



**NOCN**

(A Company limited by guarantee)

**Trustees' Report and Consolidated Financial Statements**  
**31 July 2023**

Registered Charity No. 1079785  
Company Registration No. 03829217



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

### Directors and Trustees

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

#### NOCN Trustees' and Directors:

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

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

#### NOCN Job Cards Trustees' and Directors

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

#### NOCN India Skills Foundation Directors:

Director	Graham Hasting-Evans
	Dr Sunil Abrol

#### Key Management Personnel - NOCN Group Senior Leadership Team in 2022/23:

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

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

### Reference and administrative details

Charity Number:	NOCN:	1079785
	Job Cards:	1182053

Company number:	NOCN:	03829217
	Job Cards:	11634699

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

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

## **Trustees' Report for the year ending 31 July 2023**

The Trustees are pleased to present their Annual Directors' Report together with the consolidated Financial Statements of the charity and its subsidiaries for the year ending 31 July 2023, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The Financial Statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

## Chair's Foreword

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

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

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

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

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

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

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

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

Gareth Jones  
Chair of Trustees, NOCN Group

14 December 2023



## **Our Purpose, Objectives and Activities**

### **The Purpose of the Charity**

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

### **The Objectives of the Charity**

The Objectives of the Charity are:

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

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

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

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

## **Public Benefit**

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

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

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

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

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

## **Key Achievements, Activities & Performance in the year**

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

### **NOCN Awarding Organisation**

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

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

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



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

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

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

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

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

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

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

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

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

## **NOCN Apprenticeships**

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

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

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

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

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

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

## **NOCN Job Cards**

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

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

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

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

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

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

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

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

## **International**

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

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

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

## **Education and Skills Policy & Research**

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

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

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

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

## **Financial Review**

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

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

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

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

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

## Going Concern

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

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

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

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

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

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

## Subsidiary going concern assessments

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

## **Key Risks in the year**

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

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

## **Reserves Policy**

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

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

## **Powers of Investment**

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

## **Future Plans**

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

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

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

## **Structure, Governance and Management**

### **Governing Document and Structure**

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

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

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

### **Appointment of Trustees**

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

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

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

### **Trustee Induction and Training**

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

### **Statement of Regulatory Compliance**

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

### **Compliance with the Charity Governance Code**

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

### **Organisational Structure**

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



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

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

### **Pay policy for senior staff**

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

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

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

### **Risk Management**

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

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

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

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

### **Trustees' responsibilities in relation to the financial statements**

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

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

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

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

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

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

Gareth Jones (Chair)

December 2023

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

## **Independent Auditor's Report to the Members of NOCN**

### **Opinion**

We have audited the financial statements of NOCN (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 July 2023, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

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

### **Other information**

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material

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

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of trustees**

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

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

### **Auditor responsibilities for the audit of the financial statements**

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

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

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

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

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

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

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

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

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

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

## **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might

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



Simon Turner (Senior Statutory Auditor)

For and on behalf of

**Armstrong Watson Audit Limited**

Chartered Accountants and Statutory Auditor

Northallerton

Date: 14/12/2023

# Consolidated Statement of Financial Activities

## Including the statement of comprehensive income

For the Year ended 31 July 2023

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

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

The incoming resources and resources expended derive from continuing operations.

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

# Consolidated Statement of Financial Position

As at 31 July 2023

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

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

All funds are unrestricted.

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

Gareth Jones  
Chair, NOCN Board of Trustees





# Company Statement of Financial Position

As at 31 July 2023

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

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

All funds are unrestricted

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

Gareth Jones  
Chair, NOCN Board of Trustees



# Consolidated Statement of Cash Flows

For the financial year ended 31 July 2023

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

# Notes to the Financial Statements

## Accounting Policies

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

## Charitable company information

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

## Basis of preparation

The Financial Statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

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

## Consolidation

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

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

## Preparation of the accounts on a going concern basis

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

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

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

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

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

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

## Accounting Policies (continued)

### Liability of Members

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

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

### Incoming Resources

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

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

The Group's income streams are recognised as follows:

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

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

### Foreign Currencies

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

### Financial Instruments

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

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

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

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

## Accounting Policies (continued)

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

### Resources Expended

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

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

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

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

### Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty

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

### Tangible Fixed Assets and Depreciation

Tangible assets are included at cost less accumulated depreciation.

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

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

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

### Intangible Fixed Assets and Amortisation

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

Purchased goodwill is recognised at the cost of acquisition less the on balance sheet assets purchased. Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

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

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

Software development costs	- 5 years
Goodwill	- 10 years

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

## **Accounting Policies (continued)**

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

### **Stocks**

Stocks are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Financial Activities.

### **Annual Support Fee Provision**

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

### **Taxation**

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

### **Pensions**

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

### **Leased Assets**

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

### **Fund Accounting**

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

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

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

## Notes To the Accounts

### 1. Incoming resources from government grants

	2023 £	2022 £
Government Furlough Funds	1,493	102,892
<b>Total</b>	<b>1,493</b>	<b>102,892</b>

### 2. Incoming resources from charitable Activities

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

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

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

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

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

### 4. Total resources expended

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

#### 4. Total resources expended (continued)

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

Allocations have been made on the following basis:

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

#### 5. Governance

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

#### 6. Net incoming resources

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

#### 7. Employee numbers and costs

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



## 7. Employee numbers and costs (continued)

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

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

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

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

### Staff

The average number of staff analysed by function was:

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

### Contingent workers

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

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

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

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

**8. Trustee remuneration**

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

**9. Auditor remuneration**

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

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

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

## 11. Intangible fixed assets

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

  

Company	Software Dev £	Goodwill – Cskills £	Total £
<b>Cost / valuation</b>			
At beginning of year	631,087	6,021,789	6,652,876
Additions	133,372	-	133,372
<b>At end of year</b>	<b>764,459</b>	<b>6,021,789</b>	<b>6,786,248</b>
<b>Amortisation</b>			
At beginning of year	202,222	3,054,934	3,257,156
Charge for the year	127,639	555,206	682,845
<b>At end of year</b>	<b>329,861</b>	<b>3,610,140</b>	<b>3,940,001</b>
<b>Net book value at 31 July 2023</b>	<b>434,598</b>	<b>2,411,649</b>	<b>2,846,240</b>
Net book value at 31 July 2022	428,865	2,966,855	3,395,720

## 12. Tangible fixed assets

Group	Computer equipment £	Fixtures and fittings £	Total £
<b>Cost</b>			
At beginning of year	305,447	387,511	692,958
Additions	36,010	-	36,010
Disposals	-	-	-
<b>At end of year</b>	<b>341,457</b>	<b>387,511</b>	<b>728,968</b>
<b>Depreciation</b>			
At beginning of year	245,410	197,882	443,292
Charge for the year	32,826	31,956	64,782
Disposals	-	-	-
<b>At end of year</b>	<b>278,236</b>	<b>229,838</b>	<b>508,074</b>
<b>Net book value at 31 July 2023</b>	<b>63,221</b>	<b>157,673</b>	<b>220,894</b>
Net book value at 31 July 2022	60,037	189,629	249,666

  

Company	Computer equipment £	Fixtures and fittings £	Total £
<b>Cost</b>			
At beginning of year	283,101	355,468	638,569
Additions	36,010	-	36,010
Disposals	-	-	-
<b>At end of year</b>	<b>319,111</b>	<b>355,468</b>	<b>674,579</b>
<b>Depreciation</b>			
At beginning of year	225,755	188,712	414,467
Charge for the year	31,444	28,751	60,195
Disposals	-	-	-
<b>At end of year</b>	<b>257,199</b>	<b>217,463</b>	<b>474,662</b>
<b>Net book value at 31 July 2023</b>	<b>61,912</b>	<b>138,005</b>	<b>199,917</b>
Net book value at 31 July 2022	57,346	166,756	224,102

### 13. Fixed asset investment

Company	2023 £	2022 £
<b>Cost</b>		
At beginning of year	99	99
Additions	-	-
<b>At end of year</b>	<b>99</b>	<b>99</b>

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

### Subsidiary Undertakings

The following were subsidiary undertakings of NOCN:

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

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

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

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

### 14. Debtors

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

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

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

## 15. Stock

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

  

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

## 16. Creditors - amounts falling due within one year

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

  

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

## 17. Deferred income

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

  

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

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

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

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

  

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

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

## 19. Analysis of net assets between funds

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

  

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

## 20. Statement of funds

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

  

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

## 21. Other recognised gains/(losses)

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



## 22. Financial commitments

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

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

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

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

## 23. Cash flows from investing activities

Purchase of tangible fixed assets:

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

Purchase of intangible fixed assets:

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

Payments made in respect of purchase of Cskills and CPCS:

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

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

## 24. Related Party Transactions

	2023	2023	2023
	Income (£)	Purchases (£)	Amount due from/(to) at the year end (£)
OCN Northern Ireland <sup>1</sup>	36,250	-	-
British Ass'n Construction Heads <sup>2</sup>	-	7,106	-
Credit Services Ass'n <sup>3</sup>	120	-	-
Barnsley College <sup>4</sup>	49,701	-	3,581
Maggie Hasting-Evans <sup>5</sup>	-	200	-
BAM Nuttall <sup>6</sup>	154,152	-	21,701
Access Training East Midlands Ltd <sup>7</sup>	4,110	-	-
Construction Plant Hire Association <sup>8</sup>	-	3,000	1,200
Construction Industry Scaffolders Record Scheme <sup>9</sup>	-	303,290	35,338
ITS Group <sup>10</sup>	1,618	-	-
Learning at Work Institute <sup>11</sup>	-	38,000	12,600
Leeds College of Building <sup>12</sup>	5,295	-	980
Bedford College <sup>13</sup>	131,781	-	13,029
TUC <sup>14</sup>	18,743	-	-

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

<sup>1</sup> 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.

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

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

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

<sup>5</sup> 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.

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

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

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

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

<sup>10</sup> 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.

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

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

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

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

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

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

<sup>17</sup> Transactions with Northern College represent learner registration and certification income. Seb Schmoller is a Governor at Northern College. (Resigned October 21).

<sup>18</sup> Transactions with Laing O'Rourke Civil Engineering Ltd relate to the issue of Job cards. Alison Duckles (nee Lamplough) was an employee of Laing O'Rourke Civil Engineering Ltd until December 2021.

## 25. Analysis of cash and cash equivalents

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

	2023 £	2022 £
Cash at bank	1,396,503	1,343,670
Cash in hand	-	3
<b>Total</b>	<b>1,396,503</b>	<b>1,343,673</b>

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

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

	2023 £	2022 £
<b>Operating surplus / (deficit)</b>	<b>1,235,460</b>	1,610,082
Depreciation & Amortisation	(1,110,832)	(1,209,710)
Other revaluations	-	1,807,203
<b>Net movement in funds after other gains / (losses)</b>	<b>124,628</b>	2,207,575

## 27. Analysis of Net Debt

### Group

	At 1 August 2022 £	Movement in year £	At 31 July 2023 £
Cash at bank and in hand	1,343,673	52,830	1,396,503
Bank Loan (Less than 12 months)	(300,000)	-	(300,000)
Bank Loan (More than 12 months)	(850,000)	300,000	(550,000)
	193,673	352,830	546,503

### Company

	At 1 August 2022 £	Movement in year £	At 31 July 2023 £
Cash at bank and in hand	1,040,070	82,220	1,122,290
Bank Loan (Less than 12 months)	(300,000)	-	(300,000)
Bank Loan (More than 12 months)	(850,000)	300,000	(550,000)
	(109,930)	382,220	272,290