status as a recognised and regulated awarding organisation, within the context of being compliant with the General Conditions of Recognition.

Trustees' responsibilities in relation to the financial statements

The Charity's Trustees (who are also the directors of NOCN for the purposes of company law) are responsible for preparing the Trustees' Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare Financial Statements for each financial year. Under that law the Trustees have elected to prepare the group and charity financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve

the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

In preparing the Financial Statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and the Group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Gareth Jones (Chair)

December 2023

A handwritten signature in black ink, appearing to be 'Gareth Jones', with a long horizontal flourish extending to the right.

Independent Auditor's Report to the Members of NOCN

Opinion

We have audited the financial statements of NOCN (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes to the financial statements, including 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 parent charitable company'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 and parent charitable 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

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 and parent charitable 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.

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

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material

misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 trustees' report (incorporating the 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 trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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 charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page x, the trustees (who are also the directors of the parent charitable company for the purposes of company law) 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 group and parent charitable 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 trustees either intend to liquidate the group or parent charitable company 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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations and in particular, adherence to Ofqual requirements;
- we identified the laws and regulations applicable to the Group and parent charitable company through discussions with trustees, directors and other management and review of appropriate industry knowledge;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Group and the parent charitable company financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures as a risk assessment tool to identify any unusual or unexpected relationships;
- tested journal entries to identify any unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Turner (Senior Statutory Auditor)

For and on behalf of

Armstrong Watson Audit Limited

Chartered Accountants and Statutory Auditor

Northallerton

Date: 14/12/2023

Consolidated Statement of Financial Activities

Including the statement of comprehensive income

For the Year ended 31 July 2023

	Notes	2023 Unrestricted Funds £	2022 Unrestricted Funds £
Incoming resources			
Grants and Donations	1	1,493	102,892
Charitable activities	2	16,500,649	15,238,616
Total incoming resources		16,502,142	15,341,508
Resources expended			
Charitable activities	3,4	16,377,514	14,941,136
Total resources expended		16,377,514	14,941,136
Net movement in funds before other gains/(losses)			
	6	124,628	400,372
Other recognised gains/(losses)	21	-	1,807,203
Net movement in funds after other gains/(losses)	26	124,628	2,207,575
Total funds brought forward		4,340,985	2,133,410
Total funds carried forward	20	4,465,613	4,340,985

The notes on pages 26 to 43 form part of these financial statements.

The incoming resources and resources expended derive from continuing operations.

NOCN uses the exemption conferred by section 408 of the Companies Act 2006 in not preparing a separate income and expenditure account for NOCN as a separate company. The net surplus recorded by the parent company for the year was £85,790 (2022- net surplus £123,931)

Consolidated Statement of Financial Position

As at 31 July 2023

	Notes	2023 Unrestricted Funds £	2022 Unrestricted Funds £
Fixed assets			
Intangible assets	11	4,839,005	5,574,328
Tangible assets	12	220,894	249,666
Total fixed assets		5,059,899	5,823,994
Current assets			
Debtors	14	2,598,058	2,273,028
Stock	15	30,829	20,176
Cash at bank and in hand	25	1,396,503	1,343,673
Total current assets		4,025,390	3,636,877
Current liabilities			
Creditors: Amounts falling due within one year	16	(4,069,676)	(4,269,886)
Net current (liabilities)		(44,286)	(633,009)
Total assets less current liabilities		5,015,613	5,190,985
Creditors: Amounts falling due after more than one year	18	(550,000)	(850,000)
Net assets excluding defined benefit pension plan liability		4,465,613	4,340,985
Net assets / (liabilities) including defined benefit pension plan liability		4,465,613	4,340,985
Represented by:			
General funds/(deficit)	20	4,465,613	4,340,985
Total funds		4,465,613	4,340,985

The notes on pages 26 to 43 form part of these financial statements.

All funds are unrestricted.

The financial statements were approved by the Board of Directors and authorised for issue on 14 Dec 2023 and were signed on its behalf by:

Gareth Jones
Chair, NOCN Board of Trustees



Company Statement of Financial Position

As at 31 July 2023

	Notes	2023 Unrestricted Funds £	2022 Unrestricted Funds £
Fixed assets			
Intangible assets	11	2,846,247	3,395,720
Tangible assets	12	199,917	224,102
Investments	13	99	99
Total fixed assets		3,046,263	3,619,921
Current assets			
Debtors	14	3,989,323	3,349,706
Stock	15	30,829	16,692
Cash at bank and in hand		1,122,290	1,040,070
Total current assets		5,142,442	4,406,468
Current liabilities			
Creditors: Amounts falling due within one year	16	(3,664,368)	(3,287,842)
Net current assets / (liabilities)		1,478,074	1,118,626
Total assets less current liabilities		4,524,337	4,738,547
Creditors: Amounts falling due after more than one year	18	(550,000)	(850,000)
Total net assets		3,974,337	3,888,547
Represented by:			
General funds	20	3,974,337	3,888,547
Total funds		3,974,337	3,888,547

The notes on pages 26 to 43 form part of these financial statements.

All funds are unrestricted

The financial statements were approved by the Board of Directors and authorised for issue on 14 Dec 2023 and were signed on its behalf by:

Gareth Jones
Chair, NOCN Board of Trustees



Consolidated Statement of Cash Flows

For the financial year ended 31 July 2023

	2023 £	2022 £
Cash flows from operating activities		
Net cash provided by operating activities	1,449,567	3,177,894
Cash flows from investing activities		
Purchase of intangible fixed assets	(310,727)	(305,515)
Fair Value Assessment of intangible assets	-	26,689
Payments made to CITB in respect of purchase of Cskills	(750,000)	(2,800,000)
Disposal of One Awards cash balance	-	(385,021)
Purchase of tangible fixed assets	(36,010)	(50,654)
Net cash used in investing activities	(1,096,737)	(3,514,500)
Cash flows from financing activities		
Repayment of Bank Loan	(300,000)	(300,000)
Net cash (used in)/generated from financing activities	(300,000)	(300,000)
Changes in cash and cash equivalents in the year	52,830	(636,606)
Cash and cash equivalents at the beginning of the year	1,343,673	1,980,279
Cash and cash equivalents at the end of the year	1,396,503	1,343,673
Reconciliation of net movement in funds before other gains/(losses) to net cash flow from / (used in) operating activities		
Net movement in funds in the period as per the statement of financial activities	124,628	400,372
Adjustments for:		
Depreciation and amortisation	1,110,832	1,206,559
Loss on Disposal of fixed assets	-	5,812
(Increase) / decrease in stock	(10,653)	52,072
(Increase) / decrease in debtors	(325,030)	1,000,714
(Decrease) / increase in creditors	549,790	892,526
One Awards Gain on Disposal	-	
One Awards' net surplus in 2021-2022	-	(525,161)
One Awards Defined Benefit Pension Fund – Service Cost	-	145,000
Net cash provided by operating activities	1,449,567	3,177,894

Notes to the Financial Statements

Accounting Policies

The following accounting policies have been applied consistently in dealing with items, which are considered material in relation to the Charity's Financial Statements.

Charitable company information

NOCN is a charitable company, limited by guarantee and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the 'Reference and Administrative Details of the Charity, its Trustees and Advisers' pages and the nature of the charitable company's operations and its principal activities are set out in the Trustees' report.

Basis of preparation

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) (effective 1 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. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

NOCN meets the definition of a public benefit entity under FRS 102.

Consolidation

The Financial Statements consolidate the Financial Statements of NOCN and all its subsidiary undertakings.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual Statement of Financial Activities (SOFA).

Preparation of the accounts on a going concern basis

The Trustees have carried out a review of the Charity's financial performance and its reserves position and believe that the Group has adequate financial resources and is well placed to manage its business risks. The Group's business planning process, including financial projections, has taken into consideration the uncertainty within the current educational funding and qualification infrastructure and its potential impact on the sources of income and planned expenditure. In addition, sensitivity analysis and stress testing has been carried out on the Group's SOFA and cash projections. The Trustees have assessed that the organisation has adequate resources to continue in operational existence for at least 12 months from the date of approval of the Financial Statements based on these forecasts and analysis. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

In assessing going concern of the Group at the date of this report we have reviewed our forecasts for 2023/24 and developed reasonable best and worst case income scenarios for 2023/24 taking into account the likely external economic environment and other market factors.

As part of the going concern assessment, we have looked at how much income would need to drop over this period beyond our worst case income scenario assuming we take no action to reduce costs, such that we cannot meet all our liabilities as they fall due at any point.

The Board has reviewed the assessment and considers that the Group and its subsidiaries remain a going concern and that the Group will continue to make sufficient surpluses in 2023/24 and 2024/25 to cover the Group's liabilities as they fall due.

At 31 July 2023, and at the date of this report, the balance sheet and forward cash projections show that the Group can continue to meet its all its obligations as they fall due over at least the next 12 months.

In the event that the business is impacted by a significant economic slowdown impacting on its income, then the business will take prompt action to further reduce its cost base to ensure that it can still meet its obligations as they fall due.

Accounting Policies (continued)

Liability of Members

The Charity is a company limited by guarantee. In the event of the Charity being wound up, the liability of the members is limited to a sum not exceeding £1.00, being the amount that each member undertakes to contribute to the assets of the Charity in the event of its being wound up while he, she or it is a member or within one year after he, she or it ceases to be a member, for:

- payment of the Group's debts and liabilities incurred before he, she or it ceases to be a member;
- payment of the costs, charges and expenses of winding up; and
- adjustment of the rights of the contributories among themselves.

Incoming Resources

Incoming resources primarily comprise: Learner Registration charges, Delivery Partner Annual Fees, online card and test assessment fees, delivery of a wide range of endorsed programmes and Apprenticeship End Point Assessment fees.

All income is recognised once the Group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The Group's income streams are recognised as follows:

- delivery Partner Fees are recognised in full in the year the service is provided;
- learner registration charges are recognised at the time of registration;
- replacement certificate income is recognised at point of request and in advance of release of certificate;
- examination fees are accounted for on receipt of completed examination papers. The income is recognised in the period the examination takes place;
- apprenticeship End point assessment fees are recognised as follows: Initial up-front charge is recognised when the apprentice is registered with NOCN. The remaining charge is recognised at the point the assessment takes place.
- Card and associated test fees are recognised at the point of booking/processing.

Income is classed as unrestricted unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Foreign Currencies

Foreign currency transactions, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with gains or losses being taken to the Statement of Financial Activities. NOCN group is exposed to transactions in Indian Rupees, Euro, US Dollars and Sterling Pounds (functional currencies). However, all financial statements use Sterling Pounds as the presentation currency.

Financial Instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Accounting Policies (continued)

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Resources Expended

Resources expended are recognised on an accruals basis. Resources expended include attributable Value Added Tax which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Charitable expenditure comprises those costs incurred by the Group in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Group and include the audit fees and costs linked to the strategic management of the Group.

Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty

The preparation of Financial Statements in compliance with FRS 102 requires the use of certain critical accounting estimates. The items in the Financial Statements where these judgements and estimates have been made include:

Tangible Fixed Assets and Depreciation

Tangible assets are included at cost less accumulated depreciation.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful economic lives, using the straight line method as follows:

Computer equipment	- rates varying from 20% to 33.3% per annum
Fixtures and fittings	- 10% per annum

All tangible fixed assets costing over £1,000 are capitalised on acquisition and are included in the balance sheet at cost. The estimated useful economic lives and depreciation method are reviewed at each year end.

Intangible Fixed Assets and Amortisation

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Purchased goodwill is recognised at the cost of acquisition less the on balance sheet assets purchased. 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.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

Software development costs	- 5 years
Goodwill	- 10 years

If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

Accounting Policies (continued)

If the net fair value of the identifiable assets and liabilities acquired exceeds the cost of a business combination, the excess up to the fair value of non-monetary assets acquired is recognised in the SOFA (statement of financial activities) in the periods in which the non-monetary assets are recovered. Any excess exceeding the fair value of non-monetary assets acquired is recognised in the statement of financial activities in the periods expected to be benefitted.

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 first in, first out basis. At each reporting date, inventories are assessed for impairment. If inventory 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 Statement of Financial Activities.

Annual Support Fee Provision

NOCN charges an annual centre support fee for which invoices are raised in June or July for the following financial year. The invoiced income is therefore normally deferred into the following year.

Taxation

As a registered Charity, NOCN is exempt from liability to corporation tax on income and gains falling within section 505 of the Taxes Act 1988 or S256 of the Taxation of Charitable Gains Act 1992 to the extent that these are applied to its charitable objects. No provision or charges for taxation have therefore arisen.

Pensions

For NOCN and NOCN Job Cards, the pension costs charged in the Financial Statements represent the contributions payable by the Charity during the year.

Leased Assets

Operating lease costs are charged on a straight-line basis over the term of the lease.

Fund Accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets this criterion is charged to the fund, together with a fair allocation of management and support costs.

Unrestricted funds comprise those funds, which the Trustees are free to use in accordance with the objects of the Charity.

Designated funds are unrestricted funds, which have been allocated for specific purposes by the Trustees.

Notes To the Accounts

1. Incoming resources from government grants

	2023	2022
	£	£
Government Furlough Funds	1,493	102,892
Total	1,493	102,892

2. Incoming resources from charitable Activities

	2023	2022
	£	£
Awarding Organisation and End Point Assessment	12,640,091	10,841,175
NOCN Job Cards (CPCS & CISRS)	3,694,428	3,625,577
One Awards	-	674,690
NOCN India Skills Foundation	166,130	97,174
Total	16,500,649	15,238,616

All incoming resources from charitable activities in 2021/22 and 2022/23 were unrestricted

3. Analysis of resource expended on charitable activities Summary by fund type

	Unrestricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Awarding organisation and end point assessment	12,250,016	12,250,016	10,253,073
Governance	262,619	262,619	275,470
NOCN Job Cards (CPCS & CISRS)	2,604,731	2,604,731	2,299,008
One Awards	-	-	801,721
NOCN India Skills Foundation	149,316	149,316	102,154
Depreciation & Amortisation	1,110,832	1,110,832	1,209,710
Total	16,377,514	16,377,514	14,941,136

All resources expended from charitable activities in 2021/22 and 2022/23 were unrestricted.

4. Total resources expended

	Activities undertaken directly £	Support costs £	2023 £
Awarding Organisation and Endpoint Assessment	9,769,812	2,480,204	12,250,016
Governance	-	262,619	262,619
NOCN Job Cards (CPCS & CISRS)	2,470,707	134,024	2,604,731
NOCN India Skills Foundation	149,316	-	149,316
Group Amortisation & Depreciation	-	1,110,832	1,110,832
Total	12,389,835	3,987,679	16,377,514

4. Total resources expended (continued)

	Activities undertaken directly £	Support costs £	2022 £
Awarding Organisation and Endpoint Assessment	8,138,268	2,114,805	10,253,073
Governance	-	275,470	275,470
NOCN Job Cards (CPCS & CISRS)	2,124,594	174,414	2,299,008
One Awards	480,359	321,362	801,721
			102,154
NOCN India Skills Foundation	102,154	-	
Group Amortisation & Depreciation	-	1,209,710	1,209,710
Total	10,845,375	4,095,761	14,941,136

Allocations have been made on the following basis:

- Governance costs are made up of the estimated time spent by the Senior Leadership Team on group governance plus other direct governance costs.

5. Governance

	2023 £	2022 £
Meeting costs	21,812	5,507
Expenses paid to trustees	-	-
Legal Costs	21,343	44,460
Internal audit fees	14,700	15,400
External audit fees	22,750	20,990
Management costs	182,014	189,113
Total	262,619	275,470

6. Net incoming resources

	2023 £	2022 £
Net incoming resources for the year are arrived at after charging:		
Depreciation	64,782	215,866
Amortisation	1,046,050	993,844
External audit fees	22,750	20,990
Operating lease in respect of buildings	363,842	327,779
Operating lease in respect of equipment and cars	17,181	21,505

7. Employee numbers and costs

	2023 £	2022 £
Staff		
Wages and salaries	6,895,216	6,249,528
Social security costs	660,531	645,063
Pension costs	506,017	708,391
Total	8,061,764	7,602,982

7. Employee numbers and costs (continued)

The pension costs in 2022 of £145,000 related to the decrease in the defined benefits pension liability of One Awards.

The number of employees whose emoluments as defined for taxation purposes amount to £60,000 or more in the year was as follows:

	2023	2022
Staff	Number	number
£60,000 to £69,999	5	-
£70,000 to £79,999	2	1
£80,000 to £89,999	1	-
£90,000 to £99,999	1	3
£100,000 to £109,999	3	2
£120,000 to £129,999	1	-
£180,000 to £189,999	-	-
£210,000 to £219,999	-	1
£220,000 to £229,999	1	-

In respect of the above employees' employer pension contributions paid to a defined contribution pension scheme during the year were £99,172 (2022 £61,350).

Staff

The average number of staff analysed by function was:

	2023	2022
	Number	Number
Charitable activities	123	119
Management and administration of the charity	48	40
Total	171	159

Contingent workers

The average number of Contingent Workers, calculated on a basis of number working in a month on average over the year, analysed by function was:

	2023	2022
	Number	Number
Charitable activities	119	83
Management and administration of the charity	-	-
Total	119	83

In 2022/23, some contractors were provided with contingent worker contracts following the review of workers under the new IR35 regime that came into force in April 2021.

During the financial year the Group incurred Organisational Change costs of £105,624 (2022 – £nil). This includes statutory redundancy pay, payment in lieu of notice and other miscellaneous costs. Group policy for organisational change is documented fully and is available on-line to all staff. The objective of the policy is to ensure that unavoidable redundancies are handled in a fair, consistent, timely and non-discriminatory way.

8. Trustee remuneration

Group	2023 £	2022 £
Travel and subsistence	-	-
Other	-	-
Total	-	-
Company	2023 number	2022 number
Travel and subsistence	-	-
Total	-	-

9. Auditor remuneration

	2023 £	2022 £
External audit of Group / Parent company	16,000	14,995
External audit of NOCN Job Cards (Subsidiary)	6,750	5,995
External audit of NOCN India Skills Foundation (Subsidiary)	-	-
Other non-audit work carried out by auditor	-	-
Total	22,750	20,990

10. Net Income / Expenditure attributable to members of the parent company

The net surplus dealt with in the financial statements of the parent company was £85,790 (£123,931 net surplus in 2022). This is all unrestricted funds.

11. Intangible fixed assets

Group	Software Dev	Goodwill - Cskills	Software Dev	Goodwill – CPCS	Total
Entity	NOCN £	NOCN £	NOCN Job Cards £	NOCN Job Cards £	£
Cost / valuation					
At beginning of year	631,087	6,021,789	245,523	3,289,659	10,188,058
Additions	133,372	-	177,355	-	310,727
Impairment					-
Disposal					
At end of year	764,459	6,021,789	422,878	3,289,659	10,498,785
Amortisation					
At beginning of year	202,222	3,054,934	81,587	1,274,987	4,613,730
Charge for the year	127,639	555,206	54,892	308,313	1,046,050
Disposal					
At end of year	329,861	3,610,140	136,479	1,583,300	5,659,780
Net book value at 31 July 2023	434,598	2,411,649	286,399	1,706,359	4,839,005
Net book value at 31 July 2022	428,865	2,966,855	163,936	2,014,672	5,574,328
Company					
		Software Dev £		Goodwill – Cskills £	Total £
Cost / valuation					
At beginning of year		631,087		6,021,789	6,652,876
Additions		133,372		-	133,372
At end of year		764,459		6,021,789	6,786,248
Amortisation					
At beginning of year		202,222		3,054,934	3,257,156
Charge for the year		127,639		555,206	682,845
At end of year		329,861		3,610,140	3,940,001
Net book value at 31 July 2023		434,598		2,411,649	2,846,240
Net book value at 31 July 2022		428,865		2,966,855	3,395,720

12. Tangible fixed assets

Group	Computer equipment £	Fixtures and fittings £	Total £
Cost			
At beginning of year	305,447	387,511	692,958
Additions	36,010	-	36,010
Disposals	-	-	-
At end of year	341,457	387,511	728,968
Depreciation			
At beginning of year	245,410	197,882	443,292
Charge for the year	32,826	31,956	64,782
Disposals			
At end of year	278,236	229,838	508,074
Net book value at 31 July 2023	63,221	157,673	220,894
Net book value at 31 July 2022	60,037	189,629	249,666
Company			
Company	Computer equipment £	Fixtures and fittings £	Total £
Cost			
At beginning of year	283,101	355,468	638,569
Additions	36,010	-	36,010
Disposals			
At end of year	319,111	355,468	674,579
Depreciation			
At beginning of year	225,755	188,712	414,467
Charge for the year	31,444	28,751	60,195
Disposals			
At end of year	257,199	217,463	474,662
Net book value at 31 July 2023	61,912	138,005	199,917
Net book value at 31 July 2022	57,346	166,756	224,102

13. Fixed asset investment

Company	2023 £	2022 £
Cost		
At beginning of year	99	99
Additions	-	-
At end of year	99	99

On 16 June 2017 NOCN acquired 99% of the share capital of NOCN India Skills Foundation for a consideration of £99.

Subsidiary Undertakings

The following were subsidiary undertakings of NOCN:

Name	Country of Incorporation	Class of Shares	Holding
NOCN India Skills Foundation	India	Ordinary	99%
NOCN Job Cards	UK	N/A	Majority Voting Rights Control

Note on NOCN India Skills Foundation: The aggregate of the share capital and reserves as at 31 July 2023 and of the profit or loss for the year ended on that date for this subsidiary undertaking were as follows:

	Aggregate of share capital and reserves £	Profit/(Loss) £
NOCN India Skills Foundation	22,587	6,876

The registered office of the above subsidiary undertakings is House No. M-27, M- Block Market, Greater Kailash-I, New Delhi, South Delhi, Delhi.

14. Debtors

Group	2023 £	2022 £
Trade debtors	2,255,556	1,867,390
Prepayments and accrued income	342,502	405,638
Total	2,598,058	2,273,028

Company	2023 £	2022 £
Trade debtors	1,749,629	1,454,820
Prepayments and accrued income	221,257	260,488
Intercompany debtors	2,018,437	1,634,398
Total	3,989,323	3,349,706

The intercompany debtors are interest free and repayable on demand. NOCN has committed to continue the intercompany loan to NOCN Job Cards for the foreseeable future and at least for the next 12 months.

15. Stock

Group	2023	2022
	£	£
At beginning of year	20,176	72,248
Purchased in the year	30,829	503,451
Charged in the year	(20,176)	(555,523)
At end of year	30,829	20,176

Company	2023	2022
	£	£
At beginning of year	16,692	18,189
Purchased in the year	30,829	376,639
Charged in the year	(16,692)	(378,136)
At end of year	30,829	16,692

16. Creditors - amounts falling due within one year

Group	2023	2022
	£	£
Trade creditors	501,708	369,299
Accruals	602,406	475,094
Deferred income – see note 17	1,238,074	746,947
Taxes and social security	735,447	646,105
Coronavirus Business Interruption Loan (CBILS)	300,000	300,000
Other creditors	692,041	1,732,441
Total	4,069,676	4,269,886

Company	2023	2022
	£	£
Trade creditors	417,798	246,923
Accruals	378,028	408,338
Deferred income – see note 17	1,238,074	746,947
Intercompany creditors	-	-
Taxes and social security	732,947	603,388
Coronavirus Business Interruption Loan (CBILS)	300,000	300,000
Other creditors	597,521	982,246
Total	3,664,368	3,287,842

17. Deferred income

Group	2023	2022
	£	£
At beginning of year	746,947	549,459
Released in the year	(746,947)	(549,459)
Added in the year	1,238,074	746,947
At end of year	1,238,074	746,947

Company	2023	2022
	£	£
At beginning of year	746,947	423,809
Released in the year	(746,947)	(423,809)
Added in the year	1,238,074	746,947
At end of year	1,238,074	746,947

Annual centre fees and similar charges that are invoiced in advance are deferred to correspond with the period of service provided. End point assessment fees invoiced prior to year-end are deferred where the assessment has yet to take place at year-end.

18. Creditors - amounts falling due after more than one year

Group	2023	2022
	£	£
Coronavirus Business Interruption Loan (CBILS)	550,000	850,000
Other creditors	-	-
Total	550,000	850,000

Company	2023	2022
	£	£
Coronavirus Business Interruption Loan (CBILS)	550,000	850,000
Other creditors	-	-
Total	550,000	850,000

The CBILS loan incurs interest at 1.88% over base rate and is repayable in equal monthly instalments over 72 months, commencing May 2021.

19. Analysis of net assets between funds

Group	2023	2022
	Unrestricted Funds £	Unrestricted Funds £
Intangible fixed assets	4,839,005	5,574,328
Tangible fixed assets	220,894	249,666
Current assets	4,025,390	3,636,877
Current liabilities due in less than one year	(4,069,676)	(4,269,886)
Liabilities due after more than one year	(550,000)	(850,000)
Net assets	4,465,613	4,340,985

Company	2023	2022
	Unrestricted Funds £	Unrestricted Funds £
Intangible fixed assets	2,846,247	3,395,720
Tangible fixed assets	199,917	224,102
Investments	99	99
Current assets	5,142,442	4,406,468
Current liabilities due in less than one year	(3,664,368)	(3,287,842)
Liabilities due after more than one year	(550,000)	(850,000)
Net assets	3,974,337	3,888,547

20. Statement of funds

Group	At 1 August 2022	Incoming resources	Outgoing resources	Gains	At 31 July 2023
	£	£	£	£	£
General funds	4,340,985	16,502,142	(16,377,514)	-	4,465,613
Total unrestricted funds	4,340,985	16,502,142	(16,377,514)	-	4,465,613

Company	At 1 August 2022	Incoming resources	Outgoing resources	Gains	At 31 July 2023
	£	£	£	£	£
General funds	3,888,547	12,641,584	(12,555,794)	-	3,974,337
Total unrestricted funds	3,888,547	12,641,584	(12,555,794)	-	3,974,337

21. Other recognised gains/(losses)

	2023	2022
	£	£
One Awards Disposal	-	(706,797)
One Awards defined benefit liability revaluation		2,514,000
Total	-	1,807,203

22. Financial commitments

At 31 July 2023, the Group had commitments under non-cancellable operating leases as follows:

Group	2023	2022
	£	£
Buildings:		
Within one year	363,842	367,723
Between two and five years	1,264,045	259,030
Equipment:		
Within one year	17,181	16,199
Between two and five years	14,576	10,486

At 31 July 2023, the Company had commitments under non-cancellable operating leases as follows:

Company	2023	2022
	£	£
Buildings:		
Within one year	323,637	327,518
Between two and five years	1,180,111	135,065
Equipment:		
Within one year	9,345	9,619
Between two and five years	7,849	5,291

23. Cash flows from investing activities

Purchase of tangible fixed assets:

During the year the Group acquired tangible fixed assets with the aggregate cost £36,010 (2022- £50,654). Cash payments were made totalling £36,010 (2022 - £50,654) to purchase the equipment.

Purchase of intangible fixed assets:

During the year the Group acquired intangible fixed assets with the aggregate cost £310,727 (2022 - £305,515). Cash payments totalling £310,727 (2022- £305,515) was paid in the year for the software developed.

Payments made in respect of purchase of Cskills and CPCS:

Cash payments were made totalling £Nil (2022- £1,500,000) towards settling the Cskills purchase liability with CITB.

Cash payments were made totalling £750,000 (2022- £1,300,000) towards settling the CPCS purchase liability with CITB.

24. Related Party Transactions

	2023	2023	2023
	Income (£)	Purchases (£)	Amount due from/(to) at the year end (£)
OCN Northern Ireland ¹	36,250	-	-
British Ass'n Construction Heads ²	-	7,106	-
Credit Services Ass'n ³	120	-	-
Barnsley College ⁴	49,701	-	3,581
Maggie Hasting-Evans ⁵	-	200	-
BAM Nuttall ⁶	154,152	-	21,701
Access Training East Midlands Ltd ⁷	4,110	-	-
Construction Plant Hire Association ⁸	-	3,000	1,200
Construction Industry Scaffolders Record Scheme ⁹	-	303,290	35,338
ITS Group ¹⁰	1,618	-	-
Learning at Work Institute ¹¹	-	38,000	12,600
Leeds College of Building ¹²	5,295	-	980
Bedford College ¹³	131,781	-	13,029
TUC ¹⁴	18,743	-	-
	2022	2022	2022
	Income (£)	Purchases (£)	Amount due from/(to) at the year end (£)
OCN Northern Ireland ¹	34,437	-	-
British Ass'n Construction Heads ²	-	3,900	-
Credit Services Ass'n ³	435	-	150
Barnsley College ⁴	51,186	-	78
Maggie Hasting-Evans ⁵	-	200	-
BAM Nuttall ⁶	38,406	-	2,477
Access Training East Midlands Ltd ⁷	15,710	-	980
Construction Plant Hire Association ⁸	-	3,300	900
Construction Industry Scaffolders Record Scheme ⁹	-	315,744	25,188
ITS Group ¹⁰	4,741	-	(1,110)
Learning at Work Institute ¹¹	-	-	-
Leeds College of Building ¹²	3,155	-	-
Bedford College ¹³	-	-	-
TUC ¹⁴	18,743	-	-
P Flannery ¹⁵	5,050	-	532
Sheffield College ¹⁶	168,329	-	9,438
Northern College ¹⁷	1,140	-	-
Laing O'Rourke Civil Eng Ltd ¹⁸	598	-	28

¹ Transactions with OCN Northern Ireland consist of annual Licence fee income and occasional purchases, OCN Northern Ireland was a member of the Charity during the year.

² Transactions with BACH represent membership body fees. Graham Hasting-Evans is President of BACH.

³ Transactions with Credit Services Association – Fiona Macaskill is the Head of Learning and Development at the CSA (Resigned 30 May 2023).

⁴ Transactions with Barnsley College represent learner registration and certification income. Kay Dickinson is a Trustee of Barnsley College.

⁵ Maggie Hasting-Evans - Flight costs paid for by NOCN in lieu of fee paid in respect of work carried out on behalf of NOCN Group by Maggie in Greece and India.

⁶ Transactions with BAM Nuttall represent learner registration, certification fees and CPCS cards. Timothy Brownbridge is an Academy Manager at BAM Nuttall.

⁷ Transactions with Access Training represent learner registration and certification fees. Corrina Hembury is a Managing Director at Access Training.

⁸ Transactions with Construction Plant Hire Association relate to the issue of Job Cards. Kevin Minton is a member of the CPA (Resigned December 22).

⁹ Transactions with Construction Industry Scaffolders Record Scheme in relation to the Card processing Income.

¹⁰ Transactions with ITS Group represent learner registration and certification income. ITS Group is a trading subsidiary of Barnsley College. Kay Dickinson is a Trustee of Barnsley College.

¹¹ Transactions with Learning at Work Institute represent Festival and Annual research cost. Stephen Evans is a member of the Learning and Work Institute.

¹² Transactions with Leeds College of Building learner registration and certification income. Nicola Davis is a member of the Leeds College of Building.

¹³ Transactions with Bedford College learner registration and certification income. Dave Wilkins is a member of the Bedford College.

¹⁴ Transactions with TUC registration and certification income. Adrian Toomey is a member of the TUC.

¹⁵ Transactions with P Flannery relate to the issue of Job cards. Paul Allman was a Director at P Flannery Ltd until May 2022.

¹⁶ Transactions with Sheffield College represent learner registration and certification income. Seb Schmoller was Chair of Sheffield College. (Resigned October 21).

¹⁷ Transactions with Northern College represent learner registration and certification income. Seb Schmoller is a Governor at Northern College. (Resigned October 21).

¹⁸ Transactions with Laing O'Rourke Civil Engineering Ltd relate to the issue of Job cards. Alison Duckles (nee Lamplough) was an employee of Laing O'Rourke Civil Engineering Ltd until December 2021.

25. Analysis of cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise the following:

	2023	2022
	£	£
Cash at bank	1,396,503	1,343,670
Cash in hand	-	3
Total	1,396,503	1,343,673

26. Operating surplus/(deficit) to Net movement in funds after other gains/(losses) reconciliation

A reconciliation of the operating surplus/(deficit) to the Net movement in funds after other gains/ (losses) in the Statement of Financial Activity is as follows:

	2023	2022
	£	£
Operating surplus / (deficit)	1,235,460	1,610,082
Depreciation & Amortisation	(1,110,832)	(1,209,710)
Other revaluations	-	1,807,203
Net movement in funds after other gains / (losses)	124,628	2,207,575

27. Analysis of Net Debt

Group

	At 1 August 2022	Movement in year	At 31 July 2023
	£	£	£
Cash at bank and in hand	1,343,673	52,830	1,396,503
Bank Loan (Less than 12 months)	(300,000)	-	(300,000)
Bank Loan (More than 12 months)	(850,000)	300,000	(550,000)
	<u>193,673</u>	<u>352,830</u>	<u>546,503</u>

Company

	At 1 August 2022	Movement in year	At 31 July 2023
	£	£	£
Cash at bank and in hand	1,040,070	82,220	1,122,290
Bank Loan (Less than 12 months)	(300,000)	-	(300,000)
Bank Loan (More than 12 months)	(850,000)	300,000	(550,000)
	<u>(109,930)</u>	<u>382,220</u>	<u>272,290</u>

NOCN

England & Wales - Charity number 1079785

Accounts



NOCN

(A Company limited by guarantee)

Trustees' Report and Consolidated Financial Statements
31 July 2022

Registered Charity No. 1079785
Company Registration No. 03829217



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Reference and Administrative Details of the Charity, its Trustees and Advisers for the Year Ended 31 July 2022

Directors and Trustees

The Trustees of NOCN, who were also company directors, serving during the year and since the year-end are as follows:

NOCN Trustees' and Directors:

Chair	David Gareth Jones	
Vice Chair	Alison Duckles CBE	(nee Lamplough)**
Trustees	Seb Schmoller	(Resigned 25 October 2021)
	John Fuller	(Resigned 11 July 2022)
	Kay Dickinson	
	Peter Wallwork*	(Resigned 22 August 2022)
	Leckraz Boyjoonauth	(Resigned 26 May 2022)
	Corrina Hembury	
	Michelle Elliott*	(Resigned 31 July 2022)
	Adrian Toomey	
	Fiona Macaskill	(Appointed 23 September 2021)
	Lucy Hunte	(Appointed 11 January 2022)
	Stephen Evans	(Appointed 1 August 2022)
Nicola Davis	(Appointed 7 November 2022)	
David Wilkins	(Appointed 18 January 2023)	

Secretary Sarah Standeven

**Trustees are also current or past trustees of One Awards*

*** Trustee is also a trustee and Chair of NOCN Job Cards*

One Awards Trustees' and Directors:

Chair	David Balme	
Trustees	Leslie Woodward	
	Andrew McHale	
	Jane Oswald	
	Michelle Elliott	
	John Rees	
	Peter Wallwork	(Resigned 31 July 2022)
Doug Balderston	(Resigned 15 June 2022)	

Secretary Dawn Rush

NOCN Job Cards Trustees' and Directors

Chair	Alison Duckles CBE	(nee Lamplough)
Trustees	Graham Hasting-Evans	
	Kevin Minton	(Resigned 13 December 2022)
	Trevor Gamble MBE	(Resigned 13 December 2022)
	David Mosley	

Reference and Administrative Details of the Charity, its Trustees and Advisers for the Year Ended 31 July 2022 (continued)

NOCN Job Cards Trustees' and Directors (continued)

Paul Allman
Tim Brownbridge
Carl Hassell

NOCN India Skills Foundation Directors:

Director Graham Hasting-Evans
Dr Sunil Abrol

Key Management Personnel - NOCN Group Senior Leadership Team in 2021/22:

Chief Executive Graham Hasting-Evans
Group Executive Director (Finance & Governance & Deputy CEO) Simon Renny
Group Director (Awarding Organisation) Mark Buckton (resigned 31 March 2022)
Group Director (Awarding Organisation) Paul Johnson (appointed 23 May 2022)
Group Director (One Awards, International & Culture) Fabienne Bailey (left 31 December 2021)
Group Director (Apprenticeships) Thomas Burton (left 17 February 2023)
Group Director (Business Development) Louise Allen
Group Director (Job Cards) Carl Hassell
Group Director (Digital Delivery and Improvement) Gareth Cutts

Reference and administrative details

Charity Number: NOCN: 1079785
One Awards: 1087530
Job Cards: 1182053

Company number: NOCN: 03829217
One Awards: 04042215
Job Cards: 11634699

NOCN Registered office: Acero Building, 1 Concourse Way, Sheaf Street, Sheffield, S1 2BJ.

Our Advisers

Bank	National Westminster Bank Plc (NOCN & NOCN Job Cards)	7 Market Place, Derby, DE1 9DS
	Yorkshire Bank (One Awards)	7 Linthorpe Road Middlesbrough TS1 1RF
Solicitors	Andrew Holland Law Limited	Suite 2, The Bakery Millennium Business Park Steeton, Keighley West Yorkshire, BD20 6RB
Auditors	Armstrong Watson Audit Limited	Thornfield Business Park Northallerton DL6 2XQ

Trustees' Report for the year ending 31 July 2022

The Trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiaries for the year ending 31 July 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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).

Chair's Report

The last few years have brought extraordinary levels of change, with the Covid-19 pandemic and resulting lockdowns. Keyworkers became the heroes of the hour, recognised for their work keeping the nation running, despite low pay and unsocial hours. Disruption to all other working practice, and the digital revolution this initiated, clearly showed societies' ability to rise to the challenge, and change at pace, if regulation, industry and individuals are aligned.

Throughout this challenging time, I am pleased to report that the Group has continued to build in strength, pursuing its purpose of supporting learners and apprentices to achieve success in life and work. Our adaptations to working practices have continued, with flexible working enabled by technology, and wider reach through webinars and digital communications, resulting in a stronger, more agile operation across the Group.

For the Awarding Organisation, the year brought fresh challenges, with the impact of schools, colleges and training providers' closure on learners' mental health and learning becoming clear. The energy crisis caused by the war in Ukraine added to the pressures on all elements of the sector, with rising bills causing severe budgeting problems, and tough decisions about what should be cut. These, coupled with the Government's moratorium and ongoing reform of technical and vocational qualifications at Level 3 and below, made for challenging conditions. Despite this, the NOCN team have focused their efforts on the opportunities, improving our offer at Level 3 and above, building our offer of 'green skills' qualifications, such as Retrofit Coordinator, enhancing our remote invigilation, teaching and learning offer, and working to influence government policy by responding to the stream of consultations.

Our Apprenticeships team built up the end point assessment (EPA) offer to eighty-two standards, the widest offer in the English EPA market, and maintained our share of EPA's processed despite a difficult year, with overall apprentice numbers in decline.

Government policy, in the shape of Levelling Up and Build Back Better, reconfirmed construction as a key sector in our economy, and the Group was pleased to be able to play a role in this important work. NOCN Job Cards supported learners and apprentices to achieve success in the construction sector, through provision and operation of competency-card schemes, including our market leading SMART CPCS (Construction Plant Competency Scheme) card. Our Skills Policy and Research work with construction industry partners, including BACH, CCATF, CITB and the Construction Leadership Council, informed the debate on training and qualifications in the industry, campaigning for greater focus on supporting more further education learners into construction.

We continue to promote and celebrate success in further education, through support of national awards and the charitable organisations who promote them, including the National Apprenticeship Awards, the Multicultural Apprenticeship Awards, and the AoC Beacon Award in Mental Health and Wellbeing, which has highlighted the extraordinary efforts made by FE Colleges to support their students in the post-pandemic mental health crisis.

Despite the challenges to the global economy, and difficulties working overseas through the pandemic, the Group has expanded our international offer, increasing our Greek ESOL provision, and partnering with a leading training provider in India to deliver management courses for engineering learners.

Looking forward, the next year is looking increasingly bleak, as the cost of living crisis builds and lower-paid workers become more disadvantaged. This will only serve to drive us harder to achieve our social mobility goals and gives even more reason to promote the benefits of education to increase opportunity and build life skills.

Gareth Jones – Chair of Trustees, NOCN Group
March 2023

Our Purpose, Objectives and Activities

The Purpose of the Charity

The purpose and mission statement of the Charity is to support learners and apprentices to achieve success in life and work and to support communities and organisations to develop and prosper, through regulated qualifications, apprenticeship assessments, skills accreditation, assessment support, access to higher education, competency cards, consultancy advice and training.

The Objectives of the Charity

The Objectives of the Charity are:

"The advancement of the education of the public in one or more of the following ways:

- by promoting and widening participation in education and training, including for those people who have previously been excluded from educational opportunities;*
- by improving the quality and flexibility of education provision for the public benefit, including for those people who have previously been excluded from educational opportunities; and*
- by improving access to learning opportunities and facilitating progression to further learning, employment and higher education, particularly through the award of credits and credit based competency qualifications."*

The Charity works to deliver these objectives through its key Group functions as follows:

- NOCN Education and Skills policy research – through NOCN's work in contributing to government vocational education and skills policy reviews and other research papers it has delivered in conjunction with partners with the aim of improving the quality of the vocational education system.
- NOCN Awarding Organisation - through its work in developing and promoting vocational qualifications that meet the needs of employers and help learners progress in employment or learning.
- Apprenticeship End Point Assessment - through its work in providing a high quality, compliant apprenticeship assessment service to employers employing apprentices.
- NOCN Job Cards - through its work in assessing the competence of workers to operate construction plant on construction sites and operating the scaffolding card scheme on behalf of CISRS, as well as other competency-based card schemes it may operate in the future.
- International – through the provision of consultancy to improve apprenticeship systems in other countries as well as the provision of ESOL and other qualifications to countries that are keen to utilise UK qualifications.

Public Benefit

Our Trustees have complied with their duty in accordance with the UK Charities Act 2011 to follow the Charity Commission's guidance on the operation of this public benefit.

The Charity provides a public benefit to advance education and training for the general public through:

- the development and maintenance of credit based or component-based competency qualifications and units as well as short course learners awards in the UK and internationally;
- its continued work as a leading accredited End Point Assessment Organisation for apprenticeships;
- the operation of the Construction Plant Competency Scheme (CPCS) which ensures that Construction Plant Operators have the right qualifications and experience to operate different classes of plant machinery on construction sites. In addition, it operates the CISRS scaffolding card scheme which NOCN Job Cards operates on behalf of CISRS; and
- the delivery of Access to HE qualifications, bespoke accreditation, and training delivery provision through One Awards (which left the group on 29th July 2022).

Within the requirements of the individual qualification standards, NOCN qualifications are open to all members of the public. The Charity is committed to equality, diversity and inclusion and holds the status of a 'Leader in Diversity' by the National Diversity Centre.

The Charity continues to demonstrate its objective of widening participation in education, working with groups and communities that have traditionally not benefited from traditional or formal educational opportunities, for example learners working at lower educational levels; learners with disabilities (SEND); learners with few formal qualifications; learners based in offender institutions; younger learners who are not in employment or training; the unemployed and people working in industries that have not traditionally valued formal qualifications.

Key Achievements, Activities & Performance in the year

The Charity is able to demonstrate progress against its key objectives, and key achievements can be summarised as follows across the following divisions of the Group:

NOCN Awarding Organisation

The year 2021/2022 marked the second year of the Westminster government's programme to reform vocational and technical qualifications. The reforms presented challenges to NOCN and across the wider awarding organisation sector. However, this changing qualifications landscape also provided opportunities for NOCN to diversify.

The main challenges are the moratorium on the funding for new qualifications at Level 3 and below and the withdrawal of funding for qualifications with low and no publicly funded enrolments. The latter challenge threatened to remove some of our bespoke learning programmes so we worked with our training providers to find the most suitable alternative provision.

At the same time, we embraced the opportunity to enhance our qualifications offer at Level 3 and above, traditionally a smaller part of NOCN's business. For example, as part of the government's Lifelong Learning Entitlement, we successfully applied for Level 3 Free Courses for Jobs funding for our eligible qualifications. We also undertook a rigorous development process to secure the new and prestigious Higher Technical Qualifications (HTQ) status from

IfATE for a Level 4 Diploma for Site Supervisors. NOCN is working on other developments in the engineering and health and social care sectors in a bid to grow our offer at Level 4 and Level 5.

Alongside our work to diversify into higher levels we have influenced government policy for the benefit of our beneficiaries by responding to a stream of consultations. The main themes of our responses have been to recognise, value and therefore protect public funding for our learners at Level 2 and below and to advocate a funding system that supports the upskilling of our existing workforce in addition to training new entrants into the labour market.

Perhaps the initiative that will have the greatest impact on our business in the coming years is our market leading work to support the development of the skills which will enable a successful and just transition to a sustainable economy. Our 'green' skills offer includes both qualifications for new 'green' job roles such as Retrofit Coordinator and courses to enable upskilling of traditional trades to work more sustainably. Less visibly, but equally important, has been our initiative to embed 'green' skills into our existing qualifications for 16 to 19 year olds to prepare them for work in the sustainable economy.

With new opportunities in the offing, we decided to review our full qualifications offer in order to focus our resources onto providing qualifications and courses for key sector areas, which we split into two categories, Business, Health and Personal Skills and Construction, Engineering and Green Skills. As part of this review, we took the difficult decision to withdraw from offering licence-linked security industry qualifications. These high-profile, high-risk qualifications require intensive management at a time of general decline on the security industry qualifications market.

NOCN's international work continued to flourish in the year. We had the highest ever number of registrations for our ESOL International qualifications in Greece and, working with our Greek partner Global Cert, we ventured into offering online examinations which will widen access for learners in Greece and across Europe who wish to have formal recognition of their English language skills.

In India, we were delighted to partner with Nettur Technical Training Foundation (NTTF), a renowned training provider across the sub-continent. NOCN and NTTF worked together to provide a top-up management Diploma for engineering learners to improve their employability skills and to support progression to further study.

The year saw the tail-end of the COVID-19 pandemic and, to a large extent, a return to business as usual. However, some of the interventions we introduced to enable learning during the pandemic proved to be a step-change in the way we deliver our services to our beneficiaries. Accordingly, we have incorporated the development of online teaching, learning and assessment into our qualification development procedures and we continue to enhance our remote invigilation offer with the aim of providing an on-demand service.

The awarding organisation sector continued to be competitive in the year, but we managed to retain our position in the league table, starting and ending the year as the 12th largest awarding organisation, measured by the number of certifications. It was noticeable that the top 10 comprised of both large generalist awarding organisations and those that specialise in a limited number of sectors. It continues to be our ambition to be one of the top 10 and we are confident that our strategy for growth will be successful.

NOCN Apprenticeships

NOCN's support to apprentices through its apprenticeship end point assessment operations has continued to grow and at the end of July 2022 was approved to assess 82 Apprenticeship

Standards this is an increase from 66 at the end of the same period. NOCN has retained its position in 2021/2022 as the End Point Assessment Organisation with the largest number of approved end point assessment and the widest coverage of apprenticeship standards in the End Point Assessment Market.

21 (2021:17) separate external audits of NOCN's End Point Assessment operations were undertaken in the year and NOCN received clear reports from all External Quality Assurance Organisations.

NOCN processed approximately 600 less apprentices in 21/22 than in the previous year 20/21, overall EPA activity for 21/22 was 85% of 20/21 (3243 apprentices assessed vs 3803 in 20/21).

Many of these apprentices in 20/21 (47%) were the Nursing Associate apprentices, which due to the COVID dispensation in place during 20/21 only required a reduced EPA. In this last year 21/22 all but a small number of COVID dispensations remained which required NOCN to fully complete the EPA process as designed. Reflecting the return to normal operations for both the sector and its regulators.

NOCN has also completed successfully the first phase of the External Quality Assurance transition from Open awards and the IfATE to Ofqual as the single regulator, with NOCN successfully listing all of those EPAs in Ofqual scope on to the Ofqual Register.

2021/2022 also saw NOCN continue to develop its Rubric platform for End Point Assessment bookings and results, developing further the functionality and reporting which customers requested during feedback sessions.

NOCN Job Cards

CPCS supports people to gain employment and develop their careers in the construction plant sector by issuing them with digital SMART cards via the scheme which is competency based.

During 2021/22 Job Cards has been supporting centres, employers, and operatives in enhancing skills and competence supporting the plant sector and supporting the sector skills gap.

Support from industry is strong, we have many industry working groups supporting development of new products and maintenance of older products ensuring that the scheme is up to date for industries requirements.

Quality assurance has strengthened during the financial year, CPCS has a new Quality Assurance Manual, new reporting forms and EQA's are now more efficient due to completing documentation in real time.

Our competitors have a strong presence in some parts of the construction sector which continues to negatively impact CPCS market share.

During 2021/22 CITB entered Consultation with the construction levy payers, as a result of the consultation CITB has announced introduction of a new "Plant Training Model" including the way in which grant is triggered for in-scope levy payers. CPCS continue working with CITB, PSRO, our Management Committee ensuring that the scheme is ready for the changes that will be introduced in January 2023 ensuring that there is minimum disruption to BAU. Initially these changes only affect 8 of the 68 plant categories that CPCS operate, 60 plant categories remain unchanged and in-scope levy payers will continue to be supported with the current

grant mechanism, this model is unique to the CPCS scheme and has been in place since 2008.

CPCS has been able to gain the support of the board and its industry representatives to create some new products that will be launched in the following accounting year. Alongside this CPCS have also gained support to redevelop scheme requirements to ensure that the scheme is up to date and meets the needs of the plant construction sector, changes will also be launched in the next financial year.

The marketing of new products and relaunch of a much-improved CPCS scheme will enhance: learner journeys, test centre delivery, employer support as well as strengthen income position during 2022/23.

CISRS SMART carding processes is managed by Job Cards on a commission basis, activity levels have returned to pre-covid levels which is reflected in our accounts and is positive.

NOCN Job Cards continues to be supported by an intercompany loan from NOCN. NOCN has committed to continue to financially support NOCN Job Cards for the foreseeable future in respect of the cost to purchase the CPCS business from CITB, and as a result NOCN Job Cards remains a going concern. This loan is projected to be paid back to NOCN in 2023/24.

International

The Group has continued to see growth in several of our international partnerships, despite challenges in the global economy. We have consolidated our position in the Middle East region and are now seen as the leading TVET AO in Bahrain. The partnership with Global Awards (Greece) to deliver ESOL International qualifications on their online testing platform and the development of a short English Language Test will secure and grow our market share for ESOL in Greece and other areas in Europe and middle east.

The strategic relationship with NTTF Colleges in India will continue to grow and has already seen 1000 registrations in the last three months. There are additional opportunities arising from our presence in India. Looking forward, we are forming new partnerships in Nepal, Bangladesh, Borneo, Eastern Indonesia, and the Philippines to position ourselves in these emerging TVET markets.

Education and Skills Policy & Research

As an integral part of supporting our charitable objectives, the Group continues to support a number of national awards which aim to encourage learning for across society including disadvantaged groups. The national awards that we have supported this year include AoC Beacon Awards, Asian Apprenticeship Network, CPA Stars of the Future, Learning & Work Institute Awards, National Apprenticeship Awards and Sheffield City Region Apprenticeship Awards.

In addition, the Group has taken part in and supported research on education and skills development to promote learning and open skills development to more and more of our communities. In 2020/21, this included:

- Contributing to several of the Learning and Work Institute's research report called "Raising the Bar".
- Contributing to the research work of the All Parliamentary Policy Group for education and skills through collaboration with Policy Connect.

- Worked with Association of Colleges, CITB, BACH and the Construction Leadership Council (CLC) to progress proposals for supporting learners in FE Colleges into employment in construction.
- Commenced research with AELP on the benefits of level 2 occupations.
- Commenced research with Cross Construction Industry Apprenticeship Task Force (CCATF) on “Building the Operational Workforce for 2030”.
- Commenced research with IPPR on the apprenticeship levy.

Financial Review

The Group has seen a continued growth in income compared to the prior year albeit at a lower rate.

Our costs have increased mainly due to higher staffing levels to support our investment in the continued growth in the business offer to our customers and support functions. Following a period of tight cost and pay control in 20/21 following the impact of Covid. In addition, we have had to pay our EPA assessors more as a result of implementation of IR35 in 2021.

As a result, our operating surplus reduced to £1.8m in 2021/22 compared to £4.2m in 2020/21.

In 2021/22 NOCN paid the final instalment to CITB for the purchase of the Cskills Awards business. And will make the final payment for the CPCS business at the end of 2022.

One Awards de-merged from the Group operationally at the end of July 2022 having pre-announced its intention to go down this route and worked with the Group to facilitate a smooth return to being an independent organisation throughout the preceding year.

The Group had intended to establish an on-going contractual relationship after demerger, but One Awards did not feel this was appropriate. Subsequently, in September 2022 One Awards took the decision to close and appoint Liquidators to manage the closure in October 2022. The decision to close One Awards was a decision taken solely by its Board of Directors/Trustees. The NOCN Group Board had no prior knowledge of One Awards actions in this regard nor any involvement in One Awards’ decision-making process.

The Group’s provision of services and related activities will be unaffected by One Awards demise.

The Group had no exposure in the form of guarantees, financial or otherwise, provided in respect of One Award’s activities.

The Group has no ongoing/servicing trading arrangements with One Awards, albeit the Group was agreeable to extending trading relationships after One Awards had reverted to its independent status. However as mentioned above, One Awards chose not to enter into new contractual arrangements with the Group.

As a result of the gain on disposal of One Awards leaving the Group and the surplus generated in the year, the Group’s reserves have increased from £2.1m to £4.3m. The following table notes the operating (deficit)/surplus position.

£000s	2021/22	2020/21
Income	15,342	14,755
Operating costs	(13,583)	(10,602)
Operating surplus	1,759	4,153
Depreciation & Amortisation	(1,213)	(1,134)
OA pension servicing cost	(145)	(155)
One Awards Pension liability revaluation (loss)/gain in the year	2,409	831
Loss on disposal of One Awards for nil consideration	(602)	-
Other revaluations	-	42
Net incoming resources after other gains/(losses)	2,208	3,737

Going Concern

The Board has assessed the current and projected solvency of the Group looking forward over 12 months from the point of signing.

In assessing going concern of the Group at the date of this report we have reviewed our forecasts for 2022/23 and developed reasonable best and worst case income scenarios for 2022/23 taking into account the likely external economic environment and other external market factors.

As part of the going concern assessment we carried out sensitivity tests on our Statement of financial activities and cashflow projections looking forward to end of 2023/24 and have looked at how much income would need to drop over this period beyond our worst case income scenario assuming we take no action to reduce costs, such that we cannot meet all our liabilities as they fall due at any point. The assessment has taken into account the year to date performance in 2022/23 and latest P&L and cashflow projections as at the end of November 2022.

The Board has reviewed the assessment and considers that the Group and its subsidiaries remain a going concern and that the Group will continue to make sufficient surpluses in 2022/23 and 2023/24 to cover the Group's remaining purchase payments for CPCS as well as other liabilities as they fall due.

At 31 July 2022, and at the date of this report, the balance sheet and forward cash projections show that the Group can continue to meet its all its obligations as they fall due over at least the next 12 months.

In the event that the business is impacted by economic downturn or other external factors then the business will take prompt action to further reduce its cost base to ensure that it can still meet its obligations as they fall due.

Subsidiary going concern assessments

NOCN Job Cards also continues to borrow from NOCN to fund its activities given it is still building its reserves following deficits in previous years. The Board has considered NOCN Job Cards future projections of income and costs and considers that the business will remain a going concern and is expected to continue to generate a surplus in 2022/23 and in future years as a result of continued actions to ensure the CPCS card scheme meets the needs of employers and the new CITB grant scheme. The Group Board has agreed to continue to provide the intercompany loan to NOCN Job Cards in order to help allow it to pay the final payment for the purchase of CPCS from CITB. It is projected that the intercompany loan from NOCN will be paid down within 2-3 years.

One Awards demerger and subsequent insolvency

In line with our agreement with their Board, One Awards, a charitable subsidiary undertaking, was demerged from the Group in July 2022. As part of this process One Awards became a stand alone charity separate to the NOCN Group. In this corporate status the One Awards Board took the decision to put One Awards into administration in September 2022. The NOCN Trustees have identified no future losses or liabilities relating to that event that require recognition in the NOCN consolidated financial statements beyond those which have been prudently provided for and can be reasonably estimated.

Serious incident

In late July the organisation identified a potentially serious incident that they voluntarily disclosed to the Charity Commission. This event related to the potential loss of a limited set of data to a third party. The ICO and OfQual were also informed and consulted. Subsequently we have been able to confirm that no data of a personal nature was lost. There has been no statutory notice or further enquiries ongoing from the Charity Commission post the voluntary disclosure made. The Trustees are satisfied that whilst disappointing that the issue arose that there is no financial or operational exposure that would adversely impact the future plans of the Group.

Key Risks in the year

The key risks the Group has faced in 2021/22 have been:

- Cost inflation. We have seen staff and assessor pay cost pressures increase in the year in line with the increase in inflation generally.
- We continued to see an increased risk in respect of our ability to recruit staff in the latter part of the year to support the higher levels of activity. We continue to look to optimising our recruitment channels and our offer to ensure that we remain competitive in a difficult market.
- In the light of the CITB policy changes in respect of the testing grants, there was a risk that we would not be able to adapt. We have been working to adapt the CPCS scheme to be ready to meet these new requirements when they come in. This work is currently on track.
- External UK Government policy in respect of vocational qualification funding levels in future years for our products continues to provide some uncertainty. We are mitigating this through the continued diversification of our product offering.

Powers of Investment

The Trustees are authorised by the Memorandum of Association to invest monies not immediately required for the Charity's own purposes in such investments, securities or property as they deem fit subject to any conditions required by law.

Reserves Policy

The Group's reserves policy was reviewed and updated in 21/22. The aim of the policy is to keep the Group's balance sheet unrestricted reserves in the range of £4.4m and £9.2m. Equating to approximately 4 to 9 months of projected operating expenditure. And available cash within £1.5m and £2.5m. These unrestricted reserves, which are freely available for general use, are held to withstand any short-term financial risks and to support any net windup costs in the event of closure.

As at the end of July 2022, the Group was operating just outside the bottom of these ranges. The Group's reserve levels have increased in 21/22 to £4.3m (2021: £2.1m) following the exit of One Awards from the Group.

The Board approved a business plan and budget for 2022/23 which will further increase the reserve and available cash levels.

Future Plans

The Group's strategic objectives for the following three years are:

- Increasing the number of learners, apprentices, and SMART card holders we support to gain employment and develop their careers. To do this across all sections of our society.
- Building our customer base to secure growth and maintain existing customers.
- Providing excellent customer service and journey.
- Diversify products and services to upskill and reskill in the post pandemic economy.
- Build digitally efficient online operations.
- Strengthen financial position – rebuild reserves and invest in the business.
- Acting as one team, working flexibly to provide customers with an integrated streamlined offering across the whole of our product range.
- Maintain risk-based quality standards and regulatory compliance.

These objectives are driven by the context we operate in, our mission and values, the need to maintain our business in what may be a difficult policy and economic context for a number of years and the need to develop new ways of working.

Structure, Governance and Management

Governing Document and Structure

The organisation is a charitable company limited by guarantee incorporated on 18 August 1999. There were 8 members of the charity as at the end of 31 July 2022.

In July 2017 NOCN India Skills Foundation was incorporated in India as a subsidiary of NOCN and is included as part of these consolidated set of accounts.

One Awards joined the Group with effect from 1 August 2018 following a change in its articles which gave NOCN the right to appoint and terminate One Awards Board members. This right was relinquished by NOCN on 29th July 2022. As a result, One Awards is no longer consolidated into the Group as from that point.

NOCN Job Cards was incorporated as a company limited by guarantee on 22 October 2018 and was registered as a charity on 15 February 2019. NOCN Job Cards is consolidated within NOCN Group given its articles give NOCN the right to appoint or terminate members of the Board. NOCN is the sole member of NOCN Job Cards.

Appointment of Trustees

As set out in the revised Articles of Association, the Group seeks and recruits Trustees who are drawn from a wide range of backgrounds, including industry sectors where the Group works. As at the end of 31 July 2022 there were 8 Trustees in post at the Group's Board. The chairs of the Board and the sub-committees are appointed trustees. As at the 31 July 2022 there were 8 trustees in post at NOCN Job Cards Board. The Chair of the Board is an appointed trustee and Vice Chair of the NOCN Group Board. One Awards had 7 Trustees in post at 29 July 2022.

During 2021/22 there were 2 appointments to the Group's Board and 4 resignations.

Trustee posts are advertised. Applications are reviewed by the Board and where appropriate a shortlist established for interview. The Board makes the final appointment.

Trustee Induction and Training

When new Trustees join the Board, a formal briefing from the Chair and Group Chief Executive takes place and they receive an induction pack. Trustees receive formal training on their responsibilities, including their legal obligations.

Statement of Regulatory Compliance

All awarding organisations are required to submit their formal statement of compliance, under the General Conditions of Recognition, published by Ofqual. This is a key governance document, which NOCN submitted to the 3 regulators of qualifications in the UK in December 2022. NOCN recorded that it was compliant with the General Conditions of Recognition.

In November 2017 NOCN signed the Government's compliance document entitled Conditions for End-Point Assessment Organisations as it had entered the new education market for Trailblazer Apprenticeship Standards, which was launched by the Government in May 2017.

Compliance with the Charity Governance Code

The Trustees monitor the Group's compliance with the Charity Governance Code, which was last updated in December 2020. It has been assessed that the Group is compliant with the Code.

Organisational Structure

The Group's Board of Trustees meets at least quarterly with a full business agenda including a review of the Management Accounts and budget achievement for the Group and each of its subsidiaries. During the year the Group's Board was supported by two sub-committees: Group Audit & Risk Committee; and Regulation Committee and Enhancement Committee. Each sub-committee meets between 3 and 4 times in the year and reports its activities and recommendations, at the Board meeting immediately following their own meetings.

The Board of Trustees delegates the management of the Charity to the Group Chief Executive who undertakes these responsibilities through a Senior Leadership Team (SLT) which is comprised of the Group Chief Executive, Deputy Group Chief Executive and all the Executive Directors within the Group, and a Group Management Team which is made up of the SLT plus the Heads of Function of the Group entities.

Pay policy for senior staff

All Trustees give of their time freely and no director received remuneration in the year.

The pay of the Senior Leadership team is reviewed annually and normally increased in accordance with average earnings in line with the rest of the staff and market comparisons. Any changes to Senior Leadership staff salaries have to be approved by the Board of Trustees.

Details of the Trustees and Senior Leadership Team related party transactions are disclosed in the notes to the accounts.

Risk Management

The Group operates a risk management policy and strategy. The aims of the policy and strategy are to:

- consider best practice in designing a risk management framework;
- encourage well-managed taking of risk to deliver business objectives;
- provide staff with policies and procedures necessary to manage risk;
- embed risk management in the day-to-day conduct of business;
- identify and prioritise risk using the risk management technology;
- regularly monitor risk at Group Chief Executive and Director Level; and
- achieve continuous improvement in risk management.

During the year the Audit & Risk Committee has routinely considered the Strategic Risk Register and examined specific areas of risk at the request of the Board and has overseen a review of the register's format and risks. The Strategic Risks are also reported to the Board on a Quarterly basis. The Strategic Risk Register is also reviewed on a monthly basis by the SLT.

In addition, the Regulation and Enhancement Committee has regularly considered issues of risk relating to NOCN's status as a recognised and regulated awarding organisation, within the context of being compliant with the General Conditions of Recognition.

Trustees' responsibilities in relation to the financial statements

The Charity's Trustees (who are also the directors of NOCN for the purposes of company law) are responsible for preparing the trustees' annual report and financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the group and charity financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and the Group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.



Gareth Jones (Chair)

March 2023

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF NOCN

Opinion

We have audited the financial statements of NOCN (the 'parent Charitable Company') and its subsidiary undertakings (the 'Group') for the year ended 31 July 2022, which comprise the consolidated statement of financial activities, the consolidated and charity statement of financial position, the 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 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 parent Charitable Company and the Group's affairs as at 31 July 2022 and of its results 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 parent Charitable Company or Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The 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.

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 Trustees' Report, which includes the Directors' Report prepared for the purposes of Company Law, for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which is included in the 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 the knowledge and understanding of the parent Charitable Company and the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement on page 17, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 Trustees are responsible for assessing the parent Charitable Company and Group'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 parent Charitable Company or Group or to cease operations, or have no realistic alternative but to do so.

Auditors' 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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the industry;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the entity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the Company's members 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.



Simon Turner (Senior Statutory Auditor)
for and on behalf of
Armstrong Watson Audit Limited
Chartered Accountants
Northallerton

Date: 07/03/2023

Consolidated Statement of Financial Activities

Including the statement of comprehensive income

For the Year ended 31 July 2022

	Notes	2022 Unrestricted Funds £	2021 Unrestricted Funds £
Incoming resources			
Grants and Donations	1	102,892	55,582
Charitable activities	2	15,238,616	14,699,553
Total incoming resources		15,341,508	14,755,135
Resources expended			
Charitable activities	3,4	14,941,136	11,891,243
Total resources expended		14,941,136	11,891,243
Net movement in funds before other gains/(losses)			
	6	400,372	2,863,892
Other recognised gains/(losses)	22	1,807,203	873,076
Net movement in funds after other gains/(losses)	27	2,207,575	3,736,968
Total funds brought forward		2,133,410	(1,603,558)
Total funds carried forward	20	4,340,985	2,133,410

The notes on pages 26 to 46 form part of these financial statements.

The incoming resources and resources expended derive from continuing operations.

NOCN uses the exemption conferred by section 408 of the Companies Act 2006 in not preparing a separate income and expenditure account for NOCN as a separate company. The net surplus recorded by the parent company for the year was £123,931 (2021: net surplus £2,008,263)

Consolidated Statement of Financial Position

As at 31 July 2022

	Notes	2022 Unrestricted Funds £	2021 Unrestricted Funds £
Fixed assets			
Intangible assets	11	5,574,328	6,463,981
Tangible assets	12	249,666	279,522
Total fixed assets		5,823,994	6,743,503
Current assets			
Debtors	14	2,273,028	3,273,741
Stock	15	20,176	72,248
Cash at bank and in hand	26	1,343,673	1,980,279
Total current assets		3,636,877	5,326,268
Current liabilities			
Creditors: Amounts falling due within one year	16	(4,269,886)	(5,399,731)
Net current (liabilities)		(633,009)	(73,464)
Total assets less current liabilities		5,190,985	6,670,039
Creditors: Amounts falling due after more than one year	18	(850,000)	(1,927,629)
Net assets excluding defined benefit pension plan liability		4,340,985	4,742,410
Defined benefit pension plan liability	21	-	(2,609,000)
Net assets / (liabilities) including defined benefit pension plan liability		4,340,985	2,133,410
Represented by:			
General funds/(deficit)	20	4,340,985	2,133,410
Total funds		4,340,985	2,133,410

The notes on pages 26 to 46 form part of these financial statements.

All funds are unrestricted.

The financial statements were approved by the Board of Directors and authorised for issue on 2nd March 2023 and were signed on its behalf by:



Gareth Jones
Chair, NOCN Board of Trustees

Company Statement of Financial Position

As at 31 July 2022

	Notes	2022 Unrestricted Funds £	2021 Unrestricted Funds £
Fixed assets			
Intangible assets	11	3,395,720	3,874,305
Tangible assets	12	224,102	240,444
Investments	13	99	99
Total fixed assets		3,619,921	4,114,848
Current assets			
Debtors	14	3,349,706	3,454,044
Stock	15	16,692	18,189
Cash at bank and in hand		1,040,070	962,561
Total current assets		4,406,468	4,434,794
Current liabilities			
Creditors: Amounts falling due within one year	16	(3,287,842)	(3,635,026)
Net current assets / (liabilities)		1,118,626	799,768
Total assets less current liabilities		4,738,547	4,914,616
Creditors: Amounts falling due after more than one year	18	(850,000)	(1,150,000)
Total net assets		3,888,547	3,764,616
Represented by:			
General funds	20	3,888,547	3,764,616
Total funds		3,888,547	3,764,616

The notes on pages 26 to 46 form part of these financial statements.

All funds are unrestricted

The financial statements were approved by the Board of Directors and authorised for issue on 2nd March 2023 and were signed on its behalf by:



Gareth Jones
Chair, NOCN Board of Trustees

Consolidated Statement of Cash Flows

For the financial year ended 31 July 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash provided by operating activities	3,177,894	3,282,205
Cash flows from investing activities		
Purchase of intangible fixed assets	(305,515)	(218,413)
Fair Value Assessment of intangible assets	26,689	-
Payments made to CITB in respect of purchase of Cskills	(2,800,000)	(1,743,536)
Disposal of One Awards cash balance	(385,021)	-
Purchase of tangible fixed assets	(50,654)	(30,803)
Net cash used in investing activities	(3,514,500)	(1,992,752)
Cash flows from financing activities		
New bank loans	-	-
Repayment of Bank Loan	(300,000)	(50,000)
Net cash (used in)/generated from financing activities	(300,000)	(50,000)
Changes in cash and cash equivalents in the year	(636,606)	1,239,453
Cash and cash equivalents at the beginning of the year	1,980,279	740,826
Cash and cash equivalents at the end of the year	1,343,673	1,980,279
Reconciliation of net movement in funds before other gains/(losses) to net cash flow from / (used in) operating activities		
Net movement in funds in the period as per the statement of financial activities	400,372	2,863,892
Adjustments for:		
Depreciation and amortisation	1,206,559	1,133,510
Loss on Disposal of fixed assets	5,812	3,141
(Increase) / decrease in stock	52,072	(28,390)
(Increase) / decrease in debtors	1,000,714	(519,075)
(Decrease) / increase in creditors	892,526	(325,873)
One Awards' net surplus in 2021-2022	(525,161)	-
One Awards Defined Benefit Pension Fund – Service Cost	145,000	155,000
Net cash provided by operating activities	3,177,894	3,282,205

There is no change to the bottom line and the overall net current assets and assets position remains unchanged as a result of these restatements.

Notes to the Financial Statements

Accounting Policies

The following accounting policies have been applied consistently in dealing with items, which are considered material in relation to the Charity's financial statements.

Charitable company information

NOCN is a charitable company, limited by guarantee and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the 'Reference and Administrative Details of the Charity, its Trustees and Advisers' pages and the nature of the charitable company's operations and its principal activities are set out in the Trustees' report.

Basis of preparation

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) (effective 1 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. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

NOCN meets the definition of a public benefit entity under FRS 102.

Consolidation

The financial statements consolidate the financial statements of NOCN and all its subsidiary undertakings.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual Statement of Financial Activities.

Preparation of the accounts on a going concern basis

The Trustees have carried out a review of the Charity's financial performance and its reserves position and believe that the Group has adequate financial resources and is well placed to manage its business risks. The Group's business planning process, including financial projections, has taken into consideration the uncertainty within the current educational funding and qualification infrastructure and its potential impact on the sources of income and planned expenditure. In addition, sensitivity analysis and stress testing has been carried out on the Group's SOFA and cash projections. The Trustees have assessed that the organisation has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements based on these forecasts and analysis. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

In assessing going concern of the Group at the date of this report we have reviewed our forecasts for 2022/23 and developed reasonable best and worst case income scenarios for 2022/23 taking into account the likely external economic environment as a result of Covid as well as other external market factors.

As part of the going concern assessment we carried out sensitivity tests on our Statement of financial activities and cashflow projections looking forward to end of 2022/23 and have looked at how much income would need to drop over this period beyond our worst case income scenario assuming we take no action to reduce costs, such that we cannot meet all our liabilities as they fall due at any point.

The Board has reviewed the assessment and considers that the Group and its subsidiaries remain a going concern and that the Group will continue to make sufficient surpluses in 2022/23 and 2023/24 to cover the Group's remaining purchase payment for CPCS as well as other liabilities as they fall due.

At 31 July 2022, and at the date of this report, the balance sheet and forward cash projections show that the Group can continue to meet its all its obligations as they fall due over at least the next 12 months.

In the event that the business is impacted by a significant economic slowdown impacting on its income, then the business will take prompt action to further reduce its cost base to ensure that it can still meet its obligations as they fall due.

Accounting Policies (continued)

Liability of Members

The Charity is a company limited by guarantee. In the event of the Charity being wound up, the liability of the members is limited to a sum not exceeding £1.00, being the amount that each member undertakes to contribute to the assets of the Charity in the event of its being wound up while he, she or it is a member or within one year after he, she or it ceases to be a member, for:

- payment of the Group's debts and liabilities incurred before he, she or it ceases to be a member;
- payment of the costs, charges and expenses of winding up; and
- adjustment of the rights of the contributories among themselves.

Incoming Resources

Incoming resources primarily comprise: Learner Registration charges; Delivery Partner Annual Fees; online card and test assessment fees, delivery of a wide range of endorsed programmes and Apprenticeship End Point Assessment fees.

All income is recognised once the Group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The Group's income streams are recognised as follows:

- delivery Partner Fees are recognised in full in the year the service is provided;
- learner registration charges are recognised at the time of registration;
- replacement certificate income is recognised at point of request and in advance of release of certificate;
- examination fees are accounted for on receipt of completed examination papers. The income is recognised in the period the examination takes place; and
- apprenticeship End point assessment fees are recognised as follows: Initial up-front charge is recognised when the apprentice is registered with NOCN. The remaining charge is recognised at the point the assessment takes place.
- Card and associated test fees are recognised at the point of booking/processing.

Income is classed as unrestricted unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Foreign Currencies

Foreign currency transactions, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with gains or losses being taken to the Statement of Financial Activities.

Financial Instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Accounting Policies (continued)

Resources Expended

Resources expended are recognised on an accruals basis. Resources expended include attributable Value Added Tax which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Charitable expenditure comprises those costs incurred by the Group in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Group and include the audit fees and costs linked to the strategic management of the Group.

Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. The items in the financial statements where these judgements and estimates have been made include:

Tangible Fixed Assets and Depreciation

Tangible assets are included at cost less accumulated depreciation.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful economic lives, using the straight line method as follows:

Computer equipment	- rates varying from 20% to 33.3% per annum
Fixtures and fittings	- 10% per annum

All tangible fixed assets costing over £1,000 are capitalised on acquisition and are included in the balance sheet at cost. The estimated useful economic lives and depreciation method are reviewed at each year end.

Intangible Fixed Assets and Amortisation

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Purchased goodwill is recognised at the cost of acquisition based on the current expectation of the total amount of money that will be paid for the business being acquired less the on balance sheet assets purchased. The deferred contingent consideration figures for Cskills and CPCS acquisitions are based on estimates of future earnout payments which are discounted at 2% per annum. The discount rate being based on the current cost of capital, using CBILS loan rate as a proxy.

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.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

Software development costs	- 5 years
Goodwill	- 10 years

If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

Accounting Policies (continued)

If the net fair value of the identifiable assets and liabilities acquired exceeds the cost of a business combination, the excess up to the fair value of non-monetary assets acquired is recognised in the statement of financial activities in the periods in which the non-monetary assets are recovered. Any excess exceeding the fair value of non-monetary assets acquired is recognised in the statement of financial activities in the periods expected to be benefitted.

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 first in, first out basis. At each reporting date, inventories are assessed for impairment. If inventory 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 Statement of Financial Activities.

Annual Support Fee Provision

NOCN charges an annual centre support fee for which invoices in July are for the following financial year. The invoiced income is therefore normally deferred into the following year.

Taxation

As a registered Charity, NOCN is exempt from liability to corporation tax on income and gains falling within section 505 of the Taxes Act 1988 or S256 of the Taxation of Charitable Gains Act 1992 to the extent that these are applied to its charitable objects. No provision or charges for taxation have therefore arisen.

Pensions

For NOCN and NOCN Job Cards, the pension costs charged in the financial statements represent the contributions payable by the Charity during the year.

The One Awards charity operated a defined benefit pension scheme for the benefit of its employees. One Awards was a participating employer in the Teesside Pension Fund, a multi-employer Local Government Pension Scheme.

Current service costs, past service costs and gains and losses on settlements and curtailments are charged to appropriate resource expenditure categories in the Statement of Financial Activities.

The interest cost and the expected return on assets are shown as a net amount as other finance costs or income. Net pension finance costs are allocated to appropriate resources expended categories in the Statement of Financial Activities. Actuarial gains and losses are recognised immediately as other recognised gains and losses in the Statement of Financial Activities. Pension scheme assets are valued at fair value at the Statement of Financial Position date. Fair value is based on market price information and in the case of quoted securities is the published bid price.

The pension scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted to their present value using a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The pension scheme deficit is recognised in full on the Statement of Financial Position, net of related deferred tax.

A full actuarial evaluation is carried out by a professional actuary annually. In addition to the above, One Awards also offered its employees an alternative form of a NEST pension as set up by the UK Government.

Leased Assets

Operating lease costs are charged on a straight-line basis over the term of the lease.

Fund Accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets this criterion is charged to the fund, together with a fair allocation of management and support costs.

Unrestricted funds comprise those funds, which the Trustees are free to use in accordance with the objects of the Charity.

Designated funds are unrestricted funds, which have been allocated for specific purposes by the Trustees.

Notes To the Accounts

1. Incoming resources from government grants

	2022	2021
	£	£
Government Furlough Funds	102,892	55,582
Total	102,892	55,582

All incoming resources from grants and donations were unrestricted.

2. Incoming resources from charitable activities

	2022	2021
	£	£
Awarding Organisation and Endpoint Assessment	10,841,175	10,265,467
NOCN Job Cards (CPCS & CISRS)	3,625,577	3,753,768
One Awards	674,690	618,442
NOCN India Skills Foundation	97,174	61,876
Total	15,238,616	14,699,553

All incoming resources from charitable activities in 2021 and 2022 were unrestricted

3. Analysis of resource expended on charitable activities Summary by fund type

	Unrestricted Funds 2022	Total Funds 2022	Total Funds 2021
	£	£	£
Awarding organisation and end point assessment	10,253,073	10,253,073	7,436,599
Governance	275,470	275,470	179,426
NOCN Job Cards (CPCS & CISRS)	2,299,008	2,299,008	2,515,769
One Awards	801,721	801,721	572,583
NOCN India Skills Foundation	102,154	102,154	53,356
Depreciation & Amortisation	1,209,710	1,209,710	1,133,510
Total	14,941,136	14,941,136	11,891,243

All resources expended from charitable activities in 2022 and 2021 were unrestricted.

4. Total resources expended

	Activities undertaken directly £	Support costs £	2022 £
Awarding Organisation and Endpoint Assessment	8,138,268	2,114,805	10,253,073
Governance	-	275,470	275,470
NOCN Job Cards (CPCS & CISRS)	2,124,594	174,414	2,299,008
One Awards	480,359	321,362	801,721
NOCN India Skills Foundation	102,154	-	102,154
Group Amortisation & Depreciation	-	1,209,710	1,209,710
Total	10,845,375	4,095,761	14,941,136

	Activities undertaken directly £	Support costs £	2021 £
Awarding Organisation and Endpoint Assessment	6,573,421	863,178	7,436,599
Governance	-	179,426	179,426
NOCN Job Cards (CPCS & CISRS)	1,925,398	590,371	2,515,769
One Awards	322,000	250,583	572,583
NOCN India Skills Foundation	53,356	-	53,356
Group Amortisation & Depreciation	-	1,133,510	1,133,510
Total	8,874,175	3,017,068	11,891,243

Allocations have been made on the following basis:

- Governance costs are made up of the estimated time spent by the Senior Leadership Team on group governance plus other direct governance costs..

5. Governance

	2022 £	2021 £
Meeting costs	5,507	6,292
Expenses paid to trustees	-	205
Legal Costs	44,460	-
Internal audit fees	15,400	20,125
External audit fees	20,990	30,242
Management costs	189,113	122,562
Total	275,470	179,426

6. Net incoming resources

Net incoming resources for the year are arrived at after charging:

	2022	2021
	£	£
Depreciation	215,866	99,858
Amortisation	993,844	1,033,652
External audit fees	20,990	30,000
Operating lease in respect of buildings	327,779	346,635
Operating lease in respect of equipment and cars	21,505	59,955

7. Employee numbers and costs

	2022	2021
	£	£
Staff		
Wages and salaries	6,249,528	5,108,840
Social security costs	645,063	490,413
Pension costs	708,391	575,748
Total	7,602,982	6,175,001

The pension costs in 2022 includes £145,000 (2021: £155,000) related to the decrease in the defined benefits pension liability of One Awards (note 21).

The number of employees whose emoluments as defined for taxation purposes amount to £60,000 or more in the year was as follows:

	2022	2021
Staff	number	number
£60,000 to £69,999	-	3
£70,000 to £79,999	1	3
£80,000 to £89,999	-	1
£90,000 to £99,999	3	-
£100,000 to £109,999	2	-
£170,000 to £179,999	-	1
£180,000 to £189,999	-	-
£210,000 to £219,999	1	-

In respect of the above employees' employer pension contributions paid to a defined contribution pension scheme during the year were £61,350 (2021 £47,601).

7. Employee numbers and costs (continued)

Staff

The average number of staff analysed by function was:

	2022 Number	2021 Number
Charitable activities	119	119
Management and administration of the charity	40	36
Total	159	155

Contingent workers

The average number of Contingent Workers, calculated on a basis of number employed per month on average over the year, analysed by function was:

	2022 Number	2021 Number
Charitable activities	83	29
Management and administration of the charity	-	-
Total	83	29

In 2021, some contractors were provided with contingent worker contracts following the review of workers under the new IR35 regime that came into force in April 2021.

During the financial year the Group incurred no Organisational Change costs (2021 – £nil). This includes statutory redundancy pay, payment in lieu of notice and other miscellaneous costs. Group policy for organisational change is documented fully and is available on-line to all staff. The objective of the policy is to ensure that unavoidable redundancies are handled in a fair, consistent, timely and non-discriminatory way.

8. Trustee remuneration

	2022 £	2021 £
Travel and subsistence	-	-
Other	-	205
Total	-	205

	2022 number	2021 number
Travel and subsistence	-	2
Total	-	2

9. Auditor remuneration

	2022 £	2021 £
External audit of Group / Parent company	14,995	17,400
External audit of NOCN Job Cards (Subsidiary)	5,995	6,900
External audit of One Awards (Subsidiary)	-	5,700
External audit of NOCN India Skills Foundation (Subsidiary)	-	242
Other non-audit work carried out by auditor	-	4,500
Total	20,990	34,742

10. Net Income / Expenditure attributable to members of the parent company

The net surplus dealt with in the financial statements of the parent company was £123,931 (£2,008,569 net surplus in 2021). This is all unrestricted funds.

11. Intangible fixed assets

Group	Software Dev	Goodwill - Cskills	Software Dev	Goodwill – CPCS	Goodwill - One Awards	Total
Entity	NOCN £	NOCN £	NOCN Job Cards £	NOCN Job Cards £	Group £	£
Cost / valuation						
At beginning of year	374,805	6,013,099	204,980	3,316,348	183,183	10,092,415
Additions	256,282	8,690	40,543	-	-	305,515
Impairment	-	-	-	(26,689)	-	(26,689)
Disposal					(183,183)	(183,183)
At end of year	631,087	6,021,789	245,523	3,289,659	-	10,188,058
Amortisation						
At beginning of year	108,358	2,405,241	37,435	967,472	109,911	3,628,417
Charge for the year	93,864	649,693	44,152	307,515	36,636	1,131,860
Disposal					(146,547)	(146,547)
At end of year	202,222	3,054,934	81,587	1,274,987	-	4,613,730
Net book value at 31 July 2022	428,865	2,966,855	163,936	2,014,672	-	5,574,328
Net book value at 31 July 2021	266,447	3,607,85	167,535	2,348,869	73,272	6,463,981
Company						
			Software Dev £		Goodwill – Cskills £	Total £
Cost / valuation						
At beginning of year			374,805		6,013,099	6,387,904
Additions			256,282		8,690	264,972
At end of year			631,087		6,021,789	6,652,876
Amortisation						
At beginning of year			108,358		2,405,241	2,513,599
Charge for the year			93,864		649,693	743,557
At end of year			202,222		3,054,934	3,257,156
Net book value at 31 July 2022			428,865		2,966,855	3,395,720
Net book value at 31 July 2021			266,447		3,607,858	3,874,305

12. Tangible fixed assets

Group	Computer equipment £	Fixtures and fittings £	Total £
Cost			
At beginning of year	343,737	383,334	727,071
Additions	46,082	4,572	50,654
Disposals	(84,372)	(395)	(84,767)
At end of year	305,447	387,511	692,958
Depreciation			
At beginning of year	288,443	159,105	447,548
Charge for the year	35,913	38,786	74,699
Disposals	(78,946)	(9)	(78,955)
At end of year	245,410	197,882	443,292
Net book value at 31 July 2022	60,037	189,629	249,666
Net book value at 31 July 2021	55,294	224,229	279,523
Company			
Company	Computer equipment £	Fixtures and fittings £	Total £
Cost			
At beginning of year	296,659	350,896	647,555
Additions	46,082	4,572	50,654
Disposals	(59,640)		(59,640)
At end of year	283,101	355,468	638,569
Depreciation			
At beginning of year	253,981	153,130	407,111
Charge for the year	30,678	35,582	66,260
Disposals	(58,904)		(58,904)
At end of year	225,755	188,712	414,467
Net book value at 31 July 2022	57,346	166,756	224,102
Net book value at 31 July 2021	42,678	197,766	240,444

13. Fixed asset investment

Company	2022 £	2021 £
Cost		
At beginning of year	99	99
Additions	-	-
At end of year	99	99

On 16 June 2017 NOCN acquired 99% of the share capital of NOCN India Skills Foundation for a consideration of £99.

Subsidiary Undertakings

The following were subsidiary undertakings of NOCN:

Name	Country of Incorporation	Class of Shares	Holding
NOCN India Skills Foundation	India	Ordinary	99%
NOCN Job Cards	UK	N/A	Majority Voting Rights Control
One Awards	UK	N/A	Majority Voting Rights Control

Note on NOCN India Skills Foundation: The aggregate of the share capital and reserves as at 31 July 2022 and of the profit or loss for the year ended on that date for this subsidiary undertaking were as follows:

	Aggregate of share capital and reserves £	Profit/(Loss) £
NOCN India Skills Foundation	15,720	(4,980)

The registered office of the above subsidiary undertakings is House No. M-27, M- Block Market, Greater Kailash-I, New Delhi, South Delhi, Delhi.

14. Debtors

Group	2022 £	2021 £
Trade debtors	1,867,390	2,988,161
Prepayments and accrued income	405,638	285,580
Total	2,273,028	3,273,741

Company	2022 £	2021 £
Trade debtors	1,454,820	1,982,543
Prepayments and accrued income	260,488	223,055
Intercompany debtors	1,634,398	1,248,446
Total	3,349,706	3,454,044

The intercompany debtors are interest free and repayable on demand. NOCN has committed to continue the intercompany loan to NOCN Job Cards for the foreseeable future and at least for the next 12 months.

15. Stock

Group	2022	2021
	£	£
At beginning of year	72,248	43,858
Purchased in the year	503,451	578,305
Charged in the year	(555,523)	(549,915)
At end of year	20,176	72,248

Company	2022	2021
	£	£
At beginning of year	18,189	10,935
Purchased in the year	376,639	377,010
Charged in the year	(378,136)	(369,756)
At end of year	16,692	18,189

16. Creditors - amounts falling due within one year

Group	2022	2021
	£	£
Trade creditors	369,299	443,510
Accruals	475,094	787,528
Deferred income - note 17	746,947	549,459
Taxes and social security	646,105	539,109
Coronavirus Business Interruption Loan (CBILS)	300,000	300,000
Other creditors	1,732,441	2,780,125
Total	4,269,886	5,399,731

Company	2022	2021
	£	£
Trade creditors	246,923	362,116
Accruals	408,338	569,230
Deferred income - note 17	746,947	423,809
Intercompany creditors	-	7,707
Taxes and social security	603,388	482,024
Coronavirus Business Interruption Loan (CBILS) Loan	300,000	300,000
Other creditors	982,246	1,490,140
Total	3,287,842	3,635,026

17. Deferred income

Group	2022	2021
	£	£
At beginning of year	549,459	592,246
Released in the year	(549,459)	(592,246)
Added in the year	746,947	549,459
At end of year	746,947	549,459

Company	2022	2021
	£	£
At beginning of year	423,809	592,246
Released in the year	(423,809)	(592,246)
Added in the year	746,947	423,809
At end of year	746,947	423,809

Annual fees, centre fees and similar charges that are invoiced in advance are deferred to correspond with the period of service provided.

18. Creditors - amounts falling due after more than one year

Group	2022	2021
	£	£
Coronavirus Business Interruption Loan (CBILS)	850,000	1,150,000
Other creditors	-	777,629
Total	850,000	1,927,629

Company	2022	2021
	£	£
Coronavirus Business Interruption Loan (CBILS)	850,000	1,150,000
Other creditors	-	-
Total	850,000	1,150,000

The Company's other creditor relates wholly to the deferred consideration for the business combination of Cskills Awards by NOCN and the Group's other creditor also includes the deferred consideration for the business combination of CPCS by NOCN Job Cards.

The CBILS loan incurs interest at 1.88% over base rate and is repayable in equal monthly instalments over 72 months, commencing May 2021.

19. Analysis of net assets between funds

Group	2022	2021
	Unrestricted Funds £	Unrestricted Funds £
Intangible fixed assets	5,574,328	6,463,981
Tangible fixed assets	249,666	279,522
Current assets	3,636,877	5,326,267
Current liabilities due in less than one year	(4,269,886)	(5,399,731)
Liabilities due after more than one year	(850,000)	(1,927,629)
Net assets excluding defined benefit pension plan liability	4,340,985	4,742,410
Defined pension plan liability	-	(2,609,000)
Net assets / (liabilities) including defined benefit pension plan liability	4,340,985	2,133,410

Company	2022	2021
	Unrestricted Funds £	Unrestricted Funds £
Intangible fixed assets	3,395,720	3,874,305
Tangible fixed assets	224,102	240,444
Investments	99	99
Current assets	4,406,468	4,434,793
Current liabilities due in less than one year	(3,287,842)	(3,635,026)
Liabilities due after more than one year	(850,000)	(1,150,000)
Net assets	3,888,547	3,764,615

20. Statement of funds

Group	At 31 July 2021	Incoming resources	Outgoing resources	Gains	At 31 July 2022
		£	£		
General funds	2,133,410	15,341,508	(14,941,136)	1,807,203	4,340,985
Total unrestricted funds	2,133,410	15,341,508	(14,941,136)	1,807,203	4,340,985

Company	At 31 July 2021	Incoming resources	Outgoing resources	Gains	At 31 July 2022
		£	£		
General funds	3,764,616	10,944,068	(10,820,137)	-	3,888,547
Total unrestricted funds	3,764,616	10,944,068	(10,820,137)	-	3,888,547

21. Pension commitments

One Awards ("The Charity") operated a defined benefit pension scheme. The pension liability in respect of this scheme is ringfenced on One Awards balance sheet and NOCN is not liable to fund this liability.

Permanent employees of this organisation participated in the Teesside Pension Fund (part of the Local Government Pension Scheme). This is a defined benefit statutory scheme. The fund is administered by Middlesbrough Borough Council in accordance with the Local Government Pension Scheme Regulations 2007-08. The following disclosures are in accordance with the applicable Financial Reporting Standards.

The most recent comprehensive actuarial valuation was at 31 March 2019.

With One Awards no longer being consolidated within the Group from 29 July 2022, the pension liability is no longer included in the Consolidated Group Statement of Financial Position as at the end of July 2022.

The net pension liability at the date of disposal are included within the One Awards disposal figure disclosed in note 22.

Principal actuarial assumptions at the Statement of Financial Position date (expressed as weighted averages):

	At 31 July 2022	At 31 July 2021
	%	%
Discount rate	3.50	1.7
Future salary increases	2.75	2.6
Future pension increases	2.75	2.6
Inflation assumption	2.75	2.6
Revaluation rate	2.75	2.6

	At 31 July 2022	At 31 July 2021
	Years	Years
Mortality rates (in years)		
- for a male aged 65 now	21.7	21.9
- at 65 for a male aged 45 now	22.9	23.3
- for a female aged 65 now	23.5	23.6
- at 65 for a female aged 45 now	25.3	25.4

The One Award's share of the assets in the scheme was:

	At 31 July 2022	At 31 July 2021
	£	£
Present value of defined benefit obligations	(5,207,000)	(7,107,000)
Fair value of plan assets	4,967,000	4,498,000
Net pension liability*	(240,000)	(2,609,000)

The actual return on scheme assets was £305,000 (2021 - £779,000 gain).

21. Pension commitments (continued)

The amounts recognised in the Statement of Financial Activities are as follows:

	2022	2021
	£	£
Current service cost	235,000	213,000
Net interest expense	45,000	45,000
Remeasurements: actuarial (gains) / losses	(2,514,000)	(831,000)
Total amount recognised in the Statement of Financial Activities	(2,234,000)	(573,000)

Movements in the present value of the defined benefit obligation were as follows:

	2022	2021
	£	£
Opening defined benefit obligation	(7,107,000)	(6,952,000)
Current service cost	(235,000)	(213,000)
Interest expense	(122,000)	(97,000)
Contributions by scheme participants	(35,000)	(31,000)
Actuarial gains / (losses)	2,209,000	104,000
Net benefits paid out	83,000	82,000
Closing defined benefit obligation*	(5,207,000)	(7,107,000)

Movements in the fair value of the One Award's share of scheme assets were as follows:

	2022	2021
	£	£
Opening fair value of scheme assets	4,498,000	3,667,000
Interest income	77,000	52,000
Actuarial gains / (losses)	305,000	727,000
Contributions by employer	135,000	103,000
Contributions by scheme participants	35,000	31,000
Net benefits paid out	(83,000)	(82,000)
Fair value of plan assets*	4,967,000	4,498,000

*With One Awards no longer being consolidated within the Group from 29 July 2022, the pension liability is no longer included in the Consolidated Group Statement of Financial Position as at the end of July 2022.

22. Other recognised gains/(losses)

	2022	2021
	£	£
Cskills acquisition fair value adjustment gain	-	-
CPCS acquisition fair value adjustment gain / (loss)	-	42,076
One Awards Disposal	(706,797)	-
One Awards defined benefit liability revaluation	2,514,000	831,000
Total	1,807,203	873,076

23. Financial commitments

At 31 July 2022, the Group had commitments under non-cancellable operating leases as follows:

Group	2022	2021
	£	£
Buildings:		
Within one year	367,723	243,769
Between two and five years	259,030	283,713
Equipment:		
Within one year	16,199	28,354
Between two and five years	10,486	720

At 31 July 2022, the Company had commitments under non-cancellable operating leases as follows:

Company	2022	2021
	£	£
Buildings:		
Within one year	327,518	243,769
Between two and five years	135,065	283,713
Equipment:		
Within one year	9,619	28,354
Between two and five years	5,291	720

24. Cash flows from investing activities

Purchase of tangible fixed assets:

During the year the Group acquired tangible fixed assets with the aggregate cost £50,654 (2021 - £30,803). Cash payments were made totalling £50,654 (2021 - £30,803) to purchase the equipment.

Purchase of intangible fixed assets:

During the year the Group acquired intangible fixed assets with the aggregate cost £305,515 (2021 - £218,413). Cash payments totalling £305,515 (2021 - £218,413) was paid in the year for the software developed.

Payments made in respect of purchase of Cskills and CPCS:

Cash payments were made totalling £1,500,000 (2021: £1,743,536) towards settling the Cskills purchase liability with CITB.

Cash payments were made totalling £1,300,000 (2021: £nil) towards settling the CPCS purchase liability with CITB.

25. Related Party Transactions

	2022 Income (£)	2022 Purchases (£)	2022 Amount due from at year end (£)
OCN Northern Ireland ¹	34,437	-	-
British Ass'n Construction Heads ²	-	3,900	-
Northern College ³	1,140	-	-
Credit Services Ass'n ⁴	435	-	150
TUC	18,743	-	-
Sheffield College ⁵	168,329	-	9,438
Barnsley College ⁶	51,186	-	78
Maggie Hasting-Evans ⁷	-	200	-
Laing O'Rourke Civil Eng Ltd ⁸	598	-	28
BAM Nuttall ⁹	38,406	-	2,477
Access Training East Midlands Ltd ¹⁰	15,710	-	980
P Flannery ¹¹	5,050	-	532
Construction Plant Hire Association ¹²	-	3,300	900
Construction Industry Scaffolders Record Scheme ¹³	-	315,744	25,188
ITS Group ¹⁴	4,741	-	-1,110
Learning at Work Institute ¹⁵	-	-	-
Leeds College of Building ¹⁶	3,155	-	-
	2021 Income (£)	2021 Purchases (£)	2021 Amount due from at year end (£)
OCN Northern Ireland ¹	38,063	-	1,813
British Ass'n Construction Heads ²	-	295	-
Northern College ³	2,029	-	837
Credit Services Ass'n ⁴	42	-	-
TUC	18,743	-	-
Sheffield College ⁵	184,284	-	-
Barnsley College ⁶	66,686	-	15,848
Maggie Hasting-Evans ⁷	-	485	-
Laing O'Rourke Civil Eng Ltd ⁸	364	-	589
BAM Nuttall ⁹	14,075	-	4,302
Access Training East Midlands Ltd ¹⁰	13,909	-	13,709
P Flannery ¹¹	6,038	-	1,401
Construction Plant Hire Association ¹²	-	240	-
Construction Industry Scaffolders Record Scheme ¹³	-	178,591	-
ITS Group ¹⁴	955	-	955
Learning at Work Institute ¹⁵	-	38,000	-
Leeds College of Building ¹⁶	3,823	-	-

¹ Transactions with OCN Northern Ireland consist of annual Licence fee income and occasional purchases, OCN Northern Ireland was a member of the Charity during the year.

² Transactions with BACH represent membership body fees. Graham Hasting-Evans is President of BACH.

³ Transactions with Northern College represent learner registration and certification income. Seb Schmoller is a Governor at Northern College. (Resigned October 21).

⁴ Transactions with Credit Services Association – Fiona Macaskill is the Head of Learning and Development at the CSA.

⁵ Transactions with Sheffield College represent learner registration and certification income. Seb Schmoller was Chair of Sheffield College. (Resigned October 21).

⁶ Transactions with Barnsley College represent learner registration and certification income. Kay Dickinson is a Trustee of Barnsley College.

⁷ Maggie Hasting-Evans - Flight costs paid for by NOCN in lieu of fee paid in respect of work carried out on behalf of NOCN Group by Maggie in Greece and India.

⁸ Transactions with Laing O'Rourke Civil Engineering Ltd relate to the issue of Job cards. Alison Duckles (nee Lamplough) was an employee of Laing O'Rourke Civil Engineering Ltd until December 2021.

⁹ Transactions with BAM Nuttall represent learner registration, certification fees and CPCS cards. Timothy Brownbridge is an Academy Manager at BAM Nuttall.

¹⁰ Transactions with Access Training represent learner registration and certification fees. Corrina Hembury is a Managing Director at Access Training.

¹¹ Transactions with P Flannery relate to the issue of Job cards. Paul Allman is a Director at P Flannery Ltd.

¹² Transactions with Construction Plant-hire Association (CPA) relate to the 'Plant Technician of the Year' sponsorship at Stars of the Future 2021. Kevin Minton is the Chief Executive at Construction Plant-hire Association.

¹³ Transactions with Construction Industry Scaffolders Record Scheme (CISRS) relate to the sales commission on the issuing of CISRS cards. David Mosley is a Director at CISRS.

¹⁴ Transactions with ITS Group represent learner registration and certification income. ITS Group is a trading subsidiary of Barnsley College. Kay Dickinson is a Trustee of Barnsley College.

¹⁵ Transactions with Learning at Work Institute represent sponsorship of the Festival of Learning awards and the lifelong learning work. Stephen Evans is the Chief Executive of LWI and LWI is a member of the Charity.

¹⁶ Transactions with Leeds College of Building represent learner registration and certification income. Nicola Davis is the Principal and CEO at Leeds College of Building.

26. Analysis of cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise the following:

	2022	2021
	£	£
Cash at bank	1,343,670	1,980,199
Cash in hand	3	80
Total	1,343,673	1,980,279

27. Operating surplus/(deficit) to Net movement in funds after other gains/(losses) reconciliation

A reconciliation of the operating surplus/(deficit) to the Net movement in funds after other gains/ (losses) in the Statement of Financial Activity is as follows:

	2022	2021
	£	£
Operating surplus / (deficit)	1,610,082	4,152,402
Depreciation & Amortisation	(1,209,710)	(1,133,510)
Net Movement in One Awards' Defined Pension Liability	-	676,000
Other revaluations	1,807,203	42,076
Net movement in funds after other gains / (losses)	2,207,575	3,736,968

28. Analysis of Net Debt

Group

	At 1 August 2021 £	Movement in year £	At 31 July 2022 £
Cash at bank and in hand	1,980,279	(636,606)	1,343,673
Bank Loan (Less than 12 months)	(300,000)	-	(300,000)
Bank Loan (More than 12 months)	(1,150,000)	300,000	(850,000)
	<u>530,279</u>	<u>(336,606)</u>	<u>193,673</u>

Company

	At 1 August 2021 £	Movement in year £	At 31 July 2022 £
Cash at bank and in hand	962,561	77,509	1,040,070
Bank Loan (Less than 12 months)	(300,000)	-	(300,000)
Bank Loan (More than 12 months)	(1,150,000)	300,000	(850,000)
	<u>(487,439)</u>	<u>377,509</u>	<u>(109,930)</u>

29. Impact of One Awards on the Prior Year Group Financials

	2021 £
Incoming Resources	623,789
Resources Expended	(603,725)
Other/Recognised Gains/(Losses)	831,000
Net movement in funds after other gains/(losses)	<u>851,065</u>
Tangible Assets	5,076
Intangible Assets	73,271
Current Assets	1,054,976
Current Liabilities	(254,581)
Defined Pension Plan Liability	(2,609,000)
Total Funds/(Deficit)	<u>(1,803,529)</u>

30. Business Disposal

On 29 July 2022, the group disposed of its interest in One Awards. No proceeds were received as part of the disposal.

The charitable subsidiary was disposed of as a result of NOCN relinquishing its right to appoint and dismiss the Board of One Awards with effect from that point.

The effect of the disposal on the next assets of the Group was as follows:

	2022 £
Effect of disposal of subsidiary	
Tangible fixed assets	2,345
Intangible goodwill	36,636
Cash at bank	171,310
Debtors	930,298
Creditors	(433,792)
Net assets disposed	<u>706,797</u>

NOCN

England & Wales - Charity number 1079785

Accounts



NOCN

(A Company limited by guarantee)

Trustees' Report and Consolidated Financial Statements
31 July 2021

Registered Charity No. 1079785
Company Registration No. 03829217



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Reference and Administrative Details of the Charity, its Trustees and Advisers for the Year Ended 31 July 2021

Directors and Trustees

The trustees of NOCN, who were also directors, serving during the year and since the year-end are as follows:

NOCN Trustees' and Directors:

Chair	David Gareth Jones
Vice Chair	Alison Duckles CBE (nee Lamplough)**
Trustees	Seb Schmoller (Retired 25 October 2021)
	John Fuller
	Kay Dickinson* (Reappointed 10 December 2020)
	Peter Wallwork* (Reappointed 23 September 2021)
	Anthony Saunders (Resigned 28 February 2021)
	Leckraz Boyjoonauth
	Kam Penglin (Resigned 25 November 2020)
	Corrina Hembury (Reappointed 10 December 2020)
	Michael Mason (Resigned 27 November 2020)
	Michelle Elliott *
	Adrian Toomey (Appointed 25 February 2021)
	Fiona Macaskill (Appointed 23 September 2021)
	Lucy Hunte (Appointed 11 January 2022)

Secretary Sarah Standeven

**Trustees are also current or past trustees of One Awards*

*** Trustee is also a trustee and Chair of NOCN Job Cards*

One Awards Trustees' and Directors:

Chair	David Balme
Trustees	Leslie Woodward
	Andrew McHale
	Jane Oswald
	Sheila McQueen (Resigned 9 December 2020)
	Michelle Elliott
	Kay Dickinson (Resigned 2 March 2021)
	John Rees
	Peter Wallwork (Appointed 2 March 2021)
	Doug Balderston (Appointed 12 March 2021)

Secretary Dawn Rush

NOCN Job Cards Trustees' and Directors

Chair	Alison Duckles CBE (nee Lamplough)
Trustees	Graham Hasting-Evans
	Simon Renny (Resigned 2 November 2020)
	Kevin Minton
	Trevor Gamble
	David Mosley

Reference and Administrative Details of the Charity, its Trustees and Advisers for the Year Ended 31 July 2021 (continued)

NOCN Job Cards Trustees' and Directors (continued)

Paul Allman	(Appointed 2 November 2020)
Tim Brownbridge	(Appointed 2 November 2020)
Carl Hassell	(Appointed 14 May 2021)

NOCN India Skills Foundation Directors:

Director	Graham Hasting-Evans
	Dr Sunil Abrol

Key Management Personnel - NOCN Group Senior Leadership Team in 2020/21:

Chief Executive Officer Graham Hasting-Evans
Group Executive Director (Finance & Governance & Deputy CEO) Simon Renny
Group Executive Director of Customer Services & Operations Stephanie Birch
(Resigned 13 November 2020)
Group Director (Awarding Organisation) Mark Buckton (Resigned 31 March 2022)
Group Director (One Awards, International & Culture) Fabienne Bailey
Group Director (Apprenticeships) Thomas Burton
Group Director (Business Development) Louise Allen
Group Director (Job Cards) Carl Hassell
Group Director (Digital Delivery and Improvement) Gareth Cutts (Appointed 1 May 2021)

Reference and administrative details

Charity Number:	NOCN:	1079785
	One Awards:	1087530
	Job Cards:	1182053

Company number:	NOCN:	03829217
	One Awards:	04042215
	Job Cards:	11634699

NOCN Registered office: Acero Building, 1 Concourse Way, Sheaf Street, Sheffield, S1 2BJ.

Our Advisers

Bank	National Westminster Bank Plc (NOCN & NOCN Job Cards)	7 Market Place, Derby, DE1 9DS
	Yorkshire Bank (One Awards)	7 Linthorpe Road Middlesbrough TS1 1RF
Solicitors	Andrew Holland Law Limited	Suite 2, The Bakery Millennium Business Park Steeton, Keighley West Yorkshire, BD20 6RB
Auditors	BDO LLP	Central Square 29 Wellington Street Leeds, LS1 4DL

Trustees' Report for the year ending 31 July 2021

The Trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiaries for the year ending 31 July 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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).

Chair's report

The start of the 2020/21 financial year saw the Group continuing to navigate the disruption to our working practices due to COVID-19. The impact to learning continued throughout the year. However, our operations and staff across the Group continued to adapt to the changing landscape to continue to support our centres; whilst protecting learners and beneficiaries, resulting in the Group becoming stronger.

This strengthening can be seen in the accounts presented here. The Group has seen a very significant turnaround in performance in 2020/21 compared to 2019/20, achieving a £4.2m operating surplus in 2020/21 compared to a £0.3m operating loss in the previous year. Managing to grow income whilst also cutting costs and still investing in the business has allowed the Group's balance sheet reserves to fully recover for the losses in the previous year.

In terms of impact on our Charitable beneficiaries, our Awarding Organisation saw a growth in the number of beneficiaries supported in 2020/21 compared to 2019/20 in terms of number of certifications achieved, whilst the number of Apprentice assessments in year has almost quadrupled and One Awards saw a growth in Access to Higher Education registrations.

The number of active CPCS and CISRS Cards held has also seen an increase. CPCS business operations were significantly impacted by the systems transfer prior to the pandemic. However, operations and systems have been updated and streamlined to provide an improved service for centres, employers, and cardholders. Our legal claim against CITB has been successfully settled and we continue to have a strong working relationship with CITB across all group construction products and services.

In addition to the updates seen across CPCS, we have also invested in system and operating improvements across the Group. Our digital offer now includes remote invigilation, vLearn (virtual learning environment), online testing and online courses for SiteRight and we have launched our online EPA system, Rubric, with our EPA customers.

The NOCN Group Board has been considering next steps for the long-term structure of NOCN and One Awards and has decided (recognising the improved financial position of both organisations) that One Awards will once again become an independent organisation. During 2021/22 One Awards will de-merge from the group and both boards are working towards a new partnership agreement.

As an organisation our history is rooted in upskilling industrial Britain during a period of intense economic uncertainty across the UK. Our ability to influence, care and specialise to help learners, apprentices and cardholders as well as employer organisations to thrive, continues to be paramount for our growth post-pandemic. The Group has an opportunity to emerge from the COVID-19 crisis as strong leaders in the skills landscape, both in the UK and overseas by upskilling, reskilling, and training workers in the skills for today and tomorrow.

As the Chair of Trustees, I am immensely proud of the resilience, dedication, and commitment of every employee through these challenging and uncertain times. I am extremely confident that despite these challenges, the Group will continue to improve and expand and support future generations of learners. I would like to take this opportunity to thank the Group's centres, staff, and the Trustees for all their hard work and support in 2020/21.



Gareth Jones – Chair of Trustees, NOCN Group
29 April 2022

Our Purpose, Objectives and Activities

The Purpose of the Charity

The purpose and mission statement of NOCN Group is to support learners and apprentices to achieve success in life and work and to support communities and organisations to develop and prosper, through regulated qualifications, apprenticeship assessments, skills accreditation, assessment support, access to higher education, competency cards, consultancy advice and training.

The Objectives of the Charity

The Objectives of the Charity are:

“The advancement of the education of the public in one or more of the following ways:

- *by promoting and widening participation in education and training, including for those people who have previously been excluded from educational opportunities;*
- *by improving the quality and flexibility of education provision for the public benefit, including for those people who have previously been excluded from educational opportunities; and*
- *by improving access to learning opportunities and facilitating progression to further learning, employment and higher education, particularly through the award of credits and credit based competency qualifications.”*

NOCN works to deliver these objectives through its key Group functions as follows:

- NOCN Education and Skills policy research – through NOCN’s work in contributing to government vocational education and skills policy reviews and other research papers it has delivered in conjunction with partners with the aim of improving the quality of the vocational education system.
- NOCN Awarding Organisation - through its work in developing and promoting vocational qualifications that meet the needs of employers and help learners progress in employment or learning.
- Apprenticeship End Point Assessment - through its work in providing a high quality, compliant apprenticeship assessment service to employers employing apprentices.
- NOCN Job Cards - through its work in assessing the competence of workers to operate construction plant on construction sites and operating the scaffolding card scheme on behalf of CISRS, as well as other competency-based card schemes it may operate in the future.
- One Awards – through its work in being a leading Access provider, supporting learners who otherwise might have been excluded from securing a route into Higher Education, and the delivery of bespoke, endorsed programmes and specialist training.
- International – though the provision of consultancy to improve apprenticeship systems in other countries as well as the provision of ESOL and other qualifications to countries that are keen to utilise UK qualifications.

Public Benefit

Our Trustees have complied with their duty in accordance with the UK Charities Act 2011 to follow the Charity Commission's guidance on the operation of this public benefit.

NOCN provides a public benefit to advance education and training for the general public through:

- the development and maintenance of credit based or component-based competency qualifications and units as well as short course learners awards in the UK and internationally;
- its continued work as a leading accredited End Point Assessment Organisation for apprenticeships;
- the operation of the Construction Plant Competency Scheme (CPCS) which ensures that Construction Plant Operators have the right qualifications and experience to operate different classes of plant machinery on construction sites. In addition, it operates the CISRS scaffolding card scheme which NOCN Job Cards operates on behalf of CISRS; and
- the delivery of Access to HE qualifications, bespoke accreditation, and training delivery provision through One Awards.

Within the requirements of the individual qualification standards, NOCN qualifications are open to all members of the public. NOCN is committed to equality, diversity and inclusion and holds the status of a 'Leader in Diversity' by the National Diversity Centre.

The Charity continues to demonstrate its objective of widening participation in education, working with groups and communities that have traditionally not benefited from traditional or formal educational opportunities, for example learners working at lower educational levels; learners with disabilities (SEND); learners with few formal qualifications; learners based in offender institutions; younger learners who are not in employment or training; the unemployed and people working in industries that have not traditionally valued formal qualifications.

Key Achievements, Activities & Performance in the year

The Charity is able to demonstrate progress against its key objectives, and key achievements can be summarised as follows across the following divisions of NOCN Group:

NOCN Awarding Organisation

Consistent with the general qualification market conditions, the NOCN Awarding Organisation saw a broadly consistent level of qualification registration activity in 2020/21 compared to 2019/20.

In terms of the number of learners supported by our qualification certificates in the UK and Internationally, for the 12 months to the end of July 2021 there were 108k awards to learners made in 2020/21 compared with 106k in 2019/20, a 2% increase.

Based on qualification achievements per Ofqual criteria, NOCN was 11th Awarding Organisation (AO) in England as per the Ofqual published league tables for the period to the end of June 2021, and continues to be ranked second in the Construction sector. NOCN has continued to comply through the year as a Regulated Awarding Organisation with Ofqual, CCEA and Qualification Wales regulations and has maintained a strong quality assurance record.

With the continued impact of Covid, NOCN, along with other AO's, was required by Ofqual in the summer to award against Teacher Assessed Grades for Vocational & Technical Qualifications (VTQs). NOCN processed only 2,661 learner assessments under Ofqual's Extraordinary Regulatory Framework for the summer assessment window demonstrating how our work to support Providers through Covid to deliver normally using our adaptations had been very successful.

During the year NOCN have worked closely with Centres to ensure maximum learning and assessments took place as far as possible during the ongoing pandemic. This required us to alter our policies in line with Ofqual's direction and to keep a close ongoing dialogue with our centres throughout to ensure quality was maintained but that learners were not disadvantaged by the situation.

We have also developed our offering into the important area of green skills which will be required by all employees to address the challenges created by climate change.

Part of this effort was a substantial improvement in our digital capability. We completed the move of our construction, green skills and Functional Skills English and Maths assessments onto a digital platform. We provided a range of options for conducting Remote Invigilation to suite the individual products and the Centres and Learners needs.

NOCN has continued its diversification strategy. We have developed the Transport Manager Certificate of Professional Competency which signals our return to the Logistics Sector. We are increasingly delivering qualifications internationally and have enjoyed significant success in our non-Regulated short course offering in construction, SiteRight. This has seen SiteRight registrations increase significantly during the year. This product requires the support of Employers, Manufacturers and Federations and symbolises how close NOCN has grown to the Construction Sector.

NOCN has continued to support learners by developing the range of qualifications and support materials it can offer such as the new essential digital skills qualifications including the development of an online marking platform to assist centres. A lot of effort has been put into developing digital teaching and learning materials this year to be hosted on our new platform vLearn. 131 new qualifications have been developed (2020 – 48) bringing our total to 541 on the Ofqual Register. There have been 73 (2020 – 55) withdrawn. We have also developed 10 new SiteRight courses with materials taking this portfolio up to 19 courses. This year's work includes providing support to the Department of Education in their development of Construction Bootcamps which we have supported CITB with and developed some trades alone e.g. Steel-fixer.

In 2020/21 NOCN extended the provision of its qualifications to 86 new training providers (2019/20: 105).

NOCN Apprenticeships

NOCN's support to apprentices through its apprenticeship end point assessment operations has continued to grow and at the end of July was approved to assess 66 (2020: 61) apprenticeship standards, the second highest number of apprenticeship standards of all registered End Point Assessment Organisations as at October 2021.

17 (2020: 27) separate external audits of NOCN's End Point Assessment operations were undertaken in the year and NOCN received clear reports from all External Quality Assurance Organisations.

Despite the impact of Covid, NOCN has delivered a 288% increase in 2020/21 (2020: 194%) in terms of the number of apprentices assessed compared to the prior year. We expect the number of apprentices assessed to continue to be at least at the same level in 2021/22 with a strong pipeline of new business across a range of standards as well as deferred assessments from 2020/21.

2020/21 also saw the launch with customers of NOCN's EPA on-line registration system, Rubric, and growth of staff to help support the efficient management of this increased growth in numbers of apprentices we support.

NOCN Job Cards

CPCS supports people to gain employment and develop their careers in the construction plant sector by issuing them with digital SMART cards which evidence their abilities.

The CPCS business was purchased from CITB on 1 March 2019 but CITB continued to manage the card processing systems on behalf of NOCN Job Cards, until 1 December 2019 at which point the data and the systems were set up on NOCN Job Cards.

During 2020 Job cards continued to see elements of major upheaval due to COVID-19 and continued data legacy issues, which in turn meant that various system issues remained. From the start of 2021 all major issues had been resolved and data corrections were put in place. This has given us confidence to move forward and develop the products that industry require to facilities a safe and competent workforce.

Support from industry is strong, we have many industry working groups supporting development of new products and maintenance of older products ensuring that the scheme is up to date for industries requirements.

Quality assurance has strengthened during the financial year, CPCS has a new Quality Assurance Manual, new reporting forms and EQA's are now more efficient due to completing documentation in real time.

Our competitors have a strong presence in some parts of the construction sector which has also negatively impacted CPCS income. We are seeking support from industry to stand by the standards they developed in 2008 with the CPCS Management Committee under CITB's ownership, in order to maintain safety standards in the plant sector.

Potential changes announced by CITB regarding plant-related grants may also undermine the CPCS scheme quality and standards. We are currently working with CITB, PSRO, HSE and our Management Committee to help ensure that industry upholds the CPCS standards and delivery model developed over the past 13 years. The intent is to ensure that any Plant Card Schemes operating in the same sector footprint at least adopts the same robust quality and standards of delivery as CPCS as the absolute minimum requirements so that plant card schemes can operate on a level playing field working to standards developed by industry.

The impact of Covid lockdown meant that application levels saw significant declines as test centres closed and the construction sector ceased work. Following the relaxation of lockdown in the construction sector and at test centres, we saw these levels increase in Autumn 2020 and the business has moved into a surplus generating position in 2021/22.

In 2020/21, with the CITB transfer issues resolved and with no physical lockdown of the test centres due to Covid in the year, the income improved significantly, albeit still below the levels expected when the business was purchased. This improved income position, along with tight cost control in 2020/21, has meant that the Job Cards Charitable subsidiary has generated a

£1.2m operating surplus in 2020/21 compared to an operating loss of £0.3m in 2019/20 before amortisation and depreciation. NOCN Job Cards continues to be supported by an intercompany loan from NOCN. NOCN has committed to continue to financially support NOCN Job Cards and as a result NOCN Job Cards remains a going concern.

As a result of the significantly lower than originally projected income levels and data transfer issues in relation to the CPCS business, NOCN Job Cards submitted a legal claim against CITB to court in March 2021 in respect of the purchase of the CPCS business. The claim was settled with CITB in December 2021.

Despite this, NOCN Job Cards has continued to invest in the card systems in 2020/21 to improve the functionality of the cards and improve the online offer. It has, and will continue to, work with the employer led CPCS Management Committee and other industry stakeholders to ensure that the CPCS scheme is further developed to meet the needs of the sector's employers and the cardholders.

CISRS throughput was affected by COVID-19 during 2020/21 due to a decision made by the owners to extend cards beyond expiry during the pandemic. In the latter half of 2020/21 financial year, CISRS activity levels were returning to pre-covid levels.

One Awards - Access to HE, Bespoke & Training

One Awards Access to HE provision was very successful in 2020/21 with 4 new providers and an increase in student registrations. One Awards worked very well through the extraordinary regulatory framework and were praised by the Quality Assurance Agency for their comprehensive, robust and clear support to providers which allowed them to help their students progress and without any appeals to the grades awarded at the Final Awards Boards.

New diplomas were launched to meet local economic and national needs including a brand new Policing Diploma and a Bio-Medical Science diploma.

To support providers and students, One Awards moved more content and resource on to the Group online learning platform vLearn and this will continue to be a development going forward into 2021/22.

One Awards worked closely with the QAA to consider a feasibility study of international regulation.

Celebrating achievement continues to be a priority for us and every year we plan and deliver a number of events including award ceremonies. In November 2020, we were delighted to hold the fifth of our Higher Education Admissions Fair in the North-East but our first online, virtual event. The virtual event was a huge success and managed to reach students across all parts of the UK, supporting them to make their choices for progression. Its purpose was to give students an opportunity to meet with representatives from over 30 universities and higher education providers throughout the UK to find out more about the vast range of courses available. Hundreds of Access to HE students attended and took advantage of being able to talk to a range of institutions about possible next steps into higher education and to attend a variety of workshops, all online.

One Awards bespoke units continued to grow and be used by new and existing centres, offering them a flexible accreditation service to support their own bespoke training programmes. Similarly, there was steady growth in the use of the Quality Mark endorsement which support employers and training providers to recognise the value and quality of their own training programmes.

One Awards Training operated in its 2nd year but struggled with the impact of Covid. Learners were not able to attend classroom-based activity and with many staff on furlough, numbers registered saw a decline. Lessons have been learnt and more learning will be delivered online to remove any barriers going forward.

The One Awards team took the decision in lockdown to close their physical office and all staff moved to a virtual team. This has been a successful move and has supported the business to continue to operate in an efficient and cost effective way.

In December 2021, the decision was taken, for NOCN to relinquish its majority voting rights at the One Awards Board before the end of 2021/22. As a result, One Awards will no longer be part of the Group by the end of 2021/22.

International

There has been continued development of our international work with new centres added in Africa, ASEAN, China, Europe, India Sub-Continent, and the Middle East, although registrations have been held up by the pandemic. This has included development of green skills programmes in the Middle-East.

We saw steady growth in ESOL International examinations in Greece, despite the pandemic. In fact, the year saw the largest number of certificates issued since our overseas work started.

Our Indian subsidiary NOCN India Skills Foundation had nearly 600 students register for our Level 5 international engineering, IT and manufacturing diplomas. Work is progressing on a pilot for a similar programme in Haryana State. In India we continued to support the pilot for a Banking Degree Apprentices and have now presented to the Government of India our findings and proposals arising from the review of progress to date.

NOCN Education and Skills Policy & Research

As an integral part of supporting our charitable objects, NOCN supports a number of national awards which aim to encourage learning for across society including disadvantaged groups. The national awards that we have supported this year include Asian Apprenticeship Network, Construction News, Learning & Work Institute Awards, National Apprenticeship Awards, National Centre for Diversity, Sheffield City Region Apprenticeship Awards and Voluntary Action Sheffield Awards.

In addition, NOCN has taken part in and supported research on education and skills development to promote learning and open up skills development to more and more of our communities. In 2020/21, this included:

- Contributing to several of the Learning and Work Institute's research reports.
- Contributing to the research work of the All Parliamentary Policy Group for education and skills through collaboration with Policy Connect.
- Worked with Association of Colleges, CITB, BACH and the Construction Leadership Council (CLC) to progress proposals for supporting learners in FE Colleges into employment in construction which is being considered by DfE.
- Working with Association of Colleges and others on the research in the 'College of the Future'.
- The Group Director for One Awards, International and Culture became an Export Champion for the Department for International Trade.

Financial Review

The Group has seen a complete turnaround in financial performance in 2020/21 compared to 2019/20. With income up 29% and operating costs down 10%. The deficit in 2019/20 has been covered by the surplus generated in 2020/21.

With the end of physical lockdown of colleges, private training providers and test centres in summer 2020, the Charity has seen all major business units improve on their income levels compared to 2019/20, with EPA significantly higher. As a result, incoming resources has grown to £14,755k in 2020/21 compared with £11,413k in 2019/20.

Due to strong cost control as well as the imposition of pay cuts in the first part of the year, operating costs were 10% lower than in 2019/20 despite the growth in income.

The Covid lockdown in March 2020 significantly impacted on the Group's incoming resources in 2019/20 as Colleges, private training providers, and construction sites ceased to operate during this period (both in the UK and internationally). This impacted on the incoming resources of all our businesses with the bulk of the business seeing reductions of around 50% of revenues from that point which significantly impacted on the group's surpluses given that most of the business has largely fixed costs. The reduction on End Point Assessment was also very significant given most of the expected income in the year was due to be earned in the latter period of the year and 30% of this was either reduced or cancelled. 2020/21 incoming resources were not constrained directly by lockdown measures, so income levels improved.

The Group took the following action in 2019/20 and 2020/21 to address the operating deficit in 2019/20:

- Secured a CBILS loan of £1.5m repayable over 6 years in 2019/20.
- Furloughed up to half the Group's staff.
- Agreed a temporary 10% pay cut for all staff in return for a proportionate reduction in hours, with the Senior Leadership Team taking a 10% pay cut with no reduction in hours.
- Made a limited number of staff redundant.
- Stopped all non-essential discretionary spending and reviewed costs.
- Undertook other activity with our key suppliers and partners to reschedule payments where possible.

As a result, the business managed to secure sufficient financing to continue to operate and minimise the operating deficit on the Charitable Group. This is despite the fact that the business had to reduce the number of staff on furlough significantly post April in order to support the additional Centre Assessed Grades regulatory review work required by Ofqual and QAA which was significant and unfunded by the Department of Education.

In addition, the business secured a significant contract in December 2020 with a new customer in Italy to provide ESOL international qualifications and endorsed programmes across multiple centres in Italy with the delivery commencing in the latter part of 2021.

The Group ended the 2020/21 year with an operating surplus of £4,153k (2019/20: £295k deficit) before depreciation/amortisation and before the impact of the change in the One Awards pension deficit.

One Awards staff are members of the Teesside Local Government Pension Scheme. Due to the impact of Covid on the economy, the long-term interest rates used to discount the pension scheme obligations dropped to historic lows. As a direct consequence of this, the pension scheme liability under FRS 102 on the One Awards subsidiary saw a £2.1m increase in its defined benefit pension liability in 2019/20 to £3.3m. This increased the Group's deficit in

2019/20 by £2.1m. In 2020/21 the pension liability was revalued down by £676k mainly as a result of the increase in pension asset values in the year.

Of this £676k pension liability gain (2020: £2,114k loss), £831k of the gain (2020: £2,015k loss) was reflected in the Recognised gains and losses for the year of the SOFA, with the balancing amount being reflected in the pensions pay cost. Taking into account £1,134k (2020: £1,179k) of amortisation & depreciation charges for the year, the Group's net surplus was £3,737k (2019: £3,572k deficit).

The table below notes the operating (deficit)/surplus position.

£000s	2019/20	2020/21
Income	11,413	14,755
Operating costs	(11,708)	(10,602)
Operating (deficit)/surplus	(295)	4,153
Depreciation & Amortisation	1,179	1,134
One Awards Pension liability revaluation loss/(gain) (including £155k(2020: £99k) associated pensions pay cost charge)	2,114	(676)
Other revaluations	(16)	(42)
Net (outgoing) / incoming resources after other gains/(losses)	(3,572)	3,737

Going Concern

The Board has assessed the current and projected solvency of the Group looking forward over the following two financial years.

In assessing going concern of the Group at the date of this report we have reviewed our forecasts for 2021/22 and developed reasonable best and worst case income scenarios for 2021/22 taking into account the likely external economic environment as a result of Covid as well as other external market factors. We also took action in 2020 to significantly reduce the Group's cost base to ensure it can continue to operate and still generate the operating surpluses it needs to generate to support its cashflow over 2020/21. As noted above the Group has seen a complete reversal of financial position in 2020/21 compared to 2019/20, with income increasing by 29% and it has achieved a £4.2m group operating surplus in 2020/21 (2019/20: £295k deficit).

As part of the going concern assessment we carried out sensitivity tests on our Statement of financial activities and cashflow projections looking forward to end of 2022/23 and have looked at how much income would need to drop over this period beyond our worst case income scenario assuming we take no action to reduce costs, such that we cannot meet all our liabilities as they fall due at any point. The assessment has taken into account the year to date performance in 2021/22 and latest P&L and cashflow projections as at the end of March 2022. We have also taken into account the revised CPCS purchase price liability agreed with CITB and the financial impact of One Awards exiting the Group in 2021/22.

The Board has reviewed the assessment and considers that the Group and its subsidiaries remain a going concern and that the Group will continue to make sufficient surpluses in 2021/22 and 2022/23 to cover the Group's remaining purchase payments for Cskills and CPCS as well as other liabilities as they fall due.

This assessment is supported by:

- the cost saving work carried out in 2019/20 and 2020/21 as well as the ongoing cost control, which has allowed the business to continue to operate on a lower operating cost base. This cost saving work has resulted in operating costs in 2020/21 being 10% lower than in 2019/20 despite income being 29% higher. These cost savings will continue to help the Group remain profitable in 2021/22;
- the securing of a 6 year £1.5m loan through the CBILS programme in May 2020;
- the fact that a prudent income budget has been developed for next year which will still allow the business to generate the operating surpluses it needs to cover its liabilities as they fall due including the future CPCS and Cskills business purchase payments as well as start to rebuild its reserves;
- the fact that colleges, training providers, and construction industry are now operational again and volumes have at least met or exceeded the budget in 2020/21 despite the introduction of the 3rd lockdown in 2020/21 and that this performance has been maintained so far in 2021/22;
- the fact that the demand for EPA assessments, qualification registrations and CPCS and CISRS remain strong going into 2021/22;
- the detailed forward projection of the Group's cash flow for the next two financial years which shows that the business has sufficient cash to meet its liabilities as they fall due; and
- the ability to undertake further mitigating action to reduce costs and increase cash financing if income does not come in at the budgeted levels due to further Covid lockdowns.

At 31 July 2021 and at the date of this report the balance sheet and forward cash projections show that the Group can continue to meet its all its obligations as they fall due over at least the next 12 months.

In the event that the business is impacted by further college, employer and independent training provider lockdowns as a result of Covid then the business will take prompt action to further reduce its cost base to ensure that it can still meet its obligations as they fall due.

Subsidiary going concern assessments

It is worth noting that the One Awards pension liability is ringfenced in One Awards and NOCN is not a guarantor of this liability. However, the Board considers that One Awards remains a going concern, on the basis that it can pay all its liabilities as they fall due and recognising the One Awards pension liability is not a true cash liability. The impact on the Group's going concern assessment of One Awards leaving the Group in July 2022 has been taken into account in the Group's cashflow projections. The Group has demonstrated that it can continue to be a going concern after this point in its projections and stress tests despite One Awards leaving the Group in July 2022.

NOCN Job Cards also continues to borrow from NOCN to fund its activities given it is still building its reserves following deficits in previous years. The Board has considered NOCN Job Cards future projections of income and costs and considers that the business will remain a going concern and is expected to continue to generate a surplus in 2021/22 and in future years as a result of the cost saving measures taken as well as future actions to reduce the cost base through the increased use of digital processes and technology, and as a result of the increase in application activity seen in the 2020/21. The Group Board has agreed to continue to provide intercompany loan to NOCN Job Cards in order to help allow it to pay for the purchase of CPCS from CITB whilst it generates the cash surplus needed to cover this liability.

Key Risks in the year

The key risks NOCN has faced in 2020/21 have been:

- The UK economic position deteriorates in sectors that could significantly impact on the Group's financial performance and ability to continue. This risk was heightened with advent of Covid lockdown which impacted on the organisation's income streams and reduced in the latter part of 2020/21.
- The continued decline in apprenticeship starts which could affect the EPA market.
- The continued reduction in the CITB levy reduces the level of spending on construction qualifications and cards and impacts on EPA construction assessment volumes. We mitigated this through reducing our cost base, developing new products and diversification of the sectors we support and look to reduce our product prices where we can to support our customers.
- Linked to the above and the impact of Covid, there was the key risk that NOCN is not sustainable financially. This is a risk that we have continued to monitor through 2020/21 and have taken action where appropriate. In the light of the significantly improved financial position achieved in 2020/21 and the ongoing ability to pay its liabilities through 2020/21 this risk was significantly reduced and continues to be a lower risk at the time of writing.
- We saw an increased risk in respect of our ability to recruit staff in the latter part of the year to support the higher levels of activity. We continue to look to optimising our recruitment channels and our offer to ensure that we remain competitive in a difficult market.
- There was a new high risk in the year in respect of the possibility that CITB may no longer pay grants to employers for Plant Training and Testing. This could impact Levy paying employers loyalty to the scheme. However, there are plans in place to help largely mitigate this risk through amending the scheme.
- In the light of the recent sanctions imposed on Russia and the war in Ukraine we have reviewed our exposure to Russia and Ukraine and can confirm that we have no customers or suppliers in Russia or Ukraine.

Powers of Investment

The trustees are authorised by the Memorandum of Association to invest monies not immediately required for the Charity's own purposes in such investments, securities or property as they deem fit subject to any conditions required by law.

Reserves Policy

NOCN's reserves policy is to aim to retain a level of unrestricted reserves, over the medium term, of a minimum of 12 weeks of actual operating expenditure, up to a maximum of 26 weeks of actual operating expenditure. These unrestricted reserves, which are freely available for general use, are held to withstand any short-term financial risks and to support any windup costs in the event of closure.

Should reserves drop below 12 weeks an action plan will be agreed by the Board to ensure that NOCN is likely to remain a going concern and build up its reserves to the minimum level. As at the end of July 2021 NOCN's reserve levels have moved back into a surplus position of £2.1m. This is below the reserves policy target level.

The Board approved a business plan and budget for 2021/22 which will increase the reserve levels. With the departure of One Awards from the Group it is expected that the Group will be back within the reserves policy in 2021/22.

Future Plans

The Charity's strategic objectives for the following three years are:

- Increasing the number of learners, apprentices, and SMART card holders we support to gain employment and develop their careers. To do this across all sections of our society.
- Building our customer base to secure growth and maintain existing customers.
- Providing excellent customer service and journey.
- Diversify products and services to upskill and reskill in the post pandemic economy.
- Build digitally efficient online operations.
- Strengthen financial position – rebuild reserves and invest in the business.
- Acting as one team, working flexibly to provide customers with an integrated streamlined offering across the whole of our product range.
- Maintain risk-based quality standards and regulatory compliance.

These objectives are driven by the context we operate in, our mission and values, the need to maintain our business in what may be a difficult policy and economic context for a number of years and the need to develop new ways of working.

Structure, Governance and Management

Governing Document and structure

The organisation is a charitable company limited by guarantee incorporated on 18 August 1999. There were 10 members of the company as at 31 July 2021.

In July 2017 NOCN India Skills Foundation was incorporated in India as a subsidiary of NOCN and is included as part of these consolidated set of accounts.

One Awards joined the NOCN Group with effect from 1 August 2018 following a change in its articles which gives NOCN majority voting rights on the Board.

NOCN Job Cards was incorporated as a company limited by guarantee on 22 October 2018 and was registered as a charity on 15 February 2019. NOCN Job Cards is consolidated within NOCN Group given its articles give NOCN majority voting rights on the Board. NOCN is the sole member of NOCN Job Cards.

Appointment of Trustees

As set out in the revised Articles of Association, NOCN seeks and recruits Trustees who are drawn from a wide range of backgrounds, including industry sectors where NOCN works. As at the 31 July 2021 there were 10 Trustees in post at NOCN Group's Board. The chairs of the Board and the sub-committees are appointed trustees. As at the 31 July 2021 there were 8 trustees in post at NOCN Job Cards Board. The Chair of the Board is an appointed trustee and Vice Chair of the NOCN Group Board. One Awards had 8 Trustees in post at 31 July 2021, of which 2 were also Trustees of the NOCN Board.

During 2020/21 there were 1 appointment to the NOCN Board and 3 resignations.

Trustee posts are advertised. Applications are reviewed by the Board and where appropriate a shortlist established for interview. The Board makes the final appointment.

Trustee Induction and Training

When new Trustees join the Board, a formal briefing from the Chair and Group Chief Executive takes place and they receive an induction pack. Trustees receive formal training on their responsibilities, including their legal obligations.

Statement of Regulatory Compliance

All awarding organisations are required to submit their formal statement of compliance, under the General Conditions of Recognition, published by Ofqual. This is a key governance document, which NOCN submitted to the 3 regulators of qualifications in the UK at the beginning of January 2022. NOCN recorded that it was compliant with the General Conditions of Recognition.

In November 2017 NOCN signed the Government's compliance document entitled Conditions for End-Point Assessment Organisations as it had entered the new education market for Trailblazer Apprenticeship Standards, which was launched by the Government in May 2017.

Compliance with the Charity Governance Code

The Trustees monitor the group's compliance with the Charity Governance Code, which was last updated in December 2020. It has been assessed that NOCN is substantially compliant

with the Code, and further improvements in group policies and processes are implemented as required to ensure compliance. The remaining areas addressed to fully comply with the Code include the introduction of regular trustee appraisals, trustee skills audits. These were addressed in early 2021.

Organisational Structure

The NOCN Board of Trustees meets at least quarterly with a full business agenda including a review of the Management Accounts and budget achievement for the Group and each of its subsidiaries. During the year the NOCN Board was supported by two sub-committees: Group Audit & Risk Committee; and Regulation Committee and Enhancement Committee. Each sub-committee meets between 3 and 4 times in the year and reports its activities and recommendations, at the Board meeting immediately following their own meetings.

The Board of Trustees delegates the management of the Charity to the Group Chief Executive who undertakes these responsibilities through a Senior Leadership Team (SLT) which is comprised of the Group Chief Executive, Deputy Group Chief Executive and all the Executive Directors within the Group, and a Group Management Team which is made up of the SLT plus the Heads of Function of the NOCN Group entities.

Pay policy for senior staff

All Trustees give of their time freely and no director received remuneration in the year.

The pay of the Senior Leadership team is reviewed annually and normally increased in accordance with average earnings in line with the rest of the staff and market comparisons. Any changes to Senior Leadership staff salaries have to be approved by the Board of Trustees.

Details of the Trustees and Senior Leadership Team related party transactions are disclosed in the notes to the accounts.

Risk Management

NOCN operates a risk management policy and strategy. The aims of the policy and strategy are to:

- consider best practice in designing a risk management framework;
- encourage well-managed taking of risk to deliver business objectives;
- provide staff with policies and procedures necessary to manage risk;
- embed risk management in the day-to-day conduct of business;
- identify and prioritise risk using the risk management technology;
- regularly monitor risk at Group Chief Executive and Director Level; and
- achieve continuous improvement in risk management.

During the year the Audit & Risk Committee has routinely considered the Strategic Risk Register and examined specific areas of risk at the request of the Board and has overseen a review of the register's format and risks. The Strategic Risks are also reported to the Board on a Quarterly basis. The Strategic Risk Register is also reviewed on a monthly basis by the SLT.

In addition, the Regulation and Enhancement Committee has regularly considered issues of risk relating to NOCN's status as a recognised and regulated awarding organisation, within the context of being compliant with the General Conditions of Recognition.

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of NOCN for the purposes of company law) are responsible for preparing the trustees' annual report and financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the group and charity financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.



Gareth Jones (Chair)

29 April 2022

INDEPENDENT AUDITOR’S REPORT TO MEMBERS OF NOCN

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group’s and of the Parent Charitable Company’s affairs as at 31 July 2021 and of the Group’s incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of NOCN (“the Parent Charitable Company”) and its subsidiaries (“the Group”) for the year ended 31 July 2021 which comprise the consolidated statement of financial activities, the consolidated and charity statement of financial position, the 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 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Charitable 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.

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 and Parent Charitable 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.

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' report, which includes the Directors' Report prepared for the purposes of Company Law, for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which is included in the Trustees' Report has been prepared in accordance with applicable legal requirements.

In the light of the 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 Trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable 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.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 Group's and the Parent Charitable 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 Trustees either intend to liquidate the Group or the Parent Charitable 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.

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

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

Based on our understanding and accumulated knowledge of the Group, and the sector in which it operates, we considered the risk of acts by the Group which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. We considered the significant laws and regulations to be United Kingdom Generally Accepted Accounting Practice and the UK Companies Act 2006. All audit team members were briefed to ensure they were aware of any relevant regulations in relation to their work, areas of potential non-compliance and fraud risks.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of an override of controls), and determined that the principal risks were related to posting inappropriate journal entries, management bias in accounting estimates, appropriateness of the going concern basis, improper revenue recognition, valuation of goodwill and pension liability.

Our audit procedures in response to the above included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to assumptions used in pension valuation, impairment of goodwill and accuracy of the deferred consideration;
- Procedures to test revenue including agreement of revenue recognised to supporting documentation, testing completeness of revenue recorded by agreeing details of income from Quartz to the ledger and testing revenue recorded around the year end to check the appropriate year end cut-off;
- Identifying and testing journal entries identified as potentially unusual. This testing included, but was not limited to, any journal entries posted with specific keywords,

manual journals to revenue and cash, journals posted by unexpected users, journals posted at unexpected times, and journals posted to least used accounts;

- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to going concern assumptions for the Group and the subsidiary companies;
- Use of BDO expert to review pension assumptions in respect of pension liabilities;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- A review of board minutes both during the period, and post year end, for any known or suspected instances of non-compliance with laws and regulation and fraud;
- Enquiries to confirm with management that there was no legal correspondence during the period, or post year end, requiring review;
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

This report is made solely to the Charitable 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 Charitable 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 Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
HELEN KNOWLES
DAED9B91914A4A7...

Helen Knowles (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Leeds, UK

Date: 29 April 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Statement of Financial Activities

Including the statement of comprehensive income

For the Year ended 31 July 2021

	Notes	2021 Unrestricted Funds £	2020 Unrestricted Funds £
Incoming resources			
Grants and Donations	1	55,582	469,066
Charitable activities	2	14,699,553	10,943,649
Total incoming resources		14,755,135	11,412,715
Resources expended			
Charitable activities	3	11,891,243	12,985,890
Total resources expended		11,891,243	12,985,890
Net movement in funds before other gains/(losses)			
	6	2,863,892	(1,573,174)
Other recognised gains/(losses)	22	873,076	(1,999,306)
Net movement in funds after other gains/(losses)	27	3,736,968	(3,572,480)
Total funds brought forward		(1,603,558)	1,968,923
Total funds carried forward	20	2,133,410	(1,603,558)

The notes on pages 29 to 50 form part of these financial statements.

The incoming resources and resources expended derive from continuing operations.

NOCN uses the exemption conferred by section 408 of the Companies Act 2006 in not preparing a separate income and expenditure account for NOCN as a separate company. The net surplus recorded by the parent company for the year was £2,008,263 (2020: net deficit £705,567)

Consolidated Statement of Financial Position

As at 31 July 2021

	Notes	2021 Unrestricted Funds £	2020 Unrestricted Funds £
Fixed assets			
Intangible assets	11	6,463,981	8,604,686
Tangible assets	12	279,522	351,718
Investments	13	-	-
Total fixed assets		6,743,503	8,956,404
Current assets			
Debtors	14	3,273,741	2,754,665
Stock	15	72,248	43,858
Cash at bank and in hand	26	1,980,279	740,826
Total current assets		5,326,268	3,539,349
Current liabilities			
Creditors: Amounts falling due within one year	16	(5,399,731)	(6,077,216)
Net current (liabilities)		(73,464)	(2,537,867)
Total assets less current liabilities			
		6,670,039	6,418,537
Creditors: Amounts falling due after more than one year	18	(1,927,629)	(4,737,096)
Net assets excluding defined benefit pension plan liability		4,742,410	1,681,442
Defined benefit pension plan liability	21	(2,609,000)	(3,285,000)
Net assets / (liabilities) including defined benefit pension plan liability		2,133,410	(1,603,558)
Represented by:			
General funds/(deficit)	20	2,133,410	(1,603,558)
Total funds		2,133,410	(1,603,558)

The notes on pages 29 to 50 form part of these financial statements.

All funds are unrestricted.

The financial statements were approved by the Board of Directors and authorised for issue on 29 April 2022 and were signed on its behalf by:



Gareth Jones
Chair, NOCN Board of Trustees

Company Statement of Financial Position

As at 31 July 2021

	Notes	2021 Unrestricted Funds £	2020 Unrestricted Funds £
Fixed assets			
Intangible assets	11	3,874,305	4,437,174
Tangible assets	12	240,444	296,730
Investments	13	99	99
Total fixed assets		4,114,848	4,734,003
Current assets			
Debtors	14	3,454,044	3,755,824
Stock	15	18,189	10,935
Cash at bank and in hand		962,561	530,182
Total current assets		4,434,794	4,296,941
Current liabilities			
Creditors: Amounts falling due within one year	16	(3,635,026)	(4,379,077)
Net current assets / (liabilities)		799,768	(82,136)
Total assets less current liabilities		4,914,616	4,651,867
Creditors: Amounts falling due after more than one year	18	(1,150,000)	(2,895,516)
Total net assets		3,764,616	1,756,352
Represented by:			
General funds	20	3,764,616	1,756,352
Total funds		3,764,616	1,756,352

The notes on pages 29 to 50 form part of these financial statements.

All funds are unrestricted

The financial statements were approved by the Board of Directors and authorised for issue on 29 April 2022 and were signed on its behalf by:



Gareth Jones
Chair, NOCN Board of Trustees

Consolidated Statement of Cash Flows

For the financial year ended 31 July 2021

	2021 £	2020 Restated £
Cash flows from operating activities		
Net cash provided by operating activities	3,282,205	272,009
Cash flows from investing activities		
Purchase of intangible fixed assets	(218,413)	(287,363)
Payments made in respect of purchase of Cskills	(1,743,536)	(949,494)
Purchase of tangible fixed assets	(30,803)	(94,402)
Net cash used in investing activities	(1,992,752)	(1,331,259)
Cash flows from financing activities		
New bank loans	-	1,500,000
Repayment of Bank Loan	(50,000)	-
Net cash (used in)/generated from financing activities	(50,000)	1,500,000
Changes in cash and cash equivalents in the year	1,239,453	440,750
Cash and cash equivalents at the beginning of the year	740,826	300,076
Cash and cash equivalents at the end of the year	1,980,279	740,826
Reconciliation of net movement in funds before other gains/(losses) to net cash flow from / (used in) operating activities		
Net movement in funds in the period as per the statement of financial activities	2,863,892	(1,573,174)
Adjustments for:		
Depreciation and amortisation	1,133,510	1,179,137
Loss on Disposal	3,141	-
Increase in Stock	(28,390)	(5,626)
(Increase) / decrease in debtors	(519,075)	188,367
(Decrease) / increase in creditors	(325,873)	384,305
Increase in provision for liabilities – Defined Benefit Pension	155,000	99,000
Net cash provided by operating activities	3,282,205	272,009

The prior years' cash flow from investing activities has been restated to include Cskills Business purchase payments of £949,494 representing cash earn-out payment on the deferred consideration, which was incorrectly included in the movement in creditors in operating activities. The associated equal and opposite movement within movement in creditors under 'net cash flow from operating activities' has also been restated.'

There is no change to the bottom line and the overall net current assets and assets position remains unchanged as a result of these restatements.

Notes to the Financial Statements

Accounting Policies

The following accounting policies have been applied consistently in dealing with items, which are considered material in relation to the Charity's financial statements.

Charitable company information

NOCN is a charitable company, limited by guarantee and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the 'Reference and Administrative Details of the Charity, its Trustees and Advisers' pages and the nature of the charitable company's operations and its principal activities are set out in the Trustees' report.

Basis of preparation

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) (effective 1 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. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

NOCN meets the definition of a public benefit entity under FRS 102.

Consolidation

The financial statements consolidate the financial statements of NOCN and all its subsidiary undertakings.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual Statement of Financial Activities.

Preparation of the accounts on a going concern basis

The Trustees have carried out a review of the Charity's financial performance and its reserves position and believe that NOCN has adequate financial resources and is well placed to manage its business risks. The Charity's business planning process, including financial projections, has taken into consideration the uncertainty within the current educational funding and qualification infrastructure and its potential impact on the sources of income and planned expenditure. In addition, sensitivity analysis and stress testing has been carried out on the Group's SOFA and cash projections. The Trustees have assessed that the organisation has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements based on these forecasts and analysis. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

In assessing going concern of the Group at the date of this report we have reviewed our forecasts for 2021/22 and developed reasonable best and worst case income scenarios for 2021/22 taking into account the likely external economic environment as a result of Covid as well as other external market factors. We also took action in 2020 to significantly reduce the Group's cost base to ensure it can continue to operate and still generate the operating surpluses it needs to generate to support its cashflow over 2020/21. As noted above the Group has seen a complete reversal of financial position in 2020/21 compared to 2019/20, with income increasing by 29% and it has achieved a £4.2m group operating surplus in 2020/21 (2019/20: £295k deficit).

As part of the going concern assessment we carried out sensitivity tests on our Statement of financial activities and cashflow projections looking forward to end of 2022/23 and have looked at how much income would need to drop over this period beyond our worst case income scenario assuming we take no action to reduce costs, such that we cannot meet all our liabilities as they fall due at any point. The assessment has taken into account the year to date performance in 2021/22 and latest P&L and cashflow projections as at the end of December 2022. We have also taken into account the revised CPCS purchase price liability agreed with CITB and the financial impact of One Awards exiting the Group in 2021/22.

The Board has reviewed the assessment and considers that the Group and its subsidiaries remain a going concern and that the Group will continue to make sufficient surpluses in 2021/22 and 2022/23 to cover the Group's remaining purchase payments for Cskills and CPCS as well as other liabilities as they fall due.

Accounting Policies (continued)

The impact on the Group's going concern assessment of One Awards leaving the Group in July 2022 has been taken into account in the Group's cashflow projections. The Group has demonstrated that it can continue to be a going concern after this point in its projections and stress tests despite One Awards leaving the Group in July 2022.

This assessment is supported by:

- the cost saving work carried out in 2019/20 and 2020/21 as well as the ongoing cost control, which has allowed the business to continue to operate on a lower operating cost base. This cost saving work has resulted in operating costs in 2020/21 being 10% lower than in 2019/20 despite income being 29% higher. These cost savings will continue to help the Group remain profitable in 2021/22;
- the securing of a 6 year £1.5m loan through the CBILS programme in May 2020;
- the fact that a prudent income budget has been developed for next year which will still allow the business to generate the operating surpluses it needs to cover its liabilities as they fall due including the future CPCS and Cskills business purchase payments as well as start to rebuild its reserves;
- the fact that colleges, training providers, and construction industry are now operational again and volumes have at least met or exceeded the budget in 2020/21 despite the introduction of the 3rd lockdown in 2020/21 and that this performance has been maintained so far in 2021/22;
- the fact that the demand for EPA assessments, qualification registrations and CPCS and CISRS remain strong going into 2021/22;
- the detailed forward projection of the Group's cash flow for the next two financial years which shows that the business has sufficient cash to meet its liabilities as they fall due; and
- the ability to undertake further mitigating action to reduce costs and increase cash financing if income does not come in at the budgeted levels due to further Covid lockdowns.

At 31 July 2021 and at the date of this report the balance sheet and forward cash projections show that the Group can continue to meet its all its obligations as they fall due over at least the next 12 months.

In the event that the business is impacted by further college, employer and independent training provider lockdowns as a result of Covid then the business will take prompt action to further reduce its cost base to ensure that it can still meet its obligations as they fall due.

Liability of Members

The Charity is a company limited by guarantee. In the event of the Charity being wound up, the liability of the members is limited to a sum not exceeding £1.00, being the amount that each member undertakes to contribute to the assets of the Charity in the event of its being wound up while he, she or it is a member or within one year after he, she or it ceases to be a member, for:

- payment of the Charity's debts and liabilities incurred before he, she or it ceases to be a member;
- payment of the costs, charges and expenses of winding up; and
- adjustment of the rights of the contributories among themselves.

Incoming Resources

Incoming resources primarily comprise: Learner Registration charges; contributions from Delivery Partners; online assessment fees, delivery of a wide range of endorsed programmes and Apprenticeship End Point Assessment fees.

NOCN income streams are recognised as follows:

- interest is accrued on a daily basis;
- delivery Partner Fees are recognised in full in the year the service is provided;
- learner registration charges are recognised at the time of registration;
- replacement certificate income is recognised at point of request and in advance of release of certificate;
- examination fees are accounted for on receipt of completed examination papers. The income is recognised in the period the examination takes place; and
- apprenticeship End point assessment fees are recognised as follows: Initial up-front charge is recognised when the apprentice is registered with NOCN. The remaining charge is recognised at the point the assessment takes place.

Accounting Policies (continued)

Foreign Currencies

Foreign currency transactions, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with gains or losses being taken to the Statement of Financial Activities.

Financial Instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Resources Expended

Resources expended are recognised on an accruals basis. Resources expended include attributable Value Added Tax which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity.

Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. The items in the financial statements where these judgements and estimates have been made include:

Tangible Fixed Assets and Depreciation

Tangible assets are included at cost less accumulated depreciation.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful economic lives, using the straight line method as follows:

Computer equipment	- rates varying from 20% to 33.3% per annum
Fixtures and fittings	- 10% per annum

All tangible fixed assets costing over £1,000 are capitalised on acquisition and are included in the balance sheet at cost. The estimated useful economic lives and depreciation method are reviewed at each year end.

Accounting Policies (continued)

Intangible Fixed Assets and Amortisation

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Purchased goodwill is recognised at the cost of acquisition based on the current expectation of the total amount of money that will be paid for the business being acquired less the on balance sheet assets purchased. The deferred contingent consideration figures for Cskills and CPCS acquisitions are based on estimates of future earnout payments which are discounted at 2% per annum. The discount rate being based on the current cost of capital, using CBILS loan rate as a proxy.

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.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

Software development costs	- 5 years
Goodwill	- 10 years

If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

If the net fair value of the identifiable assets and liabilities acquired exceeds the cost of a business combination, the excess up to the fair value of non-monetary assets acquired is recognised in the statement of financial activities in the periods in which the non-monetary assets are recovered. Any excess exceeding the fair value of non-monetary assets acquired is recognised in the statement of financial activities in the periods expected to be benefitted.

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 first in, first out basis. At each reporting date, inventories are assessed for impairment. If inventory 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 Statement of Financial Activities.

Annual Support Fee Provision

NOCN charges an annual centre support fee for which invoices in July for the following financial year. The invoiced income is therefore normally deferred into the following year.

Taxation

As a registered Charity, NOCN is exempt from liability to corporation tax on income and gains falling within section 505 of the Taxes Act 1988 or S256 of the Taxation of Charitable Gains Act 1992 to the extent that these are applied to its charitable objects. No provision or charges for taxation have therefore arisen.

Pensions

For NOCN and NOCN Job Cards, the pension costs charged in the financial statements represent the contributions payable by the Charity during the year.

Accounting Policies (continued)

The One Awards charity operates a defined benefit pension scheme for the benefit of its employees. One Awards are a participating employer in the Teesside Pension Fund, a multi-employer Local Government Pension Scheme.

Current service costs, past service costs and gains and losses on settlements and curtailments are charged to appropriate resource expenditure categories in the Statement of Financial Activities.

The interest cost and the expected return on assets are shown as a net amount as other finance costs or income. Net pension finance costs are allocated to appropriate resources expended categories in the Statement of Financial Activities. Actuarial gains and losses are recognised immediately as other recognised gains and losses in the Statement of Financial Activities. Pension scheme assets are valued at fair value at the Statement of Financial Position date. Fair value is based on market price information and in the case of quoted securities is the published bid price.

The pension scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted to their present value using a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The pension scheme deficit is recognised in full on the Statement of Financial Position, net of related deferred tax.

A full actuarial evaluation is carried out by a professional actuary annually.

In addition to the above, One Awards also offers its employees an alternative form of a NEST pension as set up by the UK Government.

Leased Assets

Operating lease costs are charged on a straight-line basis over the term of the lease.

Fund Accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets this criterion is charged to the fund, together with a fair allocation of management and support costs.

Unrestricted funds comprise those funds, which the Trustees are free to use in accordance with the objects of the Charity.

Designated funds are unrestricted funds, which have been allocated for specific purposes by the Trustees.

Notes To The Accounts

1. Incoming resources from government grants

	2021 £	2020 £
Government Furlough Funds	55,582	469,066
Total	55,582	469,066

All incoming resources from grants and donations were unrestricted.

2. Incoming resources from charitable activities

	2021 £	2020 £
Awarding Organisation and Endpoint Assessment	10,265,467	7,446,526
NOCN Job Cards (CPCS & CISRS) (See note below *)	3,753,768	2,889,751
One Awards	618,442	532,817
NOCN India Skills Foundation	61,876	74,555
Total	14,699,553	10,943,649

* CPCS transferred in 1 March 2019

* CISRS transferred in 1 December 2019

All incoming resources from charitable activities in 2020 and 2021 were unrestricted.

3. Analysis of resource expended on charitable activities Summary by fund type

	Unrestricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Awarding organisation and end point assessment	7,436,599	7,436,599	7,707,587
Governance	179,426	179,426	201,104
NOCN Job Cards (CPCS & CISRS)	2,515,769	2,515,769	3,283,182
One Awards	572,583	572,583	542,925
NOCN India Skills Foundation	53,356	53,356	71,956
Depreciation & Amortisation	1,133,510	1,133,510	1,179,136
Total	11,891,243	11,891,243	12,985,890

All resources expended from charitable activities in 2021 and 2020 were unrestricted.

4. Total resources expended

	Activities undertaken directly £	Support costs £	2021 £
Awarding Organisation and Endpoint Assessment	6,573,421	863,178	7,436,599
Governance	-	179,426	179,426
NOCN Job Cards (CPCS & CISRS)	1,925,398	590,371	2,515,769
One Awards	322,000	250,583	572,583
NOCN India Skills Foundation	53,356	-	53,356
Group Amortisation & Depreciation	-	1,133,510	1,133,510
Total	8,874,175	3,017,068	11,891,243

	Activities undertaken directly £	Support costs £	2020 £
Awarding Organisation and Endpoint Assessment	6,861,037	846,550	7,707,587
Governance	-	201,104	201,104
NOCN Job Cards (CPCS & CISRS)	2,514,348	768,834	3,283,182
One Awards	325,034	217,891	542,925
NOCN India Skills Foundation	71,956	-	71,956
Group Amortisation & Depreciation	-	1,179,136	1,179,136
Total	9,772,375	3,213,515	12,985,890

Allocations have been made on the following basis:

- Governance costs are directly attributed.

Group Overheads within support costs are apportioned across business units based on % share of total income each BU generates.

5. Governance

	2021 £	2020 £
Meeting costs	6,292	6,885
Expenses paid to trustees	205	1,057
Internal audit fees	20,125	6,300
External audit fees	30,242	26,255
Management costs	122,562	160,607
Total	179,426	201,104

6. Net incoming resources

Net incoming resources for the year are arrived at after charging:

	2021	2020
	£	£
Depreciation	99,858	98,195
Amortisation	1,033,652	1,080,942
External audit fees	30,000	26,255
Operating lease in respect of buildings	346,635	366,753
Operating lease in respect of equipment and cars	59,955	48,256

7. Employee numbers and costs

	2021	2020
	£	£
Staff		
Wages and salaries	5,108,840	5,416,507
Social security costs	490,413	549,813
Pension costs	575,748	514,763
Total	6,175,001	6,481,083

The pension costs in 2021 includes £155,000 (2020: £99,000) related to the decrease in the defined benefits pension liability of One Awards (note 21).

The number of employees whose emoluments as defined for taxation purposes amount to £60,000 or more in the year was as follows:

	2021	2020 (Restated)
Staff	number	number
£60,000 to £69,999	3	6
£70,000 to £79,999	3	3
£80,000 to £89,999	1	1
£170,000 to £179,999	1	-
£180,000 to £189,999	-	1

The 2020 figures have been restated to include One Awards staff.

In respect of the above employees' pension contributions paid to a defined contribution pension scheme during the year were £47,601 (2020 £59,509).

7. Employee numbers and costs (continued)

Staff

The average number of staff analysed by function was:

	2021 Number	2020 Number
Charitable activities	119	115
Management and administration of the charity	36	42
Total	155	157

Contingent workers

The average number of Contingent Workers, calculated on a basis of number employed per month on average over the year, analysed by function was:

	2021 Number	2020 Number
Charitable activities	29	-
Management and administration of the charity	-	-
Total	29	-

In 2021, some contractors were provided with contingent worker contracts following the review of workers under the new IR35 regime that came into force in April 2021.

During the financial year the Group incurred no Organisational Change costs (2020 – £181,420). This includes statutory redundancy pay, payment in lieu of notice and other miscellaneous costs. Group policy for organisational change is documented fully and is available on-line to all staff. The objective of the policy is to ensure that unavoidable redundancies are handled in a fair, consistent, timely and non-discriminatory way.

8. Trustee remuneration

	2021 £	2020 £
Travel and subsistence	-	1,057
Other	205	-
Total	205	1,057

	2021 number	2020 number
Travel and subsistence	2	2
Total	2	2

9. Auditor remuneration

	2021 £	2020 £
External audit of Group / Parent company	17,400	15,000
External audit of NOCN Job Cards (Subsidiary)	6,900	5,000
External audit of One Awards (Subsidiary)	5,700	6,000
External audit of NOCN India Skills Foundation (Subsidiary)	242	255
Other non-audit work carried out by auditor	4,500	3,500
Total	34,742	29,755

10. Net Income / Expenditure attributable to members of the parent company

The net surplus dealt with in the financial statements of the parent company was £2,008,569 (£705,567 net deficit in 2020). This is all unrestricted funds.

11. Intangible fixed assets

Group	Software Dev	Goodwill - Cskills	Goodwill - CPCS	Software Dev	Goodwill - One Awards	Total
Entity	NOCN £	NOCN £	NOCN Job Cards £	NOCN Job Cards £	Group £	£
Cost / valuation						
At beginning of year	278,868	6,013,099	4,641,814	82,505	183,183	11,199,469
Additions	95,937	-	-	122,475	-	218,412
Impairment	-	-	(1,325,466)	-	-	(1,325,466)
At end of year	374,805	6,013,099	3,316,348	204,980	183,183	10,092,415
Amortisation						
At beginning of year	50,862	1,803,930	657,739	8,977	73,274	2,594,782
Charge for the year	57,496	601,311	309,740	28,468	36,637	1,033,652
At end of year	108,358	2,405,241	967,479	37,445	109,911	3,628,434
Net book value at 31 July 2021	266,447	3,607,858	2,348,869	167,535	73,272	6,463,981
Net book value at 31 July 2020	228,006	4,209,169	3,984,075	73,528	109,909	8,604,687

Company	Software Dev £	Goodwill - Cskills £	Total £
Cost / valuation			
At beginning of year	278,868	6,013,099	6,291,967
Additions	95,937	-	95,937
At end of year	374,805	6,013,099	6,387,904
Amortisation			
At beginning of year	50,862	1,803,930	1,854,792
Charge for the year	57,496	601,311	658,807
At end of year	108,358	2,405,241	2,513,599
Net book value at 31 July 2021	266,447	3,607,858	3,874,305
Net book value at 31 July 2020	228,006	4,209,169	4,437,175

12. Tangible fixed assets

Group	Computer equipment £	Fixtures and fittings £	Total £
Cost			
At beginning of year	368,839	389,048	757,887
Additions	30,407	396	30,803
Disposals	(118,961)	(28,776)	(147,737)
At end of year	280,285	360,668	640,953
Depreciation			
At beginning of year	289,244	116,925	406,169
Charge for the year	51,568	48,290	99,858
Disposals	(115,820)	(28,776)	(144,596)
At end of year	224,992	136,439	361,431
Net book value at 31 July 2021	55,293	224,229	279,522
Net book value at 31 July 2020	79,595	272,123	351,718

Company	Computer equipment £	Fixtures and fittings £	Total £
Cost			
At beginning of year	350,861	350,896	701,757
Additions	24,863	-	24,863
Disposals	(79,065)	-	(79,065)
At end of year	296,659	350,896	647,555
Depreciation			
At beginning of year	293,350	111,677	405,027
Charge for the year	39,034	41,453	80,487
Disposals	(78,403)	-	(78,403)
At end of year	253,981	153,130	407,111
Net book value at 31 July 2021	42,678	197,766	240,444
Net book value at 31 July 2020	57,511	239,219	296,730

13. Fixed asset investment

Company	2021 £	2020 £
Cost		
At beginning of year	99	99
Additions	-	-
At end of year	99	99

On 16 June 2017 NOCN acquired 99% of the share capital of NOCN India Skills Foundation for a consideration of £99.

Subsidiary Undertakings

The following were subsidiary undertakings of NOCN:

Name	Country of Incorporation	Class of Shares	Holding
NOCN India Skills Foundation	India	Ordinary	99%
NOCN Job Cards	UK	N/A	Majority Voting Rights Control
One Awards	UK	N/A	Majority Voting Rights Control

Note on NOCN India Skills Foundation: The aggregate of the share capital and reserves as at 31 July 2021 and of the profit or loss for the year ended on that date for this subsidiary undertaking were as follows:

	Aggregate of share capital and reserves £	Profit £
NOCN India Skills Foundation	17,469	8,520

The registered office of the above subsidiary undertakings is House No. M-27, M- Block Market, Greater Kailash-I, New Delhi, South Delhi, Delhi.

14. Debtors

Group	2021 £	2020 £
Trade debtors	2,988,161	2,453,606
Prepayments and accrued income	285,580	301,059
Total	3,273,741	2,754,665

Company	2021 £	2020 £
Trade debtors	1,982,543	1,755,586
Prepayments and accrued income	223,055	112,567
Intercompany debtors	1,248,446	1,887,670
Total	3,454,044	3,755,823

The intercompany debtors are interest free and repayable on demand. NOCN has committed to continue the intercompany loan to NOCN Job Cards for the foreseeable future and at least for the next 12 months.

15. Stock

Group	2021	2020
	£	£
At beginning of year	43,858	38,231
Purchased in the year	578,305	46,134
Charged in the year	(549,915)	(40,507)
At end of year	72,248	43,858

Company	2021	2020
	£	£
At beginning of year	10,935	23,335
Purchased in the year	377,010	9,534
Charged in the year	(369,756)	(21,934)
At end of year	18,189	10,935

16. Creditors - amounts falling due within one year

Group	2021	2020
	£	£
Trade creditors	443,510	256,628
Accruals	787,528	926,058
Deferred income - note 17	549,459	592,246
Taxes and social security	539,109	899,718
Coronavirus Business Interruption Loan (CBILS)	300,000	75,000
Other creditors	2,780,125	3,327,566
Total	5,399,731	6,077,216

Company	2021	2020
	£	£
Trade creditors	362,116	185,484
Accruals	569,230	671,917
Deferred income - note 17	423,809	592,246
Intercompany creditors	7,707	488,274
Taxes and social security	482,024	657,797
Coronavirus Business Interruption Loan (CBILS) Loan	300,000	75,000
Other creditors	1,490,140	1,708,359
Total	3,635,026	4,379,077

17. Deferred income

Group	2021	2020
	£	£
At beginning of year	592,246	335,132
Released in the year	(592,246)	(335,132)
Added in the year	549,459	592,246
At end of year	549,459	592,246

Company	2021	2020
	£	£
At beginning of year	592,246	335,132
Released in the year	(592,246)	(335,132)
Added in the year	423,809	592,246
At end of year	423,809	592,246

Annual fees, centre fees and similar charges that are invoiced in advance are deferred to correspond with the period of service provided.

18. Creditors - amounts falling due after more than one year

Group	2021	2020
	£	£
Coronavirus Business Interruption Loan (CBILS)	1,150,000	1,425,000
Other creditors	777,629	3,312,096
Total	1,927,629	4,737,096

Company	2021	2020
	£	£
Coronavirus Business Interruption Loan (CBILS)	1,150,000	1,425,000
Other creditors	-	1,470,516
Total	1,150,000	2,895,516

The company's other creditor relates wholly to the deferred consideration for the business combination of Cskills Awards by NOCN and the Group other creditor also includes the deferred consideration for the business combination of CPCS by NOCN Job Cards.

The CBILS loan incurs interest at 1.88% over base rate and is repayable in equal monthly instalments over 72 months, commencing May 2021.

19. Analysis of net assets between funds

Group	2021 Unrestricted Funds £	2020 Unrestricted Funds £
Intangible fixed assets	6,463,981	8,604,686
Tangible fixed assets	279,522	351,718
Current assets	5,326,267	3,539,349
Current liabilities due in less than one year	(5,399,731)	(6,077,216)
Liabilities due after more than one year	(1,927,629)	(4,737,096)
Net assets excluding defined benefit pension plan liability	4,742,410	1,681,441
Defined pension plan liability	(2,609,000)	(3,285,000)
Net assets / (liabilities) including defined benefit pension plan liability	2,133,410	(1,603,558)

Company	2021 Unrestricted Funds £	2020 Unrestricted Funds £
Intangible fixed assets	3,874,305	4,437,174
Tangible fixed assets	240,444	296,730
Investments	99	99
Current assets	4,434,793	4,296,941
Current liabilities due in less than one year	(3,635,026)	(4,379,077)
Liabilities due after more than one year	(1,150,000)	(2,895,516)
Net assets	3,764,615	1,756,351

20. Statement of funds

Group	At 31 July 2020 £	Incoming resources £	Outgoing resources £	Gains £	At 31 July 2021 £
General funds	1,681,442	14,755,135	(11,736,243)	42,076	4,742,410
Pension fund - defined benefit - One Awards	(3,285,000)	-	(155,000)	831,000	(2,609,000)
Total unrestricted funds	(1,603,558)	14,755,135	(11,891,243)	873,076	2,133,410

Company	At 31 July 2020 £	Incoming resources £	Outgoing resources £	Gains £	At 31 July 2021 £
General funds	1,756,352	10,302,459	(8,294,194)	-	3,764,616
Total unrestricted funds	1,756,352	10,302,459	(8,294,194)	-	3,764,616

21. Pension commitments

One Awards ("The Charity") operates a defined benefit pension scheme. The pension liability in respect of this scheme is ringfenced on One Awards balance sheet and NOCN is not liable to fund this liability.

Permanent employees of this organisation may participate in the Teesside Pension Fund (part of the Local Government Pension Scheme). This is a defined benefit statutory scheme. The fund is administered by Middlesbrough Borough Council in accordance with the Local Government Pension Scheme Regulations 2007-08. The following disclosures are in accordance with the applicable Financial Reporting Standards.

The most recent comprehensive actuarial valuation was at 31 March 2019.

Principal actuarial assumptions at the Statement of Financial Position date (expressed as weighted averages):

	At 31 July 2021	At 31 July 2020
	%	%
Discount rate	1.70	1.40
Future salary increases	2.60	2.30
Future pension increases	2.60	2.30
Inflation assumption	2.60	2.30
Revaluation rate	2.60	2.30

	At 31 July 2021	At 31 July 2020
	Years	Years
Mortality rates (in years)		
- for a male aged 65 now	21.9	21.8
- at 65 for a male aged 45 now	23.3	23.2
- for a female aged 65 now	23.6	23.5
- at 65 for a female aged 45 now	25.4	25.3

The Charity's share of the assets in the scheme was:

	At 31 July 2021	At 31 July 2020
	£	£
Present value of defined benefit obligations	(7,107,000)	(6,952,000)
Fair value of plan assets	4,498,000	3,667,000
Net pension liability	(2,609,000)	(3,285,000)

The actual return on scheme assets was £779,000 (2020 - £274,000 loss).

The amounts recognised in the Statement of Financial Activities are as follows:

	2021	2020
	£	£
Current service cost	213,000	155,000
Net interest expense	45,000	25,000

Remeasurements: actuarial (gains) / losses	(831,000)	2,015,000
Total amount recognised in the Statement of Financial Activities	(573,000)	2,195,000

21. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2021 £	2020 £
Opening defined benefit obligation	(6,952,000)	(5,086,000)
Current service cost	(213,000)	(155,000)
Interest expense	(97,000)	(111,000)
Contributions by scheme participants	(31,000)	(31,000)
Actuarial gains / (losses)	104,000	(1,655,000)
Net benefits paid out	82,000	86,000
Closing defined benefit obligation	(7,107,000)	(6,952,000)

Movements in the fair value of the Charity's share of scheme assets were as follows:

	2021 £	2020 £
Opening fair value of scheme assets	3,667,000	3,915,000
Interest income	52,000	86,000
Actuarial gains / (losses)	727,000	(360,000)
Contributions by employer	103,000	81,000
Contributions by scheme participants	31,000	31,000
Net benefits paid out	(82,000)	(86,000)
Fair value of plan assets	4,498,000	3,667,000

Consideration of the recent McCloud and GMP judgements have been applied in the FRS102 actuarial assumptions.

22. Other recognised gains/(losses)

	2021 £	2020 £
Cskills acquisition fair value adjustment gain	-	57,770
CPCS acquisition fair value adjustment gain / (loss)	42,076	(42,076)
One Awards defined benefit liability revaluation	831,000	(2,015,000)
Total	873,076	(1,999,306)

23. Financial commitments

At 31 July, the Group had commitments under non-cancellable operating leases as follows:

Group	2021	2020
	£	£
Buildings:		
Within one year	243,769	305,212
Between two and five years	283,713	508,298
Equipment:		
	28,354	44,281
Between two and five years	720	19,979

At 31 July, the Company had commitments under non-cancellable operating leases as follows:

Company	2021	2020
	£	£
Buildings:		
Within one year	243,769	299,186
Between two and five years	283,713	508,298
Equipment:		
Within one year	28,354	44,176
Between two and five years	720	19,979

24. Cash flows from investing activities

Purchase of tangible fixed assets:

During the year the Group acquired tangible fixed assets with the aggregate cost £30,803 (2020 - £94,902). Cash payments were made totalling £30,803 (2020 - £94,902) to purchase the equipment.

Purchase of intangible fixed assets:

During the year the Group acquired intangible fixed assets with the aggregate cost £218,413 (2020 - £287,363). Cash payments totalling £218,413 (2020 - £287,363) was paid in the year for the software developed.

Payments made in respect of purchase of Cskills:

Cash payments were made totalling £1,743,536 (2020: £949,484) towards settling the Cskills purchase liability with CITB.

25. Related Party Transactions

	2021 Income (£)	2021 Purchases (£)	2021 Amount due from at year end (£)
CITB ¹	73,882	-	23,114
CITB (CISRS)	66,630	-	4,710
NCC (part of CITB)	47,878	774	8,843
NSAC (part of CITB)	107,793	-	(719)
OCN Northern Ireland ²	38,063	-	1,813
British Ass'n Construction Heads ³	-	295	-
Van Elle (Holdings) PLC ⁴	16,977	-	5,406
Northern College ⁵	2,029	-	837
Credit Services Ass'n ⁶	42	-	-
TUC	18,743	-	-
Sheffield College ⁷	184,284	-	-
Barnsley College ⁸	66,686	-	15,848
Maggie Hasting-Evans ⁹	-	485	-
Laing O'Rourke Civil Eng Ltd ¹⁰	364	-	589
CITB Levy Working Group	-	-	-
BAM Nuttall ¹¹	14,075	-	4,302
Access Training East Midlands Ltd ¹²	13,909	-	13,709
P Flannery ¹³	6,038	-	1,401
AoC ¹⁴	-	26,895	11,400
AELP ¹⁵	-	58,200	24,000
ITS Group ¹⁶	955	-	955

25. Related Party Transactions (continued)

	2020 Income (£)	2020 Purchases (£)	2020 Amount due from at year end (£)
CITB ¹	72,506	-	72,206
CITB (CISRS)	41,850	-	24,780
NCC (part of CITB)	317,802	-	17,509
NSAC (part of CITB)	106,818	-	6,354
OCN Northern Ireland ²	36,250	-	-
British Ass'n Construction Heads ³	-	698	-
Van Elle (Holdings) PLC ⁴	16,248	-	1,107
Northern College ⁵	6,282	-	500
Credit Services Ass'n ⁶	-	-	-
TUC	17,850	-	-
Sheffield College ⁷	30,682	-	30,667
Barnsley College ⁸	75,684	-	4,086
Maggie Hasting-Evans ⁹	-	262	-
Laing O'Rourke Civil Eng Ltd ¹⁰	999	-	3,049
CITB Levy Working Group	-	-	-
BAM Nuttall ¹¹	4,134	-	1,359
Access Training East Midlands Ltd ¹²	725	-	-
P Flannery ¹³	2,168	-	384
AoC ¹⁴	-	40,000	-
AELP ¹⁵	-	46,485	-
ITS Group ¹⁶	3,350	-	2,598

¹ Transactions relating to CITB represent learner registration, certification fees and CPCS/CISRS cards from the NCC and NSAC centres that form part of CITB. Graham McPhail is an executive director of CITB (Resigned May 20).

² Transactions with OCN Northern Ireland consist of annual Licence fee income and occasional purchases, both were members of the Charity during the year.

³ Transactions with BACH represent membership body fees. Graham Hasting-Evans is President of BACH.

⁴ Transactions with Van Elle (Holdings) Ltd represent learner registration, certification fees and CPCS cards. Michael Mason is a Director of Van Elle Limited (Resigned April 2020).

⁵ Transactions with Northern College represent learner registration and certification income. Seb Schmoller is a Governor at Northern College. (Resigned October 21).

⁶ Transactions with Credit Services Association – Fiona Macaskill is the Head of Learning and Development at the CSA.

⁷ Transactions with Sheffield College represent learner registration and certification income. Seb Schmoller is Chair of Sheffield College. (Resigned October 21).

⁸ Transactions with Barnsley College represent learner registration and certification income. Kay Dickinson is a Trustee of Barnsley College.

⁹ Maggie Hasting-Evans - Flight costs paid for by NOCN in lieu of fee paid in respect of work carried out on behalf of NOCN Group by Maggie in Greece and India.

¹⁰ Transactions with Laing O'Rourke Civil Engineering Ltd relate to the issue of Job cards. Alison Duckles (nee Lamplough) was an employee of Laing O'Rourke Civil Engineering Ltd until December 2021.

¹¹ Transactions with BAM Nuttall represent learner registration, certification fees and CPCS cards. Timothy Brownbridge is a Academy Manager at BAM Nuttall.

25. Related Party Transactions (continued)

¹² Transactions with Access Training represent learner registration and certification fees. Corrina Hembury is a Managing Director at Access Training.

¹³ Transactions with P Flannery relate to the issue of Job cards. Paul Allman is a Director at P Flannery Ltd.

¹⁴ Transactions with AoC represent membership fees. NOCN is a sponsor.

¹⁵ Transactions with AELP represent membership fees & Event Sponsorship. NOCN is a sponsor.

¹⁶ Transactions with ITS Group represent learner registration and certification income. ITS Group is a trading subsidiary of Barnsley College. Kay Dickinson is a Trustee of Barnsley College.

26. Analysis of cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise the following:

	2021	2020
	£	£
Cash at bank	1,980,199	740,242
Cash in hand	80	584
Total	1,980,279	740,826

27. Operating surplus/(deficit) to Net movement in funds after other gains/(losses) reconciliation

A reconciliation of the operating surplus/(deficit) to the Net movement in funds after other gains/ (losses) in the Statement of Financial Activity is as follows:

	2021	2020
	£	£
Operating surplus / (deficit)	4,152,402	(295,037)
Depreciation & Amortisation	(1,133,510)	(1,179,137)
Net Movement in One Awards' Defined Pension Liability	676,000	(2,114,000)
Other revaluations	42,076	15,693
Net movement in funds after other gains / (losses)	3,736,968	(3,572,481)

28. Analysis of Net Debt

Group

	At 1 August 2020 £	Movement in year £	At 31 July 2021 £
Cash at bank and in hand	740,826	1,239,453	1,980,279
Bank Loan (Less than 12 months)	(300,000)	-	(300,000)
Bank Loan (More than 12 months)	(1,200,000)	50,000	(1,150,000)
	(759,174)	1,289,453	530,279

Company

	At 1 August 2020 £	Movement in year £	At 31 July 2021 £
Cash at bank and in hand	530,182	432,378	962,560
Bank Loan (Less than 12 months)	(300,000)	-	(300,000)
Bank Loan (More than 12 months)	(1,200,000)	50,000	(1,150,000)
	(969,818)	482,378	(487,440)

29. Post Balance Sheet events

In December 2021 NOCN settled its legal claim with CITB in respect of the CPCS business and the Consolidated Statement of Financial Position reflects the agreed revised purchase price liability.

Additionally, in December 2021 the Board of NOCN decided in principle to relinquish its majority voting rights on the One Awards Board. As a result, the One Awards Charity will be treated as a business disposal in the accounts of the Group in 2021/22.

NOCN

England & Wales - Charity number 1079785

Accounts



NOCN

(A Company limited by guarantee)

Trustees' Report and Consolidated Financial Statements
31 July 2020

Registered Charity No. 1079785

Company Registration No. 03829217



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Reference and Administrative Details of the Charity, its Trustees and Advisers for the Year Ended 31 July 2020

Directors and Trustees

The trustees of NOCN, who were also directors, serving during the year and since the year-end are as follows:

NOCN Trustees' and Directors:

Chair	Gareth Jones	
Vice Chair	Alison Lamplough**	(Reappointed 16 July 2020)
Trustees	Seb Schmoller	
	John Fuller	
	Kay Dickinson*	
	Peter Wallwork*	
	Anthony Saunders	(Resigned 28 February 2021)
	Leckraz Boyjoonauth	(Reappointed 27 February 2020)
	Kam Penglin	(Resigned 25 November 2020)
	Graham McPhail	(Resigned 11 May 2020) Corrina Hembury
	Michael Mason	(Resigned 27 November 2020)
	Lesley Griffin*	(Resigned 19 June 2020)
	Michelle Elliott*	(Appointed 1 July 2020)
Adrian Toomey	(Appointed 25 February 2021)	

*Trustees are also current or past trustees of One Awards

** Trustee is also a trustee and Chair of NOCN Job Cards

Secretary Sarah Standeven

One Awards Trustees' and Directors:

Chair	Peter Stonell	(Resigned 5 May 2020)
	David Balme	(Appointed as Chair on 5 May 2020)
Trustees	Nigel Harrett	(Resigned 13 September 2020)
	Heloise Allan	(Resigned 10 December 2019)
	Leslie Woodward	
	Andrew McHale	
	Rachael Hennigan	(Resigned 10 December 2019)
	Jane Oswald	
	Sheila McQueen	(Resigned 9 December 2020)
	Paul Richardson	(Resigned 13 September 2019)
	Lesley Griffin	(Resigned 19 June 2020)
	Michelle Elliott	
	Kay Dickinson	(Resigned 2 March 2021)
John Rees	(Appointed 13 March 2020)	
Peter Wallwork	(Appointed 2 March 2021)	

Secretary Dawn Rush

NOCN Job Cards Trustees' and Directors

Chair	Alison Lamplough	
Trustees	Graham Hasting-Evans	
	Simon Renny	(Resigned 3 November 2020)
	Mark Buckton	(Resigned 29 July 2020)
	Kevin Minton	

Trevor Gamble
David Mosley (Appointed 14 February 2020)
Paul Allman (Appointed 2 November 2020)
Tim Brownbridge (Appointed 2 November 2020)

NOCN India Skills Foundation Directors:

Director Graham Hasting-Evans
Dr Sunil Abrol

Key Management Personnel - NOCN Group Senior Leadership Team in 2019/20:

Chief Executive Officer	Graham Hasting-Evans
Group Deputy Managing Director (left 7 November 2019)	Jan Richardson-Wilde
Group Executive Director of Finance & Governance	Simon Renny
Group Executive Director of Customer Services & Operations (left 13 November 2020)	Stephanie Birch
Group Director - Job Cards & Services	Mark Buckton
Managing Director One Awards	Fabienne Bailey

Reference and administrative details

Charity Number:	NOCN:	1079785
	One Awards:	1087530
	Job Cards:	1182053

Company number:	NOCN:	03829217
	One Awards:	04042215
	Job Cards:	11634699

NOCN Registered office: Acero Building, 1 Concourse Way, Sheaf Street, Sheffield, S1 2BJ.

Our Advisers

Bank	National Westminster Bank Plc (NOCN & NOCN Job Cards)	7 Market Place, Derby, DE1 9DS
	Yorkshire Bank (One Awards)	7 Linthorpe Road Middlesbrough TS1 1RF
Solicitors	Andrew Holland Law Limited	Suite 1, The Bakery Millennium Business Park Steeton, Keighley West Yorkshire, BD20 6RB
Auditors	BDO LLP	Central Square 29 Wellington Street Leeds, LS1 4DL

Trustees' Report for the year ending 31 July 2020

The Trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiaries for the year ending 31 July 2020 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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).

Chair's report

What an extraordinary year it has been. Who could have predicted, in August 2019, as we set our sights on achieving our vision and goals for 2019/20, that we would face a global pandemic, coupled with a national lockdown. Education, business, leisure and retail were all put on hold, and people confined to their homes, in a bid to keep people safe from Covid19. Yet, despite all the challenges that we have faced, many positives have emerged.

Change has occurred at a lightening pace, with our teams, their customers and learners reverting to virtual communications through Microsoft Teams and Zoom, enabling contact to continue locally, nationally and globally. Remote delivery of learning has become normalised, where at all possible, and assessments have been centre-assessed to award qualifications to learners, to ensure their continued learner journey.

At NOCN Group, our Vision remains constant, to be the Educational & Skills Charity of choice, helping learners and apprentices to reach their potential and organisations to thrive. Whilst our growth may have been temporarily halted by the pandemic, our resolve to continue with our growth plan remains strong. We are determined to emerge from the storms stronger and more digitally able than before.

NOCN retained its position as a top 10 Awarding Organisation in England. We continued to develop significant numbers of new and improved qualifications, in time for the Government's moratorium, whilst liaising closely with Ofqual to put over 25,000 learners through the summer assessment window.

Our Apprenticeship Endpoint Assessment operation has grown, approved to assess 60 apprenticeship standards, the most of any EPAO, and increasing the numbers of assessments undertaken by 139% vs the prior year.

We have improved and digitised the operations for the Construction Plant Card Scheme (CPCS), overcoming the onboarding problems, moving to 'smart' (digitally enabled) cards and improving the renewal service for card holders. Regrettably, there has been a number of issues in respect of the purchase and transfer of CPCS from CITB which has resulted in NOCN issuing legal proceedings.

Our One Awards team liaised closely with the Quality Assurance Agency to process and award our Access to Higher Education Diplomas during the pandemic, issuing certificates within 1 working day, to ensure that students going on to university had every chance of success. Steady growth of the Bespoke and Quality Mark programmes was evident, and One Awards Training was successfully launched.

Internationally, whilst many new registrations were held back by the pandemic, our ESOL International examinations continued their steady growth.

Looking forward, with the third lockdown late in 2020 and uncertainty of future waves of the pandemic ahead of us, it looks as if we will be facing a recession, on a par with the Great Recession of 2008, or worse. To help us recover from this, there will be an increasing focus on the importance of upskilling and reskilling in the post-COVID19 era, and the FE sector will play a vital part in building strong foundations for recovery. We at NOCN Group will be ready to join in the effort to reignite the economy with future skills.



Gareth Jones
28 April 2021

Our Purpose, Objectives and Activities

The Purpose of the Charity

The purpose and mission statement of NOCN Group is to support learners and apprentices to achieve success in life and work and to support communities and organisations to develop and prosper, through: regulated qualifications, apprenticeship assessments, skills accreditation, assessment support, access to higher education, competency cards, consultancy advice and training.

The Objectives of the Charity

The Objectives of the Charity are:

“The advancement of the education of the public in one or more of the following ways:

- *by promoting and widening participation in education and training, including for those people who have previously been excluded from educational opportunities;*
- *by improving the quality and flexibility of education provision for the public benefit, including for those people who have previously been excluded from educational opportunities; and*
- *by improving access to learning opportunities and facilitating progression to further learning, employment and higher education, particularly through the award of credits and credit based qualifications.”*

NOCN works to deliver these objectives through its key Group functions as follows:

- NOCN Education and Skills policy research – through NOCN’s work in contributing to government vocational education and skills policy reviews and other research papers it has delivered in conjunction with partners with the aim of improving the quality of the vocational education system.
- NOCN Awarding Organisation - through its work in developing and promoting vocational qualifications that meet the needs of employers and help learners progress in employment or learning.
- Apprenticeship End Point Assessment - through its work in providing a high quality, compliant apprenticeship assessment service to employers employing apprentices.
- NOCN Job Cards - through its work in assessing the competence of workers to operate construction plant on construction sites and operating the scaffolding card scheme on behalf of CISRS, as well as other competency-based card schemes it may operate in the future.
- One Awards – through its work in being a leading Access provider, supporting learners who otherwise might have been excluded from securing a route into Higher Education, and the delivery of bespoke, endorsed programmes and specialist training.
- International – though the provision of consultancy to improve apprenticeship systems in other countries as well as the provision of ESOL and other qualifications to countries that are keen to utilise UK qualifications.

Public Benefit

Our Trustees have complied with their duty in accordance with the UK Charities Act 2011 to follow the Charity Commission's guidance on the operation of this public benefit.

NOCN provides a public benefit to advance education and training for the general public through:

- the development and maintenance of credit based or component based qualifications and unit awards in the UK and internationally;
- its continued work as a leading accredited End Point Assessment Organisation.
- the operation of the Construction Plant Competency Scheme which ensures that Construction Plant Operators have the right qualifications and experience to operate different classes of plant machinery on construction sites. In addition, it operates the CISRS scaffolding card scheme which NOCN Job Cards operates on behalf of CISRS.
- the delivery of Access to HE qualifications, bespoke accreditation, and training delivery provision through One Awards.

Within the requirements of the individual qualification standards, NOCN qualifications are open to all members of the public. NOCN is committed to equality, diversity and inclusion and holds the status of a 'Leader in Diversity' by the National Diversity Centre.

The Charity continues to demonstrate its objective of widening participation in education, working with groups and communities that have traditionally not benefited from traditional or formal educational opportunities, for example learners working at lower educational levels; learners with disabilities (SEND); learners with few formal qualifications; learners based in offender institutions; younger learners who are not in employment or training; the unemployed and people working in industries that have not traditionally valued formal qualifications.

Key Achievements, Activities & Performance in the year

The Charity is able to demonstrate progress against its key objectives, and key achievements can be summarised as follows across the following divisions of NOCN Group:

NOCN Awarding Organisation

Consistent with the general qualification market conditions, the NOCN Awarding Organisation saw a continued downturn in qualification registration activity in the pre-covid period of 2019/20 compared to 2018/19, the reduction in registrations was primarily at level 2 and primarily in construction in line with the transfer to Trailblazer apprenticeship standards. With the closure of colleges and training providers during lockdown this position significantly worsened with qualification and unit registrations approximately 50% lower than normal during the lockdown period.

In terms of qualification awards, for the 12 months to the end of June 2020 there were 103,285 awards made in 2019/20 compared with 144,710 in 2018/19, a 29% reduction.

NOCN has continued as a top 10 Awarding Organisation (AO) in England as per the Ofqual published league tables and continues to be ranked second in the Construction sector. NOCN has continued to comply through the year as a Regulated Awarding Organisation with Ofqual, CCEA and Qualification Wales regulations and has maintained a strong quality assurance record.

With the impact of Covid, NOCN, along with other AO's, was required by Ofqual in the summer to undertake centre based assessments of Vocational & Technical Qualifications (VTQs)

awards. NOCN processed over 25,000 learner assessments under Ofqual's Extraordinary Regulatory Framework for the summer assessment window on time with no issues raised.

Through the year NOCN has continued to undertake significant work to improve NOCN's registration system operations over the year to ensure it meets the needs of NOCN's centres and has undertaken a range of webinars and workshops to help our centres get trained on our systems.

NOCN has continued to develop the range of qualifications and support materials it can offer such as the new functional skills qualifications including the development of an online offering for functional skills, 15 new construction qualifications and along with online support materials. In total 46 (2018/19 – 37) new qualifications being developed in the year and 55 (2018/19 – 19) being withdrawn. These statistics hide the huge amount of work that has been done this year as we launched 97 new qualifications on the 1st August, which was necessary to prepare for the funding moratorium which was brought in in September 2020.

In 2019/20 NOCN extended the provision of its qualifications to 105 (2018/19: 123) new training providers.

NOCN Apprenticeships

NOCN's apprenticeship end point assessment operations has continued to grow and at the end of July was approved to assess 61 (2018/19: 51) apprenticeship standards, the highest number of apprenticeship standards of all registered End Point Assessment Organisations as at October 2020.

27 (2018/19: 14) separate external audits of NOCN's End Point Assessment operations were undertaken in the year and NOCN received clear reports from all External Quality Assurance Organisations.

Despite the impact of Covid, NOCN has delivered a 194% increase in 2019/20 (2018/19: 248%) in terms of the volume of assessments undertaken compared to the prior year. We expect the volume of assessments to continue to grow significantly in 2020/21 with a strong pipeline of new business across a range of standards as well as deferred assessments from 2019/20.

Covid significantly impacted the undertaking of assessments, and therefore income in the year, where the standard requires a physical assessment. However, NOCN was still able to successfully deliver assessments for many standards remotely throughout lockdown.

2019/20 also saw continued investment in NOCN's EPA registration system to help support the efficient management of this increased growth in volume.

NOCN Job Cards

The CPCS business was purchased from CITB on 1 March 2019 but CITB continued to manage the card processing systems on behalf of NOCN Job Cards, until 1 December 2019 at which point the data and the systems were set up on NOCN Job Cards.

In addition, the CISRS card scheme transferred from CITB on 1 December to be operated under a contract with CISRS.

From 1 December 2019 there were significant issues in relation to CPCS and CISRS following the transfer of the card scheme data from CITB for CPCS cards onto NOCN Job Cards'

systems. These were compounded by issues in relation to the Health and Safety testing carried out under contract on our behalf by Pearson Vue.

These issues impacted on the delivery of the CPCS and CISRS cards for a number of months and required significant additional staffing and IT work to address the issues and clear the processing backlog. Whilst the issues have now been addressed, the issues incurred have negatively impacted both the CPCS and the NOCN businesses and caused significant extra cost to the Group in order to resolve problems and provide a good service to the cardholders and industry.

CPCS application levels pre-Covid were lower than expected. The impact of Covid lockdown meant that application levels saw further significant declines as test centres closed and the construction sector ceased work. Following the relaxation of lockdown in the construction sector and at test centres, we saw these levels increase in Autumn 2020 and the business has moved into surplus generating position in 2021/22, however they are still not operating at the level of income projected by CITB in its CPCS sale prospectus.

These factors have resulted in NOCN Job Cards generating a significant loss in 2019/20 of £833k (2018/19: £24k loss) after depreciation and amortisation. NOCN has committed to continue to financially support NOCN Job Cards and as a result NOCN Job Cards remains a going concern despite the lower than expected income, and is expected to move to generating a surplus in 2020/21.

As a result of the significantly lower than expected income levels and data transfer issues in relation to the CPCS business, NOCN Job Cards has submitted a legal claim against CITB to court in March 2021 in respect of the purchase of the CPCS business from CITB.

On a more positive note, NOCN Job Cards has invested in the card systems in 2019/20 to improve the functionality of the cards, including the move from 'dumb' to 'smart' cards. It is also starting to provide more on-line application facilities which it will continue to invest in during 2020/21 for both CPCS and CISRS. It has, and will continue to, work with the CPCS Management Committee and other industry stakeholders to ensure that the CPCS scheme is further developed to meet the needs of the sector's employers and the cardholders.

One Awards - Access to HE, Bespoke & Training

Until the declaration of the Covid 19 pandemic on 20th March 2020, One Awards performed well against targets, budget and service standards.

The Centre Support team continued to assist centres with our internally set high standard of issuing 98% of all certificates within 3-4 working days of receipt of correctly completed and verified results. Results processing and external verification remained as an in-house operation to ensure quality and efficiency in the service.

Access to HE Diploma certificates were produced in an average of one working day, maintaining the high standard of the previous year, meaning that universities could access student results from our Regional Results Service on the day they were verified. Regular praise is received for the Centre Support Team e.g.

'Just a courtesy email to thank you so much for your time yesterday. The team found the advice and information extremely helpful and were very impressed with your professionalism.' (Paul Lund – Finchale Group)

Celebrating achievement continues to be a priority for us and every year we plan and deliver a number of events including award ceremonies. In November 2019 we were delighted to hold the fourth of our Higher Education Admissions Fair in the North East. The event was

held at Middlesbrough Football Club which provided the space and event management to make this a high-quality experience for attendees. Its purpose was to give students an opportunity to meet with representatives from over 30 universities and higher education providers throughout the UK to find out more about the vast range of courses available. Hundreds of Access to HE students attended and took advantage of being able to talk to a range of institutions about possible next steps into higher education and to attend a variety of workshops. Feedback from students and tutors was very positive.

One Awards bespoke units continued to be used by new and existing centres, offering them a flexible accreditation service to support their own bespoke training programmes. Similarly, there was steady growth in the use of the Quality Mark endorsement which moved to One Awards for full management within the Group.

One Awards Training was a success in its first year. It delivered on all of the planned CPD training for staff working in the FE sector, it achieved a surplus on the budgeted income and it achieved a fully compliant External Quality Assurance report.

Our Access to HE Diploma offer continued to be developed and in 2019-20, over 40 diplomas were available to providers. Our regular review and development process ensures that recognised Access to HE centres continue to have access to a wide range of relevant diplomas to meet the needs of their learners and enable progression to Higher Education. The Access to Health diploma remained the most popular diploma chosen by students and 1 provider ran a successful fully online Access to Health diploma in this year.

The QAA applied a 'low risk' rating to One Awards at the start of 2019/20 and this was maintained following the September submission which included a thematic review of our development, validation, modifications and withdrawal of Access to HE Diplomas.

A further successful February submission followed which included a full data impact review.

On 20th March 2020, the Government directed the country to go into national lockdown as a result of the global Covid 19 pandemic and the disaster recovery plan was implemented. All staff were directed to work from home and the office was closed until further notice.

As Access to HE students required a means of completing their studies and achieving grades to enable them to progress, the Quality Assurance Agency introduced an extraordinary regulatory framework for all AVAs and Access providers to work within. The One Awards team adapted very well to this new framework despite the numerous challenges and changes that were required to our way of working. The team were highlighted by the QAA as being very proactive and responsive throughout the process and we were able to achieve a successful extraordinary awards board at the end of the year. The team also received numerous compliments from the Access providers who were grateful for our support to them throughout the very challenging year.

"Thank you for the regular updates, the communications from One Awards have been by far the best across all awarding bodies, during this period." (Shaun Hope, Hartlepool College of Further Education).

As lockdown continued and travel/working restrictions remained in place, the Board of Trustees decided to postpone the planned office move in September 2020 and instead gave notice to the office landlord that the One Awards team would vacate the Peterlee office at the end of the lease term. This resulted in the need to consult with the staff on moving to a home working contract. This was completed successfully with no challenge posed from staff and

everyone adapting well to the new way of working. This will be monitored throughout 2020/21 to review if this can become a permanent arrangement.

International

There has been continued development of our international work with new centres added in Africa, ASEAN, China, Europe, India Sub-Continent, and the Middle East, although registrations have been held up by the pandemic.

We saw steady growth in ESOL International examinations in Greece, despite the pandemic.

NOCN Education and Skills Policy & Research

As an integral part of supporting our charitable objects, NOCN supports a number of national awards which aim to encourage learning for across society including disadvantaged groups. The national awards that we have supported this year include Asian Apprenticeship Network, Construction News, Learning & Work Institute Awards, National Apprenticeship Awards, National Centre for Diversity, Sheffield City Region Apprenticeship Awards and Voluntary Action Sheffield Awards.

In addition, NOCN has taken part in and supported research on education and skills development to promote learning and open up skills development to more and more of our communities. In 2019/20, this included:

- The joint publication of the 'Close the Gap' report with City & Guilds.
- Contributing to the Learning and Work Institute's 'Bridging the Gap' report;
- The launch the 'Constructing SMARTER' report with WorldSkills UK and Dudley College at World Skills Live at the NEC. This received positive comments from within the construction industry and policy makers and resulted in an invite to No 10 Policy Unit for education and skills as well as an invite from DfE to present to the Japanese Government and construction industry representatives.
- Worked with Association of Colleges, CITB, BACH and the Construction Leadership Council (CLC) to develop a set of proposals for supporting learners in FE Colleges into employment in construction which is being considered by DfE.
- Working with Association of Colleges and others on the research in the 'College of the Future'.

Group Corporate Functions

As a result of the immediate and significant financial impact of the Covid lockdown in March, significant work was undertaken to ensure that NOCN and its subsidiaries remained a going concern. Please see the Financial Review section for more information on the actions taken.

Aside from this, work continued in 2019/20 to develop our staff and systems and processes across all our functions and ensure that we can deliver as efficiently as possible in the light of the changed financial position. Covid has resulted in our business having to work on a reduced capacity, as well as working remotely to ensure that we continue to operate in line with Government guidelines. The move to remote working was successful and did not cause any significant impact on our operations. In 2020/21 we expect that NOCN and its subsidiaries will continue to operate on a mainly remote basis and One Awards has closed the Peterlee Office on this basis in 2020/21.

Financial Review (including financial impact of Covid)

Up to the end of February 2020, before the Covid lockdown started, the business saw the Group's year to date incoming resources increase compared with the same period in the prior year. Whilst NOCN's Awarding Organisation's incoming resources had reduced, the growth in incoming resources for the Endpoint Assessment activity had helped to offset this. In addition, the Group's incoming resources were increased with CPCS incoming resources which did not transfer in the prior year until the beginning of March 2019 and CISRS incoming resources which transferred on 1 December 2019. However, it is worth noting that the level of income on CPCS up to this point was significantly (approx. 20%) less than budgeted.

Up to this point operating costs had also increased year-on-year impacting on the surplus generated by the group. However, the group was still making a year-to-date surplus before depreciation & amortisation at this point of £765k.

The Covid lockdown in March significantly impacted on the Group's incoming resources as Colleges, private training providers, and construction sites ceased to operate during this period (both in the UK and internationally). This impacted on the incoming resources of all our businesses with the bulk of the business seeing reductions of around 50% of revenues from that point which significantly impacted on the group's surpluses given that most of the business has largely fixed costs. The reduction on End Point Assessment was also very significant given most of the expected income in the year was due to be earned in the latter period of the year and 30% of this was either reduced or cancelled.

The Group took the following action to address this shortfall:

- Secured a CBILS loan of £1.5m repayable over 6 years.
- Furloughed up to half the Group's staff.
- Agreed a temporary 10% pay cut for all staff in return for a proportionate reduction in hours, with the Senior Leadership Team taking a 10% pay cut with no reduction in hours.
- Made a limited number of staff redundant.
- Stopped all non-essential discretionary spending and reviewed costs.
- Undertook other activity with our key suppliers and partners to reschedule payments where possible.

As a result the business managed to secure sufficient financing to continue to operate and minimise the operating deficit on the Charitable Group. This is despite the fact that the business had to reduce the number of staff on furlough significantly post April in order to support the additional Centre Assessed Grades regulatory review work required by Ofqual and QAA which was significant and unfunded by the Department of Education.

The Group ended the year with an operating deficit of £294k (2018/19: £851k surplus) before depreciation/amortisation and before the impact of the change in the One Awards pension deficit.

One Awards staff are members of the Teesside Local Government Pension Scheme. Due to the impact of Covid on the economy, the long-term interest rates used to discount the pension scheme obligations dropped to historic lows. As a direct consequence of this, the pension scheme liability under FRS 102 on the One Awards subsidiary saw a £2.1m increase in its defined benefit pension liability in the year to £3.3m. This increased the Group's deficit in the year by £2.1m (2019: £481k increase). £2,015k of this has been reflected in the Recognised gains and losses for the year of the SOFA, and the rest being reflected in the pensions pay cost. Taking into account £1,179k (2019: £952k) of amortisation & depreciation charges for the year, the Group's net deficit was £3,572k (2019: £582k deficit).

The table below notes the operating surplus/(deficit) position.

£000s	2018/19	2019/20
Income	10,731	11,413
Operating costs	9,880	11,707
Operating surplus/(deficit)	851	(294)
Depreciation & Amortisation	952	1,179
One Awards Pension liability revaluation (including £99k associated pensions pay cost charge)	481	2,114
Other revaluations	-	(15)
Net (outgoing) / incoming resources after other gains/(losses)	(582)	(3,572)

At the half year point of 2020/21 (end of January), despite the economic impact of Covid, the Group's income and has increased by 17% compared to the same period last year. The overall financial position is considerably improved and NOCN Group is ahead of budget with an unaudited group operating surplus of £3.5m before depreciation, amortisation and any pension liability revaluation (this figure is unaudited).

Going Concern

The Board has assessed the current and projected solvency of the Group looking forward over the following two financial years.

In assessing going concern of the Group at the date of this report (April 2021) we have reviewed our forecasts for 2021/22 and developed reasonable best and worst case income scenarios for 2021/22 taking into account the likely external economic environment as a result of Covid as well as other external market factors. We also took action in 2020 to reduce the Group's cost base by 20% to ensure it can continue to operate and still generate the operating surpluses it needs to generate to support its cashflow over the coming year. As noted above the Group has seen income increase by 17% and it has achieved a £3.5m group operating surplus in the first 6 months of 2020/21 (these figures are unaudited).

As part of the going concern assessment we carried out sensitivity tests on our Statement of financial activities and cashflow projections looking forward to end of 2021/22 and have looked at how much income would need to drop in 2021/22 beyond our worst case income scenario assuming we take no action to reduce costs, such that we cannot meet all our liabilities as they fall due at any point. This stress test showed that the business has sufficient capacity to pay its liabilities as they fall due if there is a decrease in income below our worst case scenario. This is without any reductions in staff costs, which is clearly an option open to us if required. We do not expect to go below our worst case scenario as we have been prudent on these projections and if income did start to drop to such levels then we would take action in good time to cut our costs through measures such as reintroducing a staff pay cut as we did successfully last year and cutting discretionary costs.

The Board, with the input of specialist advice, considers that the Group and its subsidiaries remain a going concern and that the Group will make sufficient surpluses in 2020/21 and 2021/22 to cover the Group's remaining purchase payments for Cskills and CPCS as well as other liabilities as they fall due. In making this assessment we have assumed prudently that there will be no reduction in the CPCS purchase price agreed with CITB despite our legal claim in this matter.

This assessment is supported by:

- the cost saving work carried out in the latter part of 2019/20 and the ongoing cost control, which has allowed the business to continue to operate on a lower cost base. This cost saving work has resulted in costs in 2020/21 being 16% lower than in 2019/20 at the half year-point despite income being 17% higher (these figures are unaudited);
- the securing of a 6 year £1.5m loan through the CBILS programme;
- The fact that a prudent income budget has been developed for next year which will still allow the business to generate the operating surpluses it needs to cover its liabilities as they fall due including the future CPCS and Cskills business purchase payments as well as start to rebuild its reserves;
- the fact that the colleges, training providers, and construction industry are now operational again and volumes are at least meeting or exceeding the budgeted projections so far in 2020/21 despite the introduction of the 3rd lockdown in 2020/21.
- the detailed forward projection of the Group's cashflow for the next two financial years which shows that the business has sufficient cash to meet its liabilities as they fall due; and
- the ability to undertake further mitigating action to reduce costs and increase cash financing if income does not come in at the budgeted levels due to further Covid lockdowns.

At 31 July 2020 and at the date of this report (April 2021) the balance sheet and forward cash projections show that the Group can continue to meet its all its obligations as they fall due over at least the next 12 months and has been prudently calculated on the basis that NOCN Job Cards pays the full contractually agreed purchase price for CPCS.

In the event that the business is impacted by further college lockdowns as a result of Covid then the business will take prompt action to further reduce its cost base to ensure that it can still meet its obligations as they fall due.

Subsidiary going concern assessments

It is worth noting that the One Awards pension liability is ringfenced in One Awards and NOCN is not a guarantor of this liability. One Awards will continue to work with the pension scheme administrators in order to try to come to a resolution on this deficit. However, in the meantime the Board considers that One Awards remains a going concern, on the basis that it can pay its liabilities as they fall due as long as NOCN continues to be solvent and recognising the One Awards pension liability is not a real cash liability.

NOCN Job Cards also continues to borrow from NOCN to fund its activities given it made a deficit in the year. The Board has considered NOCN Job Cards future projections of income and costs and considers that the business will remain a going concern and is expected to generate a surplus in 2020/21 and in future years as a result of the cost saving measures taken as well as future actions to reduce the cost base through the increased use of digital processes and technology, and as a result of the increase in application activity seen in the first part of the year. The Group Board has agreed to continue to provide intercompany loan to NOCN Job Cards in order to help allow it to pay for the purchase of CPCS from CITB whilst it generates the cash surplus needed to cover this liability.

Key Risks in the year

The key risks NOCN has faced in 2019/20 have been:

- The UK economic position deteriorates in sectors that could significantly impact on the Group's financial performance and ability to continue. This risk was heightened with advent of Covid lockdown which impacted on the organisation's income streams.
- The continued reduction in the CITB levy reduces the level of spending on construction qualifications and cards and impacts on EPA construction assessment volumes. We are mitigating this through reducing our cost base, developing new products and diversification of the sectors we support and look to reduce our product prices where we can to support our customers.
- Linked to the above and the impact of Covid, there is the key risk that NOCN is not sustainable financially. This is a risk that we have continued to monitor through the year and take action where appropriate to ensure that NOCN and its subsidiaries reduce costs and secure sufficient financing to ensure the business remains a going concern in line with the lower income levels. As a result of these actions the business moves forward into 2020/21 with a lower cost base and is assessed to continue to be a going concern.
- NOCN fails to implement major changes to its business systems and fails resolve the CPCS data and system issues. We have aimed to mitigate this risk by increasing our capacity and capabilities of our IT function to support this work, increased investment in our project management support and contracting in external support to provide additional specialist expertise where necessary. In addition, we have been working with CITB to address the legacy data and interface issues in relation to CPCS.

Powers of Investment

The trustees are authorised by the Memorandum of Association to invest monies not immediately required for the Charity's own purposes in such investments, securities or property as they deem fit subject to any conditions required by law.

Reserves Policy

NOCN's reserves policy is to aim to retain a level of unrestricted reserves, over the medium term, of a minimum of 12 weeks of actual operating expenditure, up to a maximum of 26 weeks of actual operating expenditure. These unrestricted reserves, which are freely available for general use, are held to withstand any short-term financial risks and to support any windup costs in the event of closure.

Should reserves drop below 12 weeks an action plan will be agreed by the Board to ensure that NOCN is likely to remain a going concern and build up its reserves to the minimum level. As at the end of July 2020 NOCN's reserve levels have dropped into negative reserve levels. The main reason for this was as a result of a £2.1m increase in the One Awards pension liability as well as an operating deficit arising due to reduced income as a result of poor trading conditions through Covid and income coming in less than expected on the Construction Plant Card Scheme.

The Board approved a business plan and budget for 2020/21 which will increase the reserve levels but it is recognised that it will take a number of years before the business can operate back within its reserves policy.

Future Plans

The Charity's strategic objectives for the following three years continue to be:

- To diversify our product range, customer portfolio and international presence;
- To maintain our position in the UK market and as a sustainable and compliant organisation and ensure our core business is still supported and maintained;
- To develop our organisational capacity and skills;
- To continue to integrate our new businesses and staff;
- To strengthen our business and digital skills;
- To continue to invest to develop the business range and offer; and
- To improve efficiency and service delivery standards.

These objectives are driven by the context we operate in, our mission and values, the need to maintain our business in what may be a difficult policy and economic context for a number of years and the need to develop new ways of working.

Structure, Governance and Management

Governing Document and structure

The organisation is a charitable company limited by guarantee incorporated on 18 August 1999.

The National Open College Network (NOCN) was registered in England and Wales as a charity on 10 March 2000. The members agreed by vote on 10 October 2013 to change the name to NOCN. This change was formally recorded in Companies House on 18 October 2013. There were 10 members of the company as at 31 July 2020.

In July 2017 NOCN India Skills Foundation was incorporated in India as a subsidiary of NOCN and is included as part of these consolidated set of accounts.

One Awards joined the NOCN Group with effect from 1 August 2018 following a change in its articles which gives NOCN majority voting rights on the Board. There are 136 members of One Awards.

NOCN Job Cards was incorporated as a company limited by guarantee on 22 October 2018 and was registered as a charity on 15 February 2019. NOCN Job Cards is consolidated within NOCN Group given its articles give NOCN majority voting rights on the Board. NOCN is the sole member of NOCN Job Cards.

Appointment of Trustees

As set out in the revised Articles of Association, NOCN seeks and recruits trustees who are drawn from a wide range of backgrounds, including industry sectors where NOCN works. As at the 31 July 2020 there were 12 trustees in post at NOCN Group's Board. The chairs of the Board and the sub-committees are appointed trustees. As at the 31 July 2020 there were 6 trustees in post at NOCN Job Cards Board. The Chair of the Board is an appointed trustee and Vice Chair of the NOCN Group Board.

Since 1 August 2019 there have been 2 resignations from the NOCN Group Board. During this period 1 was appointed to the Board. Additionally, 2 were reappointed during the year. Since 1 August 2019 there was 1 resignation from the NOCN Job Cards Board. During this period 2 have been appointed to the Board.

Trustee posts are advertised. Applications are reviewed by the Board and where appropriate a shortlist established for interview. The Board makes the final appointment.

Trustee Induction and Training

When new Trustees join the Board, a formal briefing from the Chair and Group Managing Director takes place and they receive an induction pack. Trustees receive formal training on their responsibilities, including their legal obligations.

Statement of Regulatory Compliance

All awarding organisations are required to submit their formal statement of compliance, under the General Conditions of Recognition, published by Ofqual. This is a key governance document, which NOCN submitted to the 3 regulators of qualifications in the UK in December 2020. NOCN recorded that it was compliant with the General Conditions of Recognition both times.

In November 2017 NOCN signed the Government's compliance document entitled Conditions for End-Point Assessment Organisations as it had entered the new education market for Trailblazer Apprenticeship Standards, which was launched by the Government in May 2017.

Compliance with the Charity Governance Code

The Trustees monitor the group's compliance with the Charity Governance Code, which was last updated in December 2020. It has been assessed that NOCN is substantially compliant with the Code, and further improvements in group policies and processes are implemented as required to ensure compliance. The remaining areas addressed to fully comply with the Code include the introduction of regular trustee appraisals, trustee skills audits. These were addressed in early 2021.

Organisational Structure

The NOCN Board of Trustees meets at least quarterly with a full business agenda including a review of the Management Accounts and budget achievement for the Group and each of its subsidiaries. During the year the NOCN Board was supported by two sub-committees: Group Audit & Risk Committee; and Regulation Committee and Enhancement Committee. Each sub-committee meets between 3 and 4 times in the year and reports its activities and recommendations, at the Board meeting immediately following their own meetings.

The Board of Trustees delegates the management of the Charity to the Group Managing Director who undertakes these responsibilities through a Senior Leadership Team (SLT) plus Directors which is comprised of the Group Managing Director and all the Executive Directors within the Group plus Directors and business leads where appropriate, and a Group Management Team which is made up of the SLT plus the Heads of Function of the NOCN Group entities.

Pay policy for senior staff

All Trustees give of their time freely and no director received remuneration in the year.

The pay of the Senior Leadership team is reviewed annually and normally increased in accordance with average earnings in line with the rest of the staff. Any changes to Senior Leadership staff salaries have to be approved by the Board of Trustees.

Details of the Trustees and Senior Leadership Team related party transactions are disclosed in the notes to the accounts.

Risk Management

NOCN operates a risk management policy and strategy. The aims of the policy and strategy are to:

- Consider best practice in designing a risk management framework;
- Encourage well-managed taking of risk to deliver business objectives;
- Provide staff with policies and procedures necessary to manage risk;
- Embed risk management in the day-to-day conduct of business;
- Identify and prioritise risk using the risk management technology;
- Regularly monitor risk at Managing Director and Director Level; and
- Achieve continuous improvement in risk management.

During the year the Audit & Risk Committee has routinely considered the Strategic Risk Register and examined specific areas of risk at the request of the Board and has overseen a review of the register's format and risks. The Strategic Risks are also reported to the Board on a Quarterly basis. The Strategic Risk Register is also reviewed on a monthly basis by the SLT.

In addition, the Regulation and Enhancement Committee has regularly considered issues of risk relating to NOCN's status as a recognised and regulated awarding organisation, within the context of being compliant with the General Conditions of Recognition.

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of NOCN for the purposes of company law) are responsible for preparing the trustees' annual report and financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board of trustees

A handwritten signature in black ink, appearing to read 'G. Jones', with a long horizontal flourish extending to the right.

Gareth Jones (Chair)

28 April 2021

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF NOCN

Opinion

We have audited the financial statements of NOCN ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 July 2020 which comprise the consolidated statement of financial activities, the consolidated and charity statement of financial position, the 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 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 Charitable Company's affairs as at 31 July 2020 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities, in the circumstances set out in notes to the financial statements, 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 related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, 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 Trustees' Report, which includes the Directors' Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which are included in the Trustees' Report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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 Strategic report or the Trustee's report.

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 determines 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 Group's and the Parent Charitable 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 Trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charitable 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 Charitable 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 Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
HELEN KNOWLES
DAED9B91914A4A7...

Helen Knowles (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Leeds

Date: 28 May 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Statement of Financial Activities

Including the statement of comprehensive income

For the Year ended 31 July 2020

	Notes	2020 Unrestricted Funds £	2019 Unrestricted Funds £
Incoming resources			
Grants and Donations	1	469,066	-
Charitable activities	2	10,943,649	10,730,895
Total incoming resources		11,412,716	10,730,895
Resources expended			
Charitable activities	3	12,985,890	10,915,461
Total resources expended		12,985,890	10,915,461
Net movement in funds before other gains/(losses)	6	(1,573,174)	(184,566)
Other recognised gains/(losses)	22	(1,999,306)	(398,000)
Net movement in funds after other gains/(losses)	27	(3,572,481)	(582,566)
Total funds brought forward		1,968,923	2,551,489
Total funds carried forward	20	(1,603,558)	1,968,923

The notes on pages 28 to 47 form part of these financial statements.

The incoming resources and resources expended derive from continuing operations.

NOCN uses the exemption conferred by section 408 of the Companies Act 2006 in not preparing a separate income and expenditure account for NOCN as a separate company. The net deficit recorded by the parent company for the year was £705,567 (2019: net surplus £582,564)

Consolidated Statement of Financial Position

As at 31 July 2020

	Notes	2020 Unrestricted Funds £	2019 Unrestricted Funds £
Fixed assets			
Intangible assets	11	8,604,686	10,104,500
Tangible assets	12	351,718	355,511
Investments	13	-	-
Total fixed assets		8,956,404	10,460,011
Current assets			
Debtors	14	2,754,665	2,943,032
Stock	15	43,858	38,231
Cash at bank and in hand	26	740,826	300,076
Total current assets		3,539,349	3,281,339
Current liabilities			
Creditors: Amounts falling due within one year	16	(6,077,216)	(4,777,290)
Net current (liabilities) / assets		(2,537,867)	(1,495,951)
Total assets less current liabilities			
		6,418,538	8,964,060
Creditors: Amounts falling due after more than one year	18	(4,737,096)	(5,824,137)
Net assets excluding defined benefit pension plan liability		1,681,442	3,139,923
Defined benefit pension plan liability	21	(3,285,000)	(1,171,000)
Net (liability)/assets including defined benefit pension plan liability		(1,603,558)	1,968,923
Represented by:			
General funds	20	(1,603,558)	1,968,923
Total funds		(1,603,558)	1,968,923

The notes on pages 28 to 47 form part of these financial statements.

All funds are unrestricted

The financial statements were approved by the Board of Directors and authorised for issue on 28th April 2021 and were signed on its behalf by:



Gareth Jones
Chair, NOCN Board of Trustees

Company Statement of Financial Position

As at 31 July 2020

Company Registration No.
03829217

	Notes	2020 Unrestricted Funds £	2019 Unrestricted Funds £
Fixed assets			
Intangible assets	11	4,437,174	5,036,684
Tangible assets	12	296,730	332,917
Investments	13	99	99
Total fixed assets		4,734,003	5,369,700
Current assets			
Debtors	14	3,755,824	3,542,575
Stock	15	10,935	23,335
Cash at bank and in hand		530,182	175,669
Total current assets		4,296,941	3,741,579
Current liabilities			
Creditors: Amounts falling due within one year	16	(4,379,077)	(3,733,681)
Net current (liabilities) / assets		(82,136)	7,898
Total assets less current liabilities		4,651,867	5,377,598
Creditors: Amounts falling due after more than one year	18	(2,895,516)	(2,915,681)
Total net assets		1,756,352	2,461,917
Represented by:			
General funds	20	1,756,352	2,461,917
Total funds		1,756,352	2,461,917

The notes on pages 28 to 47 form part of these financial statements.

All funds are unrestricted

The financial statements were approved by the Board of Directors and authorised for issue on 28th April 2021 and were signed on its behalf by:



Gareth Jones
Chair, NOCN Board of Trustees

Consolidated Statement of Cash Flows

For the financial year ended 31 July 2020

	2020 £	2019 Restated £
Cash flows from operating activities		
Net cash (used in)/provided by operating activities	(677,485)	979,972
Cash flows from investing activities		
Purchase of intangible fixed assets & debtors	(287,363)	(1,500,000)
Purchase of tangible fixed assets	(94,402)	(85,397)
Net cash used in investing activities	(381,765)	(1,585,397)
Cash flows from financing activities		
New bank loans	1,500,000	-
Net cash provided by financing activities	1,500,000	-
Changes in cash and cash equivalents in the year	440,750	(605,425)
Cash and cash equivalents at the beginning of the year	300,076	905,501
Cash and cash equivalents at the end of the year	740,826	300,076
Reconciliation of net movement in funds before other gains/(losses) to net cash flow from operating activities		
Net movement in funds in the period as per the statement of financial activities	(1,573,174)	(184,566)
Adjustments for:		
Depreciation and amortisation	1,179,137	952,185
Increase in Stock	(5,626)	(20,772)
Decrease/(increase) in debtors	188,367	(1,036,708)
(Decrease)/increase in creditors	(466,189)	1,269,833
Net cash (used in)/provided by operating activities	(677,485)	979,972

The prior year reconciliation of net income to net cash flow from operating activities has been restated to exclude the non-cash revaluation of goodwill movement of £244,339, and the associated equal and opposite movement within 'other creditors'. The Net Movement in Funds figure to be reconciled against has also been amended to exclude the other gains and loss figure in line with the Charities SORP and the other creditors line has been amended as a result. Lastly, the purchase of intangible fixed assets figure within cash flows from investing activities has been restated to exclude the non-cash deferred consideration element of the CPCS acquisition, amounting to £3,881,644, with a corresponding equal and opposite adjustment to the increase in creditors within the reconciliation of net income to net cash flow from operating activities. The total net cash and cash equivalents remains unchanged as a result of these adjustments.

Notes to the Financial Statements

Accounting Policies

The following accounting policies have been applied consistently in dealing with items, which are considered material in relation to the Charity's financial statements.

Charitable company information

NOCN is a charitable company, limited by guarantee and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the charitable company information page and the nature of the charitable company's operations and its principal activities are set out in the Trustees' report.

Basis of preparation

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) (effective 1 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. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

NOCN meets the definition of a public benefit entity under FRS 102.

Consolidation

The financial statements consolidate the financial statements of NOCN and all its subsidiary undertakings.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual Statement of Financial Activities.

Preparation of the accounts on a going concern basis

The Board has assessed the current and projected solvency of the Group looking forward over the following two financial years.

In assessing going concern of the Group at the date of this report (April 2021) we have reviewed our forecasts for 2021/22 and developed reasonable best and worst case income scenarios for 2021/22 taking into account the likely external economic environment as a result of Covid as well as other external market factors. We also took action in 2020 to reduce the Group's cost base by 20% to ensure it can continue to operate and still generate the operating surpluses it needs to generate to support its cashflow over the coming year. As noted above the Group has seen income increase by 17% and it has achieved a £3.5m group operating surplus in the first 6 months of 2020/21 (these figures are unaudited).

As part of the going concern assessment we carried out sensitivity tests on our Statement of financial activities and cashflow projections looking forward to end of 2021/22 and have looked at how much income would need to drop in 2021/22 beyond our worst case income scenario assuming we take no action to reduce costs, such that we cannot meet all our liabilities as they fall due at any point. This stress test showed that the business has sufficient capacity to pay its liabilities as they fall due if there is a decrease in income below our worst case scenario. This is without any reductions in staff costs, which is clearly an option open to us if required. We do not expect to go below our worst case scenario as we have been prudent on these projections and if income did start to drop to such levels then we would take action in good time to cut our costs through measures such as reintroducing a staff pay cut as we did successfully last year and cutting discretionary costs.

The Board, with the input of specialist advice, considers that the Group and its subsidiaries remain a going concern and that the Group will make sufficient surpluses in 2020/21 and 2021/22 to cover the Group's remaining purchase payments for Cskills and CPCS as well as other liabilities as they fall due. In making this assessment we have assumed prudently that there will be no reduction in the CPCS purchase price agreed with CITB despite our legal claim in this matter.

ACCOUNTING POLICIES (CONTINUED)

This assessment is supported by:

- the cost saving work carried out in the latter part of 2019/20 and the ongoing cost control, which has allowed the business to continue to operate on a lower cost base. This cost saving work has resulted in costs in 2020/21 being 16% lower than in 2019/20 at the half year-point despite income being 17% higher (these figures are unaudited);
- the securing of a 6 year £1.5m loan through the CBILS programme;
- The fact that a prudent income budget has been developed for next year which will still allow the business to generate the operating surpluses it needs to cover its liabilities as they fall due including the future CPCS and Cskills business purchase payments as well as start to rebuild its reserves;
- the fact that the colleges, training providers, and construction industry are now operational again and volumes are at least meeting or exceeding the budgeted projections so far in 2020/21 despite the introduction of the 3rd lockdown in 2020/21.
- the detailed forward projection of the Group's cashflow for the next two financial years which shows that the business has sufficient cash to meet its liabilities as they fall due; and
- the ability to undertake further mitigating action to reduce costs and increase cash financing if income does not come in at the budgeted levels due to further Covid lockdowns.

At 31 July 2020 and at the date of this report (April 2021) the balance sheet and forward cash projections show that the Group can continue to meet its all its obligations as they fall due over at least the next 12 months and has been prudently calculated on the basis that NOCN Job Cards pays the full contractually agreed purchase price for CPCS.

In the event that the business is impacted by further college lockdowns as a result of Covid then the business will take prompt action to further reduce its cost base to ensure that it can still meet its obligations as they fall due.

Subsidiary going concern assessments

It is worth noting that the One Awards pension liability is ringfenced in One Awards and NOCN is not a guarantor of this liability. One Awards will continue to work with the pension scheme administrators in order to try to come to a resolution on this deficit. However, in the meantime the Board considers that One Awards remains a going concern, on the basis that it can pay its liabilities as they fall due as long as NOCN continues to be solvent and recognising the One Awards pension liability is not a real cash liability.

NOCN Job Cards also continues to borrow from NOCN to fund its activities given it made a deficit in the year. The Board has considered NOCN Job Cards future projections of income and costs and considers that the business will remain a going concern and is expected to generate a surplus in 2020/21 and in future years as a result of the cost saving measures taken as well as future actions to reduce the cost base through the increased use of digital processes and technology, and as a result of the increase in application activity seen in the first part of the year. The Group Board has agreed to continue to provide intercompany loan to NOCN Job Cards in order to help allow it to pay for the purchase of CPCS from CITB whilst it generates the cash surplus needed to cover this liability.

Liability of Members

The Charity is a company limited by guarantee. In the event of the Charity being wound up, the liability of the members is limited to a sum not exceeding £1.00, being the amount that each member undertakes to contribute to the assets of the Charity in the event of its being wound up while he, she or it is a member or within one year after he, she or it ceases to be a member, for:

- payment of the Charity's debts and liabilities incurred before he, she or it ceases to be a member;
- payment of the costs, charges and expenses of winding up; and
- adjustment of the rights of the contributories among themselves.

Incoming Resources

Incoming resources primarily comprise: Learner Registration charges; contributions from Delivery Partners; online assessment fees, delivery of a wide range of endorsed programmes and Apprenticeship End Point Assessment fees.

NOCN income streams are recognised as follows:

- Interest is accrued on a daily basis;
- Delivery Partner Fees are recognised in full in the year the service is provided;
- Learner registration charges are recognised at the time of registration;

ACCOUNTING POLICIES (CONTINUED)

- Replacement certificate income is recognised at point of request and in advance of release of certificate;
- Examination fees are accounted for on receipt of completed examination papers. The income is recognised in the period the examination takes place;
- Apprenticeship End point assessment fees are recognised as follows: Initial up-front charge is recognised when the apprentice is registered with NOCN. The remaining charge is recognised at the point the assessment takes place.

Foreign Currencies

Foreign currency transactions, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with gains or losses being taken to the Statement of Financial Activities.

Financial Instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Resources Expended

Resources expended are recognised on an accruals basis. Resources expended include attributable Value Added Tax which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity.

Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. The items in the financial statements where these judgements and estimates have been made include:

Tangible Fixed Assets and Depreciation

Tangible assets are included at cost less accumulated depreciation.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful economic lives, using the straight line method as follows:

ACCOUNTING POLICIES (CONTINUED)

Computer equipment	- rates varying from 20% to 33.3% per annum
Fixtures and fittings	- 10% per annum

All tangible fixed assets costing over £1,000 are capitalised on acquisition and are included in the balance sheet at cost. The estimated useful economic lives and depreciation method are reviewed at each year end.

Intangible Fixed Assets and Amortisation

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Purchased goodwill is recognised at the cost of acquisition based on the current expectation of the total amount of money that will be paid for the business being acquired less the on balance sheet assets purchased. The deferred contingent consideration figures for CSkills and CPCS acquisitions are based on estimates of future earnout payments which are discounted at 2% per annum. The discount rate being based on the current cost of capital, using CBILS loan rate as a proxy.

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.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

Software development costs	- 5 years
Goodwill	- 10 years

If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

If the net fair value of the identifiable assets and liabilities acquired exceeds the cost of a business combination, the excess up to the fair value of non-monetary assets acquired is recognised in the statement of financial activities in the periods in which the non-monetary assets are recovered. Any excess exceeding the fair value of non-monetary assets acquired is recognised in the statement of financial activities in the periods expected to be benefitted.

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 first in, first out basis. At each reporting date, inventories are assessed for impairment. If inventory 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 Statement of Financial Activities.

Annual Support Fee Provision

NOCN charges an annual centre support fee for which invoices in July for the following financial year. The invoiced income is therefore normally deferred into the following year.

The annual centre support fees for the period 1 August 2018 to 31 July 2019 were invoiced in 2018-19 therefore no deferment was required. In reporting the deferred support fee income, a provision is recognised to account for providers who may choose not to continue working with the charity. The deferred Annual Support fee income is therefore adjusted downwards by the provision.

The provision is based on the number of providers who are expected to lapse by the end of a particular period and is based on a combination of historical trends and market behaviours at that time.

ACCOUNTING POLICIES (CONTINUED)

Taxation

As a registered Charity, NOCN is exempt from liability to corporation tax on income and gains falling within section 505 of the Taxes Act 1988 or S256 of the Taxation of Charitable Gains Act 1992 to the extent that these are applied to its charitable objects. No provision or charges for taxation have therefore arisen.

Pensions

For NOCN and NOCN Job Cards, the pension costs charged in the financial statements represent the contributions payable by the Charity during the year.

The One Awards charity operates a defined benefit pension scheme for the benefit of its employees. One Awards are a participating employer in the Teesside Pension Fund, a multi-employer Local Government Pension Scheme.

Current service costs, past service costs and gains and losses on settlements and curtailments are charged to appropriate resource expenditure categories in the Statement of Financial Activities.

The interest cost and the expected return on assets are shown as a net amount as other finance costs or income. Net pension finance costs are allocated to appropriate resources expended categories in the Statement of Financial Activities. Actuarial gains and losses are recognised immediately as other recognised gains and losses in the Statement of Financial Activities. Pension scheme assets are valued at fair value at the Statement of Financial Position date. Fair value is based on market price information and in the case of quoted securities is the published bid price.

The pension scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted to their present value using a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The pension scheme deficit is recognised in full on the Statement of Financial Position, net of related deferred tax.

A full actuarial evaluation is carried out by a professional actuary annually.

In addition to the above, One Awards also offers its employees an alternative form of a NEST pension as set up by the UK Government.

Leased Assets

Operating lease costs are charged on a straight-line basis over the term of the lease.

Fund Accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets this criterion is charged to the fund, together with a fair allocation of management and support costs.

Unrestricted funds comprise those funds, which the Trustees are free to use in accordance with the objects of the Charity.

Designated funds are unrestricted funds, which have been allocated for specific purposes by the Trustees.

Notes To The Accounts

1. Incoming resources from grants and donations

	2020 £	2019 £
Government furlough grants	469,066	-
Total	469,066	-

All incoming resources from grants and donations in 2020 were unrestricted.

2. Incoming resources from charitable activities

	2020 £	2019 £
NOCN awarding organisation	6,275,690	8,093,214
End point assessments	1,170,837	621,118
NOCN Job Cards (CPCS & CISRS) (See note below *)	2,889,751	1,546,842
One Awards	532,817	429,243
NOCN India Skills Foundation	74,555	40,478
Total	10,943,649	10,730,895

* CPCS transferred in 1 March 2019

* CISRS transferred in 1 December 2019

All incoming resources from charitable activities in 2020 and 2019 are unrestricted.

3. Analysis of resource expended on charitable activities Summary by fund type

	Unrestricted Funds 2020 £	Total Funds 2020 £	Restated Total Funds 2019 £
NOCN awarding organisation	6,139,408	6,139,408	6,692,616
End point assessments	1,568,179	1,568,179	748,854
Governance	201,104	201,104	198,976
NOCN Job Cards (CPCS & CISRS)	3,283,182	3,283,182	1,340,643
One Awards	542,925	542,925	952,383
NOCN India Skills Foundation	71,956	71,956	29,806
Depreciation & Amortisation	1,179,136	1,179,136	952,184
Total	12,985,890	12,985,890	10,915,461

2019 figures have been reclassified to be consistent with 2020 categories.

All resources expended from charitable activities in 2020 and 2019 are unrestricted.

The 2019 figures have been restated to separately break out the Group's depreciation and amortisation charge along with some minor reallocations of costs between lines.

4. Total resources expended by activities

	Activities undertaken directly	Support costs	2020
	£	£	£
NOCN awarding organisation	5,465,096	674,312	6,139,408
End point assessments	1,395,941	172,238	1,568,179
Governance	-	201,104	201,104
NOCN Job Cards (CPCS & CISRS)	2,514,348	768,834	3,283,182
One Awards	325,034	217,891	542,925
NOCN India Skills Foundation	71,956	-	71,956
Depreciation & Amortisation	-	1,179,136	1,179,136
Total	9,772,375	3,213,515	12,985,890

	Restated Activities undertaken directly	Restated Support costs	Restated 2019
	£	£	£
NOCN awarding organisation	5,434,012	1,258,604	6,692,616
End point assessments	608,026	140,828	748,854
Governance	198,976	-	198,976
NOCN Job Cards (CPCS & CISRS)	1,253,024	87,619	1,340,643
One Awards	592,270	360,113	952,383
NOCN India Skills Foundation	29,806	-	29,806
Group Depreciation & Amortisation	-	952,184	952,184
Total	8,116,113	2,799,348	10,915,461

The 2019 figures have been restated to separately break out the Group's depreciation and amortisation charge and move this cost to support costs; and minor reallocations of costs between lines; and a minor reallocation between the activities undertaken directly figures and the corresponding support cost figures.

5. Governance

	2020	2019
	£	£
Meeting costs	6,885	4,552
Expenses paid to trustees	1,057	110
Legal costs	-	5,035
Internal audit fees	6,300	4,620
External audit fees	31,455	34,497
Management costs	155,407	150,162
Total	201,104	198,976

Allocations have been made on the following basis:

- Governance costs are directly attributed.
- Management costs have been apportioned based on estimate of time allocated.

6. Net incoming resources

Net incoming resources for the year are arrived at after charging:

	2020	2019
	£	£
Depreciation	98,195	85,844
Amortisation	1,080,942	866,340
External audit fees	31,455	34,497
Operating lease in respect of buildings	366,753	342,809
Operating lease in respect of equipment and cars	48,256	59,328

7. Staff numbers and costs

	2020	2019
	£	£
Wages and salaries	5,416,507	4,149,936
Social security costs	549,813	404,051
Pension costs	514,763	403,031
Total	6,481,082	4,957,018

The pension costs in 2020 includes £81,000 related to the increase in the defined benefits pension liability of One Awards (note 21).

The number of employees whose emoluments as defined for taxation purposes amount to £60,000 or more in the year was as follows:

	2020	2019
	number	number
£60,000 to £69,999	3	2
£70,000 to £79,999	3	1
£80,000 to £89,999	-	2
£90,000 to £99,999	-	1
£170,000 to £179,999	1	1

In respect of the above employees' pension contributions paid to a defined contribution pension scheme during the year were £59,509 (2019 £81,797).

The average number of employees, calculated on a full-time equivalent basis, analysed by function was:

	2020	2019
	number	number
Charitable activities	115	88
Management and administration of the charity	42	32
Total	157	120

During the financial year the Group incurred Organisational Change costs of £181,420 (2019 – Nil). This includes statutory redundancy pay, payment in lieu of notice and other miscellaneous costs. Group policy for organisational change is documented fully and is available on-line to all staff. The objective of the policy is to ensure that unavoidable redundancies are handled in a fair, consistent, timely and non-discriminatory way.

8. Trustee remuneration

	2020	2019
	£	£
Travel and subsistence	1,057	110
Total	1,057	110

	2020	2019
	number	number
Travel and subsistence	2	1
Total	2	1

9. Auditor remuneration

	2020	2019
	£	£
External audit of Group / Parent company	15,000	17,856
External audit of NOCN Job Cards (Subsidiary)	5,000	5,600
External audit of One Awards (Subsidiary)	6,000	10,922
External audit of NOCN India Skills Foundation (Subsidiary)	255	119
Other non-audit work carried out by auditor	3,500	-
Total	29,755	34,497

10. Net Income / Expenditure attributable to members of the parent company

The net deficit dealt with in the financial statements of the parent company was £705,567 (£582,564 net surplus in 2019). This comprises net deficit on unrestricted funds.

11. Intangible fixed assets

Group	Software Dev	Goodwill - Cskills	Goodwill - CPCS	Software Dev	Brand Intangible - One Awards	Total
Entity	NOCN £	NOCN £	NOCN Job Cards £	NOCN Job Cards £	Group £	£
Cost / valuation						
At beginning of year	74,010	6,225,909	5,135,238	-	183,183	11,618,340
Additions	204,858	-	-	82,505	-	287,363
Impairment	-	(212,810)	(493,424)	-	-	(706,234)
At end of year	278,868	6,013,099	4,641,814	82,505	183,183	11,199,468
Amortisation						
At beginning of year	18,053	1,245,182	213,968	-	36,637	1,513,840
Charge for the year	32,809	558,748	443,771	8,977	36,637	1,080,942
At end of year	50,862	1,803,930	657,739	8,977	73,274	2,594,782
Net book value at 31 July 2020	228,006	4,209,168	3,984,075	73,528	109,909	8,604,686
Net book value at 31 July 2019	55,957	4,980,727	4,921,270	-	146,546	10,104,500
Company	Software Dev £	Goodwill - Cskills £	Total £			
Cost / valuation						
At beginning of year	74,010	6,225,909	6,299,919			
Additions	204,858	-	204,858			
Fair value assessment		(212,810)	(212,810)			
At end of year	278,868	6,013,099	6,291,967			
Amortisation						
At beginning of year	18,053	1,245,182	1,263,235			
Charge for the year	32,809	558,748	591,557			
At end of year	50,862	1,803,930	1,854,792			
Net book value at 31 July 2020	228,006	4,209,168	4,437,174			
Net book value at 31 July 2019	55,957	4,980,727	5,036,684			

12. Tangible fixed assets

Group	Computer equipment £	Fixtures and fittings £	Total £
Cost			
At beginning of year	323,105	352,985	676,090
Additions	58,339	36,063	94,402
Disposals	(12,605)	-	(12,605)
At end of year	368,839	389,048	757,887
Depreciation			
At beginning of year	249,252	71,327	320,579
Charge for the year	52,597	45,598	98,195
Disposals	(12,605)	-	(12,605)
At end of year	289,244	116,925	406,169
Net book value at 31 July 2020	79,595	272,123	351,718
Net book value at 31 July 2019	73,853	281,658	355,511
Company			
Company	Computer equipment £	Fixtures and fittings £	Total £
Cost			
At beginning of year	304,457	346,876	651,333
Additions	46,404	4,020	50,424
At end of year	350,861	350,896	701,757
Depreciation			
At beginning of year	248,444	69,972	318,416
Charge for the year	44,906	41,705	86,611
At end of year	293,350	111,677	405,027
Net book value at 31 July 2020	57,511	239,219	296,730
Net book value at 31 July 2019	56,013	276,904	332,917

13. Fixed asset investment

Company	2020 £	2019 £
Cost		
At beginning of year	99	99
Additions	-	-
At end of year	99	99

On 16 June 2017 NOCN acquired 99% of the share capital of NOCN India Skills Foundation for a consideration of £99.

Subsidiary Undertakings

The following were subsidiary undertakings of NOCN:

Name	Country of Incorporation	Class of Shares	Holding
NOCN India Skills Foundation	India	Ordinary	99%
NOCN Job Cards	UK	N/A	Majority Voting Rights Control
One Awards	UK	N/A	Majority Voting Rights Control

Note on NOCN India Skills Foundation: The aggregate of the share capital and reserves as at 31 July 2020 and of the profit or loss for the year ended on that date for this subsidiary undertaking were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
NOCN India Skills Foundation	17,469	2,599

The registered office of the above subsidiary undertakings is House No. M-27, M- Block Market, Greater Kailash-I, New Dehli, South Delhi, Delhi.

14. Debtors

Group	2020 £	2019 £
Trade debtors	2,453,606	2,282,966
Prepayments and accrued income	301,059	660,066
Total	2,754,665	2,943,032

Company	2020 £	2019 £
Trade debtors	1,755,586	1,800,837
Prepayments and accrued income	112,567	477,428
Intercompany debtors	1,887,670	1,264,310
Total	3,755,824	3,542,575

The intercompany debtors are interest free and repayable on demand. NOCN has committed to continue the intercompany loan to NOCN Job Cards for the foreseeable future and at least for the next 12 months.

15. Stock

Group	2020	2019
	£	£
At beginning of year	38,231	17,498
Purchased in the year	46,134	47,331
Charged in the year	(40,507)	(26,598)
At end of year	43,858	38,231

Company	2020	2019
	£	£
At beginning of year	23,335	17,498
Purchased in the year	9,534	32,435
Charged in the year	(21,934)	(26,598)
At end of year	10,935	23,335

16. Creditors - amounts falling due within one year

Group	2020	2019
	£	£
Trade creditors	256,628	570,516
Accruals	926,058	939,624
Deferred income - note 17	592,246	335,132
Taxes and social security	899,718	258,220
Coronavirus Business Interruption Loan (CBILS) Loan	75,000	-
Other creditors	3,327,566	2,673,798
Total	6,077,216	4,777,290

Company	2020	2019
	£	£
Trade creditors	185,484	488,466
Accruals	671,917	446,799
Deferred income - note 17	592,246	335,132
Intercompany creditors	488,274	590,167
Taxes and social security	657,797	178,741
Coronavirus Business Interruption Loan (CBILS) Loan	75,000	-
Other creditors	1,708,359	1,694,376
Total	4,379,077	3,733,681

17. Deferred income

Group	2020	2019
	£	£
At beginning of year	335,132	36,500
Released in the year	(335,132)	(36,500)
Charged in the year	592,246	335,132
At end of year	592,246	335,132

Company	2020	2019
	£	£
At beginning of year	335,132	36,500
Released in the year	(335,132)	(36,500)
Charged in the year	592,246	335,132
At end of year	592,246	335,132

Annual fees, centre fees and similar charges that are invoiced in advance are deferred to correspond with the period of service provided.

18. Creditors - amounts falling due after more than one year

Group	2020	2019
	£	£
Coronavirus Business Interruption Loan (CBILS)	1,425,000	-
Other creditors	3,312,096	5,824,137
Total	4,737,096	5,824,137

Company	2020	2019
	£	£
Coronavirus Business Interruption Loan (CBILS)	1,425,000	-
Other creditors	1,470,516	2,915,681
Total	2,895,516	2,915,681

The company's other creditor relates wholly to the deferred consideration for the business combination of Cskills Awards by NOCN and the Group other creditor also includes the deferred consideration for the business combination of CPCS by NOCN Job Cards.

The CBILS loan incurs interest at 1.88% over base rate and is repayable in equal monthly instalments over 72 months, commencing May 2021.

19. Analysis of net assets between funds

Group	2020	2019
	Unrestricted Funds £	Unrestricted Funds £
Intangible fixed assets	8,604,686	10,104,500
Tangible fixed assets	351,718	355,511
Current assets	3,539,349	3,281,339
Current liabilities due in less than one year	(6,077,216)	(4,777,290)
Liabilities due after more than one year	(4,737,096)	(5,824,137)
Net assets excluding defined pension plan liability	1,681,442	3,139,923
Defined pension plan liability	(3,285,000)	(1,171,000)
Net assets including defined pension plan liability	(1,603,558)	1,968,923

Company	2020	2019
	Unrestricted Funds £	Unrestricted Funds £
Intangible fixed assets	4,437,174	5,036,684
Tangible fixed assets	296,730	332,917
Investments	99	99
Current assets	4,296,941	3,741,579
Current liabilities due in less than one year	(4,379,077)	(3,733,681)
Liabilities due after more than one year	(2,895,516)	(2,915,681)
Net assets	1,756,352	2,461,917

20. Statement of funds

Group	At 31 July 2019	Incoming resources £	Outgoing resources £	Gains / (losses) £	At 31 July 2020 £
	General funds	3,139,923	11,412,716	(12,886,891)	15,694
Pension fund - defined benefit - One Awards	(1,171,000)	-	(99,000)	(2,015,000)	(3,285,000)
Total unrestricted funds	1,968,923	11,412,716	(12,985,890)	(1,999,306)	(1,603,558)

Company	At 31 July 2019	Incoming resources £	Outgoing resources £	Gains / losses £	At 31 July 2020 £
	General funds	2,461,919	7,758,361	(8,463,929)	-
Total unrestricted funds	2,461,919	7,758,361	(8,463,929)	-	1,756,352

21. Pension commitments

One Awards ("The Charity") operates a defined benefit pension scheme. The pension liability in respect of this scheme is ringfenced on One Awards balance sheet and NOCN is not liable to fund this liability.

Permanent employees of this organisation may participate in the Teesside Pension Fund (part of the Local Government Pension Scheme). This is a defined benefit statutory scheme. The fund is administered by Middlesbrough Borough Council in accordance with the Local Government Pension Scheme Regulations 2007-08. The following disclosures are in accordance with the applicable Financial Reporting Standards.

The most recent comprehensive actuarial valuation was at 31 March 2019.

Principal actuarial assumptions at the Statement of Financial Position date (expressed as weighted averages):

	At 31 July 2020 %	At 31 July 2019 %
Discount rate	1.40	2.20
Future salary increases	2.30	2.20
Future pension increases	2.30	2.20
Inflation assumption	2.30	2.20
Revaluation rate	2.30	2.20
	At 31 July 2020 Years	At 31 July 2019 Years
Mortality rates (in years)		
- for a male aged 65 now	21.8	21.9
- at 65 for a male aged 45 now	23.2	23.6
- for a female aged 65 now	23.5	23.8
- at 65 for a female aged 45 now	25.3	25.7

The Charity's share of the assets in the scheme was:

	At 31 July 2020 £	At 31 July 2019 £
Present value of defined benefit obligations	(6,952,000)	(5,086,000)
Fair value of plan assets	3,667,000	3,915,000
Net pension liability	(3,285,000)	(1,171,000)

The actual loss on scheme assets was £274,000 (2019 - £197,000 return).

21. Pension commitments (continued)

The amounts recognised in the Statement of Financial Activities are as follows:

	2020 £	2019 £
Current service cost	155,000	140,000
Net interest expense	25,000	18,000
Remeasurements: actuarial losses	2,015,000	396,000
Total amount recognised in the Statement of Financial Activities	<u>2,195,000</u>	<u>554,000</u>

Movements in the present value of the defined benefit obligation were as follows:

	2020 £
Opening defined benefit obligation	(5,086,000)
Current service cost	(155,000)
Interest expense	(111,000)
Contributions by scheme participants	(31,000)
Actuarial losses	(1,655,000)
Net benefits paid out	<u>86,000</u>
Closing defined benefit obligation	<u>(6,952,000)</u>

Movements in the fair value of the Charity's share of scheme assets were as follows:

	2020 £
Opening fair value of scheme assets	3,915,000
Interest income	86,000
Actuarial losses	(360,000)
Contributions by employer	81,000
Contributions by scheme participants	31,000
Net benefits paid out	<u>(86,000)</u>
Fair value of plan assets	<u>3,667,000</u>

Consideration of the recent McCloud and GMP judgements have been applied in the FRS102 actuarial assumptions, with a past service cost of £10,000 being applied during the year.

22. Other recognised gains/(losses)

	2020 £	2019 £
Cskills acquisition fair value adjustment gain	57,770	-
CPCS acquisition fair value adjustment loss	(42,076)	-
One Awards defined benefit liability revaluation	(2,015,000)	(398,000)
Total	<u>(1,999,306)</u>	<u>(398,000)</u>

23. Financial commitments

At 31 July, the **group** had commitments under non-cancellable operating leases as follows:

	2020 £	2019 £
Buildings:		
Within one year	305,212	372,687
Between two and five years	508,298	850,036
Equipment:		
Within one year	44,281	60,784
Between two and five years	19,979	53,713

At 31 July, the **company** had commitments under non-cancellable operating leases as follows:

	2020 £	2019 £
Buildings:		
Within one year	299,186	372,687
Between two and five years	508,298	850,036
Equipment:		
Within one year	44,176	60,784
Between two and five years	19,979	53,713

24. Cash flows from investing activities

Purchase of tangible fixed assets:

During the year the Group acquired tangible fixed assets with the aggregate cost £94,902 (2019 - £85,398). Cash payments were made totalling £94,902 (2019 - £85,398) to purchase the equipment.

Purchase of intangible fixed assets:

During the year the Group acquired intangible fixed assets with the aggregate cost £287,363 (2019 - £5,318,421). Cash payments were made totalling £287,363 (2019 - £1,500,000) to purchase the goodwill and pay for the software developed.

25. Related Party Transactions

	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
	Income	Purchases	Amount due from at year end	Income	Purchases	Amount due from at year end
CITB	72,506	-	72,206	3,652	-	500
CITB (CISRS)	41,850	-	24,780	-	-	-
NCC (part of CITB)	317,802	-	17,509	105,166	-	22,895
NSAC (part of CITB)	106,818	-	6,354	90,242	-	2,708
OCN Northern Ireland	36,250	-	-	35,567	-	-
British Ass'n Construction Heads	-	698	-	-	3,945	-
Van Elle (Holdings) Ltd	16,248	-	1,107	14,234	-	590
Northern College	6,282	-	500	4,858	-	-
Credit Services Association	-	-	-	3,072	-	1,303
TUC	17,850	-	-	17,000	1,500	-
Sheffield College	30,682	-	30,667	100,287	-	61,054
Barnsley College	75,684	-	4,086	15,525	-	578
Maggie Hasting-Evans	-	262	-	-	-	-
Laing O'Rourke Civil Eng Ltd	999	-	3,049	2,050	-	2,050

Transactions relating to CITB are for learner registration and certification fees from the NCC and NSAC centres that form part of CITB. Graham McPhail is an executive director of CITB.

Transactions with OCN Northern Ireland and One Awards related parties consist of annual Licence fee income and occasional purchases, both were members of the Charity during the year.

Transactions with Van Elle (Holdings) Ltd are for learner registration and certification fees. Michael Mason is a Director of Van Elle Limited.

Transactions with Sheffield College represent qualification registration and certification income. Seb Schmoller, a Trustee of the Charity, was Chair of Sheffield College in the period of the accounts.

Transactions with Northern College represent qualification registration and certification income. Seb Schmoller is a Trustee of the Charity.

Transactions with Barnsley College represent qualification registration and certification income. Kay Dickinson is a Trustee of Barnsley College.

Transactions with Laing O'Rourke Civil Engineering Ltd relate to the issue of job cards. Alison Lamplough is an employee of Laing O'Rourke Civil Engineering Ltd.

26. Analysis of cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise the following:

	2020 £	2019 £
Cash at bank	740,242	299,627
Cash in hand	584	449
Total	740,826	300,076

27. Operating surplus/(deficit) to Net movement in funds after other gains/(losses) reconciliation

A reconciliation of the operating surplus/(deficit) to the Net movement in funds after other gains/ (losses) in the Statement of Financial Activity is as follows:

	2020 £	2019 £
Incoming Resources	11,412,716	10,730,895
Operating costs	11,707,753	9,880,277
Operating surplus/(deficit)	(295,037)	850,618
Depreciation & Amortisation	(1,179,137)	(952,184)
One Awards Pension liability revaluation (including £99k (2019: £83k) associated pensions pay cost charge)	(2,114,000)	(481,000)
Other revaluations	15,693	-
Net movement in funds after other gains/(losses)	(3,572,481)	(582,566)

28. Analysis of Net Debt

Group

	At 1 August 2019 £	Cashflow £	At 31 July 2020 £
Cash at bank and in hand	300,076	440,750	740,826
Bank Loan	-	(1,500,000)	(1,500,000)
	300,076	(1,059,250)	(759,174)

Company

	At 1 August 2019 £	Cashflow £	At 31 July 2020 £
Cash at bank and in hand	175,669	354,513	530,182
Bank Loan	-	(1,500,000)	(1,500,000)
	175,669	(1,145,487)	(969,818)

29. Post Balance Sheet events

On 25 March 2021, the Boards of NOCN and NOCN Job cards agreed to enter a legal claim against CITB in respect of the CPCS business purchase contract with CITB, following the failure of discussions with CITB to secure a mutually agreeable settlement. This was duly filed at the court and served against CITB on 30 March 2021. An estimate of the financial effect of this legal claim cannot currently be made.