



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	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 Unrestricted Funds £	2021 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 Unrestricted Funds £	2021 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	25188
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)	851,065
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)	(1,803,529)

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 net 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>