

Company registration number: 03829217

Charity number: 1079785



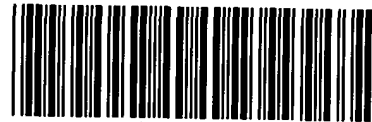
NOCN

(A Company limited by guarantee)

Trustee' Report and Consolidated Financial Statements

For the year ended 31 July 2024

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

For the Year Ended 31 July 2024

Director and Trustees

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

NOCN Trustees' and Directors:

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

NOCN Job Cards Trustees' and Directors:

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

NOCN India Skills Foundation Directors:

Director	Graham Hasting-Evans
	Dr Sunil Abrol

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

For the Year Ended 31 July 2024 (continued)

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

Graham Hasting-Evans - Group Chief Executive

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

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

Paul Johnson - Group Director (Awarding Organisation)

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

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

Gareth Cutts - Group Director (Digital Delivery and Improvement)

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

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

Reference and administrative details:

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

Our Advisers:

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

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Trustees' Report

For the Year Ended 31 July 2024

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

Trustees' Report (continued)

For the Year Ended 31 July 2024

Chair's Foreword

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

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

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

Key strategic highlights include:

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

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

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

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Trustees' Report (continued)

For the Year Ended 31 July 2024

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



Gareth Jones
Chair of Trustees, NOCN Group

5 December 2024

Trustees' Report (continued)

For the Year Ended 31 July 2024

Our Purpose, Objectives and Activities

The Purpose of the Charity

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

The Objectives of the Charitable Group

The Objectives of the Charitable Group are:

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

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

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

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

Trustees' Report (continued)

For the Year Ended 31 July 2024

Public Benefit

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

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

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

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

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

Key Achievements, Activities & Performance in the year

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

NOCN Awarding Organisation

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

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

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Trustees' Report (continued)

For the Year Ended 31 July 2024

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

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

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

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

NOCN Apprenticeships

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

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

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

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

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

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

NOCN Job Cards

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

Trustees' Report (continued)

For the Year Ended 31 July 2024

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

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

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

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

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

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

International

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

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

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

Trustees' Report (continued)

For the Year Ended 31 July 2024

Education and Skills Policy & Research

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

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

Quarter 1:

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

Quarter 2:

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

Quarter 3:

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

Quarter 4:

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

Financial Review

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

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

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Trustees' Report (continued)

For the Year Ended 31 July 2024

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

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

Going Concern

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

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

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

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

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

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

Subsidiary going concern assessments and Group consolidation decision

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

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

Trustees' Report (continued)

For the Year Ended 31 July 2024

Key Risks in the year

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

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

Reserves Policy

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

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

Powers of Investment

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

Future Plans

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

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

Trustees' Report (continued)**For the Year Ended 31 July 2024**

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

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

Structure, Governance and Management**Governing Document and Structure**

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

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

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

Appointment of Trustees

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

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

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

Trustee Induction and Training

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

Trustees' Report (continued)

For the Year Ended 31 July 2024

Statement of Regulatory Compliance

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

Compliance with the Charity Governance Code

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

Organisational Structure

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

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

Pay policy for senior staff

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

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

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

Risk Management

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

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

Trustees' Report (continued)

For the Year Ended 31 July 2024

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

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

Trustees' responsibilities in relation to the financial statements

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

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

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

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

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



Gareth Jones (Chair)

5 December 2024

NOCN
(A Company limited by Guarantee)

Independent Auditor's Report

to the Members of NOCN Group

Opinion

We have audited the financial statements of NOCN (the 'parent charitable company') for the year ended 31 July 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Statement of Financial Position, the Charity Statement of Financial Position, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the parent charitable company's affairs as at 31 July 2024 and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

NOCN
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Independent Auditor's Report (continued)

to the Members of NOCN Group

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 15-16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

NOCN
(A Company limited by Guarantee)

Independent Auditor's Report (continued)

to the Members of NOCN Group

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

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

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

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

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

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

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

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

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

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

NOCN
(A Company limited by Guarantee)

Independent Auditor's Report (continued)

to the Members of NOCN Group

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Turner (Senior Statutory Auditor)

for and on behalf of

Armstrong Watson Audit Limited

Chartered Accountants

Statutory Auditors

Northallerton

Date: 5 December 2024

NOCN
(A Company limited by Guarantee)

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

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

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

The incoming resources and resources expended derive from continuing operations.

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

NOCN
(A Company limited by Guarantee)

Consolidated Statement of Financial Position

As at 31 July 2024

	Notes	2024 Unrestricted Funds £	2023 Unrestricted Funds £
Fixed assets			
Intangible assets	11	4,128,570	4,839,005
Tangible assets	12	201,399	220,894
Total fixed assets		4,329,969	5,059,899
Current assets			
Debtors	14	2,888,060	2,598,058
Stock	15	30,335	30,829
Cash at bank and in hand	24	1,880,622	1,396,503
Total current assets		4,799,017	4,025,390
Current liabilities			
Creditors: Amounts falling due within one year	16	(3,732,149)	(4,069,676)
Net current assets / (liabilities)		1,066,868	(44,286)
Total assets less current liabilities		5,396,837	5,015,613
Creditors: Amounts falling due after more than one year	18	(250,000)	(550,000)
Net assets / (liabilities)		5,146,837	4,465,613
Represented by:			
General funds	20	5,146,837	4,465,613
Total funds		5,146,837	4,465,613

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

All funds are unrestricted.

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



Gareth Jones

Chair, NOCN Board of Trustees

NOCN
(A Company limited by Guarantee)

Company Statement of Financial Position

As at 31 July 2024

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

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

All funds are unrestricted.

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



Gareth Jones

Chair, NOCN Board of Trustees

NOCN
(A Company limited by Guarantee)

Consolidated Statement of Cash Flows

For the Year Ended 31 July 2024

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

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

NOCN
(A Company limited by Guarantee)

Notes to the Financial Statements

For the Year Ended 31 July 2024

Accounting Policies

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

Charitable company information

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

Basis of preparation

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

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

Consolidation

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

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

Preparation of the accounts on a going concern basis

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

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

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

Notes to the Financial Statements

For the Year Ended 31 July 2024

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

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

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

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

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

Liability of Members

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

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

Incoming Resources

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

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

The Group's income streams are recognised as follows:

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

Notes to the Financial Statements**For the Year Ended 31 July 2024**

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

Foreign Currencies

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

Financial Instruments

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

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

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

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

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

Resources Expended

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

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

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

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

Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty

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

Notes to the Financial Statements**For the Year Ended 31 July 2024**

Tangible Fixed Assets and Depreciation

Tangible assets are included at cost less accumulated depreciation.

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

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

Fixtures and fittings - 10% per annum

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

Intangible Fixed Assets and Amortisation

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

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

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

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

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

Software development costs 5 years

Goodwill 10 years

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

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

NOCN
(A Company limited by Guarantee)

Notes to the Financial Statements

For the Year Ended 31 July 2024

Stocks

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

Annual Support Fee Provision

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

Taxation

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

Pensions

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

Leased Assets

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

Fund Accounting

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

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

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

NOCN
(A Company limited by Guarantee)

Notes to the Financial Statements

For the Year Ended 31 July 2024

Notes to the Accounts

1. Incoming resources from government grants

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

2. Incoming resources from charitable activities

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

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

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

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

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

4. Total resources expended

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

NOCN
(A Company limited by Guarantee)

Notes to the Financial Statements

For the Year Ended 31 July 2024

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

Allocations have been made on the following basis:

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

5. Governance

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

6. Net incoming resources

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

7. Employee numbers and costs

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

NOCN
(A Company limited by Guarantee)

Notes to the Financial Statements

For the Year Ended 31 July 2024

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

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

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

Staff

The average number of persons employed analysed by function was:

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

Contingent workers

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

	2024 Number	2023 Number
Charitable activities	136	119
Total	136	119

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

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Notes to the Financial Statements

For the Year Ended 31 July 2024

8. Trustee remuneration

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

Company

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

9. Audit remuneration

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

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

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

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Notes to the Financial Statements

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11. Intangible fixed assets

Group	Software development NOCN £	Goodwill - Cskills NOCN £	Software development NOCN Job Cards	Goodwill - CPCS NOCN Job Cards	Total £
Cost / valuation					
At beginning of year	764,459	6,021,789	422,878	3,289,659	10,498,785
Additions	236,036	-	245,091	-	481,127
Disposals	(75,230)	-	-	-	(75,230)
At end of year	925,265	6,021,789	667,969	3,289,659	10,904,682
Depreciation					
At beginning of year	329,861	3,610,140	136,479	1,583,300	5,659,780
Charge for the year	152,014	602,179	95,402	328,965	1,178,560
Disposals	(62,228)	-	-	-	(62,228)
At end of year	419,647	4,212,319	231,881	1,912,265	6,776,112
Net book value at 31 July 2024	505,618	1,809,470	436,088	1,377,394	4,128,570
Net book value at 31 July 2023	434,598	2,411,649	286,399	1,706,359	4,839,005
Company			Software development £	Goodwill Cskills £	Total £
Cost / valuation					
At beginning of year		764,459	6,021,789		6,786,248
Additions		236,036	-		236,036
Disposals		(75,230)	-		(75,230)
At end of year		925,265	6,021,789		6,947,054
Depreciation					
At beginning of year		329,861	3,610,140		3,940,001
Charge for the year		152,014	602,179		754,193
Disposals		(62,228)	-		(62,228)
At end of year		419,647	4,212,319		4,631,966
Net book value at 31 July 2024		505,618	1,809,470		2,315,088
Net book value at 31 July 2023		434,598	2,411,649		2,846,247

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For the Year Ended 31 July 2024

12. Tangible fixed assets

Group	Computer equipment £	Fixtures and fittings £	Total £
Cost / valuation			
At beginning of year	341,457	387,511	728,968
Additions	53,309	1,674	54,983
Disposals	(237,774)	(69,262)	(307,036)
At end of year	156,992	319,923	476,915
Depreciation			
At beginning of year	278,236	229,838	508,074
Charge for the year	42,514	31,964	74,478
Disposals	(237,774)	(69,262)	(307,036)
At end of year	82,976	192,540	275,516
Net book value at 31 July 2024	74,016	127,383	201,399
Net book value at 31 July 2023	63,221	157,673	220,894
Company	Computer equipment £	Fixtures and fittings £	Total £
Cost / valuation			
At beginning of year	319,111	355,468	674,579
Additions	53,309	1,674	54,983
Disposals	(237,774)	(69,262)	(307,036)
At end of year	134,646	287,880	422,526
Depreciation			
At beginning of year	257,199	217,463	474,662
Charge for the year	41,205	28,761	69,966
Disposals	(237,774)	(69,262)	(307,036)
At end of year	60,630	176,962	237,592
Net book value at 31 July 2024	74,016	110,918	184,934
Net book value at 31 July 2023	61,912	138,005	199,917

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For the Year Ended 31 July 2024

13. Fixed asset investment

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

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

Subsidiary Undertakings

The following were subsidiary undertakings of NOCN:

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

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

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

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

14. Debtors

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

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

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

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For the Year Ended 31 July 2024

15. Stock

Group	2024 £	2023 £
At beginning of year	30,829	20,176
Purchased in the year	30,335	30,829
Charged in the year	(30,829)	(20,176)
At end of the year	30,335	30,829
Company	2024 £	2023 £
At beginning of year	30,829	16,692
Purchased in the year	30,335	30,829
Charged in the year	(30,829)	(16,692)
At end of the year	30,335	30,829

16. Creditors – amounts falling due within one year

Group	2024 £	2023 £
Trade creditors	692,395	501,709
Accruals	564,101	602,406
Deferred income - see note 17	1,209,829	1,238,074
Taxes and social security	730,923	735,447
Coronavirus Business Interruption Loan (CBILS)	300,000	300,000
Other creditors	234,901	692,040
Total	3,732,149	4,069,676
Company	2024 £	2023 £
Trade creditors	580,194	417,798
Accruals	433,922	378,028
Deferred income - see note 17	1,209,829	1,238,074
Taxes and social security	730,923	732,947
Coronavirus Business Interruption Loan (CBILS)	300,000	300,000
Other creditors	235,000	597,521
Total	3,489,868	3,664,368

17. Deferred income

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

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For the Year Ended 31 July 2024

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

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

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

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

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

19. Analysis of net assets between funds

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

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

20. Statement of funds

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

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

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Notes to the Financial Statements

For the Year Ended 31 July 2024

21. Financial commitments

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

22. Cash flows from investing activities

Purchase of tangible fixed assets:

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

Purchase of intangible fixed assets:

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

Payments made in respect of purchase of Cskills and CPCS:

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

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

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For the Year Ended 31 July 2024

23. Related Party Transactions

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

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

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

³ Transactions with Barnsley College represent learner registration and certification income. Kay Dickinson is a Trustee of Barnsley College.

⁴ Maggie Hasting-Evans - Flight costs paid for by NOCN in lieu of fee paid in respect of work carried out on behalf of NOCN Group by Maggie in Greece and India.

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

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

⁷ Transactions with Construction Plant Hire Association relate to the issue of Job Cards. Kevin Minton is a member of the CPA (Resigned December 22).

⁸ Transactions with Construction Industry Scaffolders Record Scheme in relation to the Card processing Income.

⁹ Transactions with ITS Group represent learner registration and certification income. ITS Group is a trading subsidiary of Barnsley College. Kay Dickinson is a Trustee of Barnsley College.

¹⁰ Transactions with Learning at Work Institute represent Festival and Annual research cost. Stephen Evans is a member of the Learning and Work Institute.

¹¹ Transactions with Leeds College of Building learner registration and certification income. Nicola Davis is a member of the Leeds College of Building.

¹² Transactions with Bedford College learner registration and certification income. Dave Wilkins is a member of the Bedford College.

¹³ Transactions with TUC registration and certification income. Adrian Toomey is a member of the TUC.

¹⁴ Transactions with Partnerfast relate to Construction Industry consultancy. Alison Duckles (nee Lamplough) is a Director of Partnerfast.

¹⁵ Transactions with Amelia Renny relate to e-learning development. Amelia Renny is related to Simon Renny who is an Executive Director of NOCN.

¹⁶ Transactions with NRC Services Ltd relate to Electrical professional services. Louise Allen is related to a director at NRC Services Ltd.

¹⁷ Transactions with Credit Services Association relate to learner invigilation charges. Fiona Macaskill who is the Head of Learning & Development at the CSA (Resigned 30 May 2023).

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Notes to the Financial Statements

For the Year Ended 31 July 2024

24. Analysis of cash and cash equivalents

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

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

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

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

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

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

26. Analysis of Net Debt

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

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