

Charity Registration No. 1115234 (England and Wales)
Charity Registration No. SCO 39261 (Scotland)
Company Registration No. 05736932 (England and Wales)

CVQO LIMITED
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2022

CVQO LIMITED
TRUSTEES REPORT
FOR THE YEAR ENDED 31 JULY 2022

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Chairman Vice Chairman Honorary Treasurer	The Lord Lingfield Kt DLitt DL Ms Olga Bottomley MIVA MIOD Mr John Dowty TD MA ACA Mr Keith Baldwin BSC(Eng) ACGI MSc DIC C Eng MIET FIBC Professor Martin Doel CBE Ms Lesley Davies OBE Professor Simon Denny BA MA PhD. Holder of the Queen's Award for Enterprise Promotion
Chief Executive		Mr Guy Horridge BSc MSc MBA FCGI FCMI FInstLM
Key management personnel	Chief Executive Deputy Chief Executive Director of Finance	Mr Guy Horridge BSc MSc MBA FCGI FCMI FInstLM Ms Michèle Parry BA PGDIP MA Mr Robert Harvey MA ACA
Charity Name		CVQO Limited
Charity number	England and Wales	1115234
Charity number	Scotland	SC039261
Company number		05736932
Registered Office and Principal address		3 Archipelago Lyon Way Camberley Surrey GU16 7ER
Auditors		Crowe U.K. LLP Aquis House 49-51 Blagrove Street Reading Berkshire RG1 1PL
Bankers		Lloyds Bank plc 98 Victoria Street London SW1E 5JL

CVQO LIMITED

TRUSTEES REPORT

FOR THE YEAR ENDED 31 JULY 2022

The Trustees present their report and accounts for the year ended 31 July 2022.

The accounts have been prepared in accordance with the accounting policies set out in note 2 to the accounts and comply with the Charity's governing document, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities" (2019).

The Charity was incorporated on 9 March 2006.

Objectives and Activities

The charitable purpose of CVQO is to advance the education and training of youth and adult members of youth movements and schools to enable them to obtain vocational qualifications.

CVQO is an accredited provider of vocational qualifications, delivering educational opportunities to members of voluntary youth movements and schools, including the Army Cadet Force, RAF Air Cadets, Marine Society and Sea Cadets, Combined Cadet Force contingents within schools, St John Ambulance Cadets, the Fire Cadets, The Scouts and the Volunteer Police Cadets.

A high proportion of school age learners participating in CVQO-led programmes are not predicted to achieve five GCSEs at 9-4 grade. Many learners are also entitled to free school meals and there is a proven correlation between eligibility for free school meals and lower academic attainment. The vocational qualifications offered by CVQO provide these learners with a valuable alternative route to achieve formal recognised qualifications.

Most CVQO learners receive their qualifications completely free of charge through funding from the Education and Skills Funding Agency (ESFA) or through CVQO's partnership funding agreements.

Most of those over 19 make a contribution to the cost of their qualification, but this is well below the commercial rate that would be charged by colleges or universities. Many of those who are over 19 who register for a CVQO-led ILM or City & Guilds adult qualification have not achieved any previous formal qualification.

Social Impact

In 2016 the Ministry of Defence (MOD), the Combined Cadet Force Association and CVQO commissioned the Institute for Social Innovation and Impact (ISII) at the University of Northampton to undertake a longitudinal research project. The four-year project was designed to help understand the social impact and return on investment resulting from the MOD's expenditure on cadets and the Cadet Expansion Programme (CEP), as well as the benefits of the qualifications provided by CVQO.

The final report was published in May 2021 and included a number of notable conclusions which strongly support the benefits derived from participation in the programmes offered by CVQO:

- Participation in the Cadet Forces and access to vocational qualifications have significant positive impacts on young people, increasing their performance at school and improving their employment and career prospects.
- Gaining vocational qualifications through CVQO has particularly significant positive impacts on young people, particularly those that suffer economic and other disadvantages.
- It was estimated that the lifetime value of qualifications for the 2018 – 2019 cohort of CVQO learners that could be classified as disadvantaged (c. 998 individuals), is in the region of £108.9 million. This very significant value is purely for the disadvantaged cohort. The value of CVQO awards gained by cadets that are not disadvantaged could not be calculated, but it is also likely to be very large.
- Cadet Force Adult Volunteers ("CFAVs") also benefit greatly in terms of increased lifetime earnings resulting from new qualifications gained through CVQO.

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- In the 2018 – 2019 year 469 CFAVs gained NVQ Level 2 and 3 qualifications through CVQO. The value in future earnings to this cohort could be as much as £81,613 per individual, or £38.3 million for the cohort.

Learners gaining qualifications through CVQO do so either free of charge or at subsidised rates. For those that are disadvantaged, especially those disengaged from mainstream education, these qualifications can be – literally – life-changing. CFAVs that have no, or few, qualifications can also change their career opportunities by gaining vocational qualifications as a result of their participation in the Cadet Forces.

CVQO has always been confident that both our learners and society gained significant benefits from our programmes but we have been delighted to see the scale of the return being quantified in this report. In the 2018-19 period most recently examined by the University of Northampton, CVQO's income was less than £4.5 million, whilst the lifetime benefits to the cohort gaining qualifications is conservatively expected to be in the region of £150+ million.

A more detailed synopsis of the report is available at:

<https://cvqo.org/wp-content/uploads/2022/05/Social-Impact-and-Value-of-CVQO-Qualifications.pdf>.

Coronavirus disruption

We believe that to achieve the best outcome for learners there is no substitute for face-to-face learning and the interaction that it provides. Our delivery model therefore relied on this methodology prior to the Coronavirus pandemic.

Lockdown and social distancing measures disrupted our activities because we were no longer able to visit learners at their cadet units or youth group events. Although our staff successfully transitioned to working from home where appropriate, we inevitably encountered challenges maintaining contact with our learners and ensuring that they could continue to complete their qualifications.

Rather than using our usual face-to-face delivery approach we implemented a variety of on-line webinars, video guides and live workshops to ensure that learners were given opportunities to complete their qualifications. This helped learners progress and we were able to continue to fulfil many of our objectives.

Although the restrictions were progressively lifted during the period, our ability to register as many new learners as we would have expected in normal circumstances was limited. Many of the organisations that our learners come from experienced significant falls in their membership as a result of the pandemic both amongst young people and the adult volunteers who are instrumental in recruiting new members and running the groups. Membership is starting to grow again but the new recruits are typically too young to benefit from our ESFA funded qualifications. Although this bodes well for the future, we expect that it will take at least a couple of years before the higher numbers in the new cohort become eligible. In the meantime therefore our registration volumes may continue to run below their historic levels.

Objectives for the year

For the year to July 2022 our key objectives were:

- Strong performance against existing long term learner targets and funding arrangements.
- Development of delivery models and virtual training methodology to improve knowledge transfer to learners who we are unable to meet face-to-face.
- Expansion of the Lion Award in schools.
- Increased registrations from non-MOD youth organisations.

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Achievements and performance

Qualifications – Young People

Despite the ongoing impact of the Coronavirus pandemic, CVQO was able to register 2,344 ESFA funded learners in the year (2021: 2,690). This was below our annual target but it was higher than expected when it became clear that there would be delays and disruption to normal youth group activities even after the relaxation of restrictions. The use of virtual learning technology has enabled us to support learners but we were very aware that we did not just want to become another online learning centre with the learners feeling they were having an extension of school. Thus we had to make our sessions interesting and more interactive. Virtual learning had to be fun to continue to engage all our learners.

Overall, registrations for learners under 18 totalled 4,247, an increase of 6% over last year's total of 3,998. In particular, we were able to deliver an increase in the number of BTEC Level 1 Teamwork and Personal Skills, and Fire & Rescue Service Level 2 qualifications.

Qualifications – Adults

The number of new registrations for adult qualifications totalled 214 (2021: 398). Interest in the qualifications was relatively high when Coronavirus restrictions were in place but declined when life began to return to normal in the latter part of the period. Registrations for City & Guilds and ILM qualifications remained at similar levels to the prior year but there was less demand for the BTEC Level 3 Award in Education & Training.

Schools and Community Projects

The CVQO Lion Award is designed to promote the development of 8-14 year olds through a varied programme of outdoor activities, first aid skills and social action projects. Learning is designed to complement regular school work and is facilitated by CVQO instructors to support children's mental wellbeing, resilience and character. This programme runs at school premises and relies on school funding and charitable donations. The prolonged disruption to schools caused by the Coronavirus pandemic prevented us from rolling out the Award until later in the period but we experienced an increasing level of activity through the year and expect to deliver the Award more extensively in the coming year.

Westminster Award

In 2022 CVQO ran its 18th annual Westminster Award programme which is designed to reward those CVQO learners who have not only excelled at their youth group commitments, but gone over and above, helping others around them and displaying real altruism.

This year we received an impressive number of nominations from the Army Cadet Force, RAF Air Cadets, Marine Society and Sea Cadets, Fire Service Cadets, St John Ambulance Cadets, Combined Cadet Force contingents within schools and The Scouts. We selected 40 finalists from these submissions to take to a four day assessment event in Somerset.

The finalists took part in a series of physical and problem-solving challenges and completed the prestigious ILM Level 3 Award in Leadership and Management. It was very clear that even those who did not make it through to the final stage really valued their ILM Level 3 qualification which they see as a valuable addition to their employability skills.

Fifteen national finalists were identified at the selection stage and joined a two week expedition in Cornwall during which they worked on a number of imaginative and demanding volunteering projects with six partner charities and gained an understanding of issues associated with humanitarian aid, climate change and conservation. Their successes will be celebrated further with their families, friends and honoured guests during a lunch at the House of Lords in November 2022.

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Graduation Ceremony

After not being able to hold CVQO's annual graduation ceremony during the pandemic we were able to host two events at the historic buildings of RMA Sandhurst during the period; in October 2021 and March 2022. Learners who would have been eligible to attend the previous year's cancelled event were invited along with the current year's graduates.

The Charity's Chairman, The Lord Lingfield, presided over the ceremonies and the graduates were joined by friends and family to celebrate their success. The events also allowed us to recognise the hard work and tremendous support we receive each year from our many Cadet Force Adult Volunteers and Vocational Qualification Officers.

Future Plans

The Chief Executive and the Executive Team have identified the following as priorities:

- Strong performance against existing long term learner targets and funding arrangements.
- Improve access to qualifications by development of delivery models and virtual training methodology.
- Raise awareness of the Lion Award across the UK and, if funding is available, increase the number of schools which run the programme by 10%.
- Expand our reach and the number of qualifications delivered within non-MOD sponsored uniformed youth organisations. Our medium term aim is that 20% of our registrations should come from non-MOD cadets.

Structure, governance and management

The Charity is a company limited by guarantee and, in accordance with the Companies Act 2006, does not have a share capital.

The Trustees, who are also the directors for the purpose of company law, who served during the year, were:

The Lord Lingfield Kt DLitt DL

Ms Olga Bottomley MIVA MIOD

Mr Keith Baldwin BSc(Eng) ACGI MSc DIC C Eng MIET FIBC

Mr John Dowty TD MA ACA

Professor Martin Doel CBE

Ms Lesley Davies OBE

Professor Simon Denny BA MA PhD. Holder of the Queen's Award for Enterprise Promotion.

Trustees are recruited in a variety of ways and from a range of sources. Trustees who have been appointed bring with them a wealth of educational, youth, military and financial knowledge.

Trustees are elected for an initial term of three years and at that point are eligible to seek re-election for a further two terms of three years.

The Chairman has the option to extend any Trustee's term for a further one or two years, so as to avoid an exodus at any one time.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

On the retirement of the Chairman it will be the responsibility of the Trustees to elect a new Chairman from amongst them.

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Once elected, new Trustees are given an induction pack and invited to attend a training day.

The Trustees have delegated authority for management of the Charity to the Chief Executive and the Executive Team.

Key Management Remuneration

The Directors consider that the Board of Directors, who are the Charity's Trustees, and the Executive Team comprise the key management personnel of the company in charge of directing and controlling, running and operating the organisation on a day-to-day basis.

CVQO's remuneration policy and procedures for key management personnel are as follows:

- The Board is responsible for setting the Chief Executive's remuneration;
- The Chief Executive sets the salaries of the other members of the Executive Team; and,
- Pay is reviewed at least annually.

Statement of Trustees' responsibilities

The Trustees (who are also directors of CVQO for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Risk Management

CVQO has introduced a formal risk management process to assess business risks and it has implemented risk management strategies. This has involved identifying the types of risks the Charity faces, prioritising them in terms of potential impact and likelihood of occurrence and identifying means of mitigating the risks. The Charity's internal controls have also been reassessed to ensure that they continue to minimise the risk of fraud and are in line with the guidelines established and recommended by the Charity Commission.

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The risks are formally reviewed at Trustee meetings that are held regularly throughout the year.

The Chief Executive has produced a Business Disaster Recovery Plan which has been tested and continues to provide effective cover in the event of a significant incident with a potentially damaging impact on the Charity.

Principal Risks

Financial

Risk: A large proportion of CVQO's income derives from a single funding arrangement with the Education and Skills Funding Agency (ESFA). If this contract were terminated, not renewed or reduced in value there would be a very significant financial impact on the Charity.

Mitigation: Maintain good relations with the funders, identify other income sources, ensure full adherence to the terms of the agreement, meet or exceed performance targets and promote the value of the qualifications provided and the benefits to the learners who achieve them. Continue to be Ofsted graded good or above.

Educational Environment

Risk: As Government policy on education evolves there is a risk that the current set of vocational qualifications that CVQO offer fall outside future funding specifications.

Mitigation: CVQO continually monitors the education environment and would react quickly to an announcement of any future changes in funding requirements and would seek to develop new vocational qualifications that continue to deliver the benefits to young people provided by our present qualifications and also to meet any new requirements of the funding bodies.

Child Safeguarding

Risk: CVQO is committed to preventing any harm to children caused by its activities. The Charity's reputation could be significantly damaged if it fails to safeguard learners engaged in its qualifications. Safety and care of learners is a key Ofsted requirement.

Mitigation: All staff are trained on child safeguarding and are provided with a clear and secure framework for ensuring that all children and young people engaged in CVQO activities are protected from harm. A sub-committee of the Trustees' Board has been established to oversee safeguarding matters and to ensure that the risk is monitored, reported on and any incidents investigated and action taken when necessary. Where appropriate we work with the cadet forces, youth groups and schools to ensure integrity of safeguarding even where CVQO is not directly responsible.

Data Security

Risk: The risk that the Charity's data is stolen, leaked, lost or held to ransom as a result of an attack through the internet. This could result in loss of reputation, claims against CVQO, interruption to its operations or any combination of these.

Mitigation: CVQO has invested in strong IT security systems including firewall and anti-virus software and has adopted good data protection practices that provide an appropriate level of defence against cyber-attack. An experienced Data Protection Officer has been appointed and external expertise utilised to perform training, data audits and to implement GDPR policies. All members of staff have received training with follow up where necessary.

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Compliance

Risk: Data Return Compliance Failure. There is a significant volume of data that must be provided quarterly to key funders and it is important that these returns of data are submitted on a timely basis and with a very high degree of accuracy. Persistent non-compliance could jeopardise CVQO's relationship with its funders.

Mitigation: Ensure high standards of data verification and validation occur before submission of the returns and that the ability to perform these processes is held by a number of employees. Data integrity is supported by experienced IT staff and an expert external IT services company which ensures that data is managed on up-to-date software systems and regularly backed up. All returns are overseen by the Executive Team.

Statement of Public Benefit

CVQO has been operating as an independent Charity and Company Limited by Guarantee for sixteen years.

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011, to have due regard to the guidance issued by the Charity Commission on public benefit. This is carried out through the Objects and Powers of the organisation.

Financial Review

Income in the period was £3,782,000 (2021: £3,806,000). The ESFA continued to provide the Charity's core grant funding for England at £3,500,000 (2021: £3,500,000). This funding has been secured at the same level for 2022/23.

In addition to government department grant funding, CVQO draws charitable funding from a range of sources including charitable trusts and the cadet organisations. Additional funding in the year was £30,000 (2021: £44,000) which helped to cover those not eligible for ESFA grant funding and to allow CVQO to deliver qualifications to adults at subsidised rates.

A small number of staff had been furloughed in the early part of the prior year but we were pleased to be able to reinstate them to their roles well before the end of the government's Coronavirus Job Retention Scheme and made no claims for grants in the period (2021: £20,000).

Income from cash deposits was at a similar level to the previous year but the investment portfolio depreciated in value (inclusive of reinvested income and net of charges) by £38,000, reversing some of the gains experienced in the prior year (2021: appreciation of £184,000). The year-end valuation was £1,125,000 (2021: £1,163,000).

Expenditure was marginally higher than in the prior period due to increased activity following the relaxation of Coronavirus restrictions. However, the prior period included the recognition of a provision for property dilapidation costs at the Charity's head office building (£138,000) resulting in total resources expended showing a decrease to £3,678,000 (2021: £3,751,000).

The Charity's surplus for the year to 31 July 2022 was £40,000 (2021: £211,000).

Total funds at 31 July 2022 were £3,721,000 (2021: £3,681,000). Unrestricted funds comprised the majority of the balance at £3,703,000 (2021: £3,662,000) of which £1,003,000 (2021: £1,191,000) was designated for MOD Cadet and Adult qualifications. Restricted funds totalled £18,000 (2021: £19,000).

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Reserves Policy

The Trustees' policy on reserves strikes a balance between applying funds received to our charitable purposes and maintaining a level of reserves which would allow the Charity to deal effectively and responsibly with the financial challenge that would result from the loss of a major funding stream. The Trustees consider it appropriate to hold unrestricted funds, excluding designated funds, at a level which would ensure that students, already registered, would be able to complete their courses. This would ensure that no student already registered with us would be disadvantaged in the event of such a loss of funding. Reserves can also be applied to funding new or potential projects where an initial investment is necessary to develop new sustainable areas of activity or to identify whether or not such sustainable activities can be developed. The policy is reviewed annually. The balance in unrestricted reserves, excluding designated reserves, at 31 July 2022 was £2,701,000 (2021: £2,471,000). The Trustees consider this to be a reasonable level of reserves and will be subject to regular review.

After deducting the carrying value of tangible fixed assets held for the Charity's own use there were free reserves as defined by the Charity Commission of £2,635,000 (2021: £2,395,000).

The balance held in restricted funds at 31 July 2022 was £18,000 (2021: £19,000) representing funding received for specific cohorts of students, be that defined by geographic location, course title or specific student needs, that has not yet been expended. These reserves will be spent in support of the relevant students in future periods.

Designated funds at 31 July 2022 were £1,003,000 (2021: £1,191,000). All of the funds at 31 July 2022 were designated for the support and delivery of cadet and adult volunteer vocational qualifications (2021: £1,135,000 for cadets and adult volunteers and £56,000 to fund qualifications in Scotland).

Investments

The Trustees have the authority conferred by the memorandum and articles of association to invest as they see fit and to delegate the management of investments to a financial expert. CVQO is not dependent on investment income to undertake its work and is relatively risk adverse but considers it appropriate to invest a proportion of its available funds in longer term investments in order to maintain capital and achieve a higher return than can be realised with bank deposits. Its investment objective is to invest globally to maintain the capital value, at least in line with inflation, as measured by the Consumer Prices Index (CPI) with a targeted total return of CPI +2.5% over a rolling three year period whilst minimising risk exposure and investment volatility.

CVQO has appointed Brewin Dolphin to manage a portfolio of equity and fixed-interest investments. The Trustees instructed the investment manager that no direct investment (other than Treasury Stock) should represent more than five percent of the overall value of the funds and that no investment into a fund holding underlying investments should represent more than ten percent of the overall value of the funds when purchased. In addition investments should not be made in markets where marketability is limited, or directly in high risk investments, structured products, hedge funds or funds of hedge funds. The investment manager reports to the Trustees quarterly and the Charity reviews its investment strategy annually.

CVQO originally invested £1,000,000 in January 2019. At 31 July 2022 the value of the investments was £1,125,000 (2021: £1,163,000). The return for the year ended 31 July 2022 of -3.3% was consistent with comparable benchmarks such as the ARC Balanced Asset Charity Index which showed a decline of 2.7% over the same period.

The portfolio's return over the three years to 31 July 2022 was 5.7% which compares to CPI over the period of 12.2% and a target return of 20.5%. Although this was below the target performance it was broadly in line with returns achieved by the ARC Balanced Asset Charity Index, which showed growth of 8.8%. Due to the recent increase in inflation and financial market performance we anticipate that the portfolio is unlikely to achieve its inflation linked objective over the next period.

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Fundraising Practices

CVQO's funds derive principally from statutory and government agencies but it does raise small sums from Trusts and Foundations as well for specific purposes. We are also fortunate to receive donations from individuals, particularly from individuals who have gained a CVQO vocational qualification or those that know them and wish to show their appreciation. CVQO is not set up to engage in large scale fund-raising activities like mass mailings, telephone fund-raising or door-to-door campaigns nor do we employ a professional fund-raiser or engage the services of any third-party organisations to help raise funds. To this end, we have not considered it necessary or appropriate to sign up to any regulatory code of fundraising practice, and we have ensured that we have taken all reasonable steps to protect vulnerable people from inappropriate or unwelcomed fundraising approaches. We have not received any complaints about any aspect of our fund-raising. CVQO has a strong ethos of respect for the independence and dignity of its learners and would not countenance any conduct or activities that undermined this.

Provision of information to auditors

Insofar as each of the directors of the Charity at the date of approval of this report is aware there is no relevant audit information (information needed by the Charity's auditor in connection with preparing the audit report) of which the Charity's auditor is unaware.

Each director has taken all of the steps that they should have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

Auditors

The Auditors, Crowe U.K. LLP will be proposed in accordance with section 485 of the Companies Act 2006.

Approved by the Board of Directors
and signed on their behalf by:-



The Lord Lingfield KT DLitt DL
Chairman



Mr John Dowty TD MA ACA
Honorary Treasurer

Dated: 23 November 2022

Dated: 23 November 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF CVQO LIMITED

Opinion

We have audited the financial statements of CVQO Limited for the year ended 31 July 2022 which comprise the Statement of Financial Activities, Balance Sheet, 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 charitable company's affairs as at 31 July 2022 and of its 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, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF CVQO LIMITED (CONTINUED)

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 our audit

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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 directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement on page 6 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF CVQO LIMITED (CONTINUED)

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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context were General Data Protecting Regulations and Safeguarding of young people and vulnerable adults.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

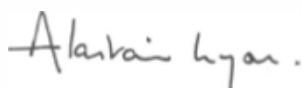
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF CVQO LIMITED (CONTINUED)

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Alastair Lyon

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

Reading

Dated : 24 November 2022

CVQO LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
AS AT 31 JULY 2022
COMPANY NUMBER 5736932

	Notes	Unrestricted funds £	Designated funds £	Restricted Funds £	Total 2022 £	Total 2021 £
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	4	9,408	-	-	9,408	46,105
Charitable activities	5	3,500,000	-	21,992	3,521,992	3,518,772
Other trading activities		208,929	-	-	208,929	177,852
Income from investments	6	41,733	-	-	41,733	43,342
Other income	7	-	-	-	-	19,880
Total incoming resources		<u>3,760,070</u>	<u>-</u>	<u>21,992</u>	<u>3,782,062</u>	<u>3,805,951</u>
EXPENDITURE ON:						
Expenditure on raising funds						
Investment manager expenses		8,123	-	-	8,123	7,717
Expenditure on charitable activities		3,513,143	132,751	23,672	3,669,566	3,743,027
Total resources expended	8	<u>3,521,266</u>	<u>132,751</u>	<u>23,672</u>	<u>3,677,689</u>	<u>3,750,744</u>
Net (losses)/gains on investments	13	<u>(64,280)</u>	<u>-</u>	<u>-</u>	<u>(64,280)</u>	<u>155,323</u>
Net income/(expenditure)		174,524	(132,751)	(1,680)	40,093	210,530
Transfer between funds		<u>55,320</u>	<u>(55,320)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET MOVEMENT IN FUNDS		229,844	(188,071)	(1,680)	40,093	210,530
<i>Total funds brought forward</i>		<u>2,470,693</u>	<u>1,191,006</u>	<u>19,200</u>	<u>3,680,899</u>	<u>3,470,369</u>
Total funds carried forward	21	<u>2,700,537</u>	<u>1,002,935</u>	<u>17,520</u>	<u>3,720,992</u>	<u>3,680,899</u>

All of the above results are derived from continuing activities. The Charity has no other recognised gains and losses other than those stated above.


The notes on pages 18 to 30 form part of these financial statements.

CVQO LIMITED
BALANCE SHEET
AS AT 31 JULY 2022
COMPANY NUMBER 5736932

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	12	65,732	75,626
Investments	13	<u>1,124,737</u>	<u>1,162,861</u>
		1,190,469	1,238,487
CURRENT ASSETS			
Debtors	14	84,662	59,889
Cash at bank and in hand		1,960,580	2,536,966
Short term investments		<u>970,829</u>	<u>326,866</u>
		3,016,071	2,923,721
CREDITORS: amounts falling due within one year	15	<u>(335,548)</u>	<u>(343,309)</u>
NET CURRENT ASSETS		<u>2,680,523</u>	<u>2,580,412</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,870,992	3,818,899
Provisions	26	<u>(150,000)</u>	<u>(138,000)</u>
NET ASSETS		<u>3,720,992</u>	<u>3,680,899</u>
FUNDS			
Restricted funds	20	17,520	19,200
Unrestricted funds:			
Designated funds	19	1,002,935	1,191,006
General funds		2,700,537	2,470,693
	21	<u>3,720,992</u>	<u>3,680,899</u>

Approved and authorised for issue by the Board of Directors on 23 November 2022 and signed on its behalf by:-


The Lord Lingfield KT DLitt DL
Trustee


Mr John Dowty TD MA ACA
Trustee

The notes on pages 18 to 30 form part of these financial statements.

CVQO LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net cash provided/(used) by operating activities	17	79,083	263,126
Net cash used in investing activities			
Purchase of tangible assets		(27,083)	(33,405)
Investment income		34,160	35,803
Purchase of investments (including reinvested dividends)		(26,156)	(28,749)
Bank interest receivable		7,573	7,539
Purchase of short term investments		<u>(643,963)</u>	<u>(4,090)</u>
Net cash used in investing activities		<u>(655,469)</u>	<u>(22,902)</u>
Change in cash and cash equivalents in the reporting period		<u>(576,386)</u>	<u>240,224</u>
Net Funds reconciliation:			
Net funds at 1 st August		2,536,966	2,296,742
(Decrease)/increase in cash in the year		<u>(576,386)</u>	<u>240,224</u>
Net funds at 31st July		<u>1,960,580</u>	<u>2,536,966</u>
Analysis of cash and cash equivalents			
Cash in hand		<u>1,960,580</u>	<u>2,536,966</u>

The notes on pages 18 to 30 form part of these financial statements.

CVQO Limited
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2022

1. COMPANY INFORMATION

The principal activity of the Charity is to advance the education and training of youth and adult members of youth movements and schools to enable them to obtain vocational qualifications. The Charity (registered number 1115234 and charity number 05736932) is incorporated and domiciled in the UK. The address of the registered office is 3 Archipelago, Lyon Way, Camberley, Surrey, GU16 7ER.

2. ACCOUNTING POLICIES

a) 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.

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

Going concern

The Trustees have considered a range of scenarios that may result from high levels of inflation, prolonged disruption caused by the Coronavirus pandemic and other risks. They have assessed the effect on CVQO Limited's cash flow and reserves and consider that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Trustees continue to adopt the 'going concern' basis in preparing the accounts.

b) Income and endowment

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

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that those conditions will be fulfilled in the reporting period.

Grant income is included when the related condition for legal entitlement to the grant has been met. Resources received relating to a future period will be deferred to the extent that they do not relate to the current accounting period such as where grants have been made for a specific number of learners and not all learners have been registered within the year.

During the year the Charity received £nil (2021: £19,880) from the UK Government under the Coronavirus Job Retention Scheme.

CVQO LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2022

c) Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

Costs relating to charitable activities include all costs incurred in the direct furtherance of the Charity's objectives.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

d) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Building Improvements	Length of the remaining lease term
Computer Equipment	33.33% Straight Line Method
Fixtures, fittings & equipment	25% Straight Line Method

Items under £250 are not capitalised.

e) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

f) Short term investments

Short term investments include cash invested in deposit accounts accessible within 3-12 months.

g) Listed investments

Investments are a form of basic financial instrument and are initially recorded at their transaction value and subsequently valued at closing mid-market value at the Balance Sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities. Only external injections of cash and withdrawals of cash from the investment portfolio are treated as additions and disposals within Note 13.

h) Financial instruments

The Charity holds only financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments include debtors and creditors. Debtors and creditors are initially recognised at transaction value and subsequently measured at amortised cost. Note 22 provides more information on financial instruments where future cash flows are anticipated, with financial assets referring to fixed asset investments and debtor balances excluding prepayments, and financial liabilities referring to all creditor balances excluding deferred income and other taxation and social security.

CVQO LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2022

i) Accumulated funds

General funds are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

j) Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

k) Pensions

The Charity operates two defined contribution pension schemes. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

l) Provisions for liabilities

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably.

Provisions are initially measured at the best estimate of the amount required to settle the obligation and are reviewed at each reporting date. Any adjustments to reflect the current best estimate are recognised in the Statement of Financial Activities.

3. SIGNIFICANT JUDGEMENTS AND ESTIMATES

In the application of the Charity's accounting policies the Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

The Trustees consider that there are no material judgements in applying accounting policies or key sources of estimation uncertainty.

CVQO LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2022

4. DONATIONS

	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2022 £	Total 2021 £'000
Legacies	-	-	-	-	20,000
Grants receivable for core activities	8,000	-	-	8,000	25,500
Donations and gifts	<u>1,408</u>	<u>-</u>	<u>-</u>	<u>1,408</u>	<u>605</u>
	<u>9,408</u>	<u>-</u>	<u>-</u>	<u>9,408</u>	<u>46,105</u>
Grants receivable for core activities;					
Grant (Scotland)				-	3,500
Adult contribution – ATC				-	14,000
Adult contribution – SCC				<u>8,000</u>	<u>8,000</u>
				<u>8,000</u>	<u>25,500</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2022 £	Total 2021 £
Contract Funding	3,500,000	-	-	3,500,000	3,500,000
Other Restricted	<u>-</u>	<u>-</u>	<u>21,992</u>	<u>21,992</u>	<u>18,772</u>
	<u>3,500,000</u>	<u>-</u>	<u>21,992</u>	<u>3,521,992</u>	<u>3,518,772</u>

	Total 2022 £	Total 2021 £
Contracts Funding relates to:		
Education and Skills Funding Agency contract	<u>3,500,000</u>	<u>3,500,000</u>

Included within income relating to Other Restricted are the following grants

Fund generation – Restricted Devolved Nations	3,270	7,521
Fund generation – Restricted Scotland	-	7,000
Fund generation – Restricted Northern Ireland	11,118	4,251
Fund generation – Lion Award	2,604	-
Fund generation – Westminster Award	<u>5,000</u>	<u>-</u>
	<u>21,992</u>	<u>18,772</u>

CVQO LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2022

6. INVESTMENT INCOME

	Total 2022 £	<i>Total 2021 £</i>
Income from investments	34,160	35,803
Interest receivable	<u>7,573</u>	<u>7,539</u>
	<u>41,733</u>	<u>43,342</u>

7. OTHER INCOMING RESOURCES

	Total 2022 £	<i>Total 2021 £</i>
Coronavirus Job Retention Scheme grant	<u>-</u>	<u>19,880</u>
	<u>-</u>	<u>19,880</u>

8. TOTAL RESOURCES EXPENDED

	Staff Costs £	Depreciation £	Other costs £	Total 2022 £	<i>Total 2021 £</i>
Investment manager expenses	-	-	8,123	8,123	7,717
Charitable activities					
Education & training activities undertaken directly	<u>2,041,628</u>	<u>35,082</u>	<u>1,592,856</u>	<u>3,669,566</u>	<u>3,743,027</u>
	<u>2,041,628</u>	<u>35,082</u>	<u>1,600,979</u>	<u>3,677,689</u>	<u>3,750,744</u>

Governance costs include costs of £13,800 (2021: £12,000) for audit fees.

CVQO LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2022

9. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	<i>Unrestricted funds £</i>	<i>Designated funds £</i>	<i>Restricted Funds £</i>	<i>Total 2021 £</i>
INCOME AND ENDOWMENTS FROM:				
<i>Donations and legacies</i>	8,605	-	37,500	46,105
<i>Charitable activities</i>	3,500,000	-	18,772	3,518,772
<i>Other trading activities</i>	177,852	-	-	177,852
<i>Income from investments</i>	43,342	-	-	43,342
<i>Other income</i>	19,880	-	-	19,880
	<u>3,749,679</u>	<u>-</u>	<u>56,272</u>	<u>3,805,951</u>
EXPENDITURE ON:				
<i>Expenditure on raising funds</i>				
<i>Investment manager expenses</i>	7,717	-	-	7,717
<i>Expenditure on charitable activities</i>	3,603,297	100,258	39,472	3,743,027
	<u>3,611,014</u>	<u>100,258</u>	<u>39,472</u>	<u>3,750,744</u>
<i>Total resources expended</i>	<u>3,611,014</u>	<u>100,258</u>	<u>39,472</u>	<u>3,750,744</u>
<i>Net gains/(losses) on investments</i>	<u>155,323</u>	<u>-</u>	<u>-</u>	<u>155,323</u>
<i>Net income/(expenditure)</i>	293,988	(100,258)	16,800	210,530
<i>Transfer between funds</i>	<u>100,000</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>
NET MOVEMENT IN FUNDS	393,988	(200,258)	16,800	210,530
<i>Total funds brought forward</i>	<u>2,076,705</u>	<u>1,391,264</u>	<u>2,400</u>	<u>3,470,369</u>
<i>Total funds carried forward</i>	<u>2,470,693</u>	<u>1,191,006</u>	<u>19,200</u>	<u>3,680,899</u>

10. TRUSTEES

None of the Trustees (or any persons connected with them) received any remuneration during the year, and 5 (2021: Nil) of them were reimbursed £1,941 (2021: £Nil) travelling expenses.

CVQO LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2022

11. EMPLOYEES

Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Education and Training	<u>48</u>	<u>51</u>

Included in the average monthly number of employees above are 9 (2021: 12) part time employees with equivalent hours to 4 (2021: 6) full time employees.

	2022 £	2021 £
Wages and salaries	1,725,606	1,760,911
Social Security costs	177,692	174,560
Other pension costs	<u>138,330</u>	<u>152,444</u>
	<u>2,041,628</u>	<u>2,087,915</u>

The wages and salaries figure includes redundancy payments of £10,731 (2021: £25,639).

The amount of remuneration earned by directors and trustees in the year was £nil (2021: £nil).

The number of employees whose annual remuneration was £60,000 or more were:

	2022 Number	2021 Number
£100,000 - £109,999	1	1
£90,000 - £99,999	-	1
£80,000 - £89,999	<u>2</u>	<u>1</u>

Of the employees whose emoluments exceed £60,000, 3 (2021: 3) have retirement benefits accruing under defined contribution pension schemes. Contributions totalling £27,813 (2021: £26,400) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

The key management personnel of the Charity are noted on page 1. Aggregate employee benefits of key management personnel for the year was £340,070 (2021: £341,579).

CVQO LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2022

12. TANGIBLE FIXED ASSETS

	Land & Buildings	Computer Equipment	Fixtures, fittings & equipment	Total
		£	£	£
Cost				
<i>At 1 August 2021</i>	55,975	249,625	114,647	420,247
Additions	-	26,424	659	27,083
Disposals	-	(14,885)	-	(14,885)
At 31 July 2022	55,975	261,164	115,306	432,445
Depreciation				
<i>At 1 August 2021</i>	16,419	217,479	110,723	344,621
Charge for the year	8,956	24,831	1,295	35,082
On disposals	-	(12,990)	-	(12,990)
At 31 July 2022	25,375	229,320	112,018	366,713
Net book value				
At 31 July 2022	<u>30,600</u>	<u>31,844</u>	<u>3,288</u>	<u>65,732</u>
<i>At 31 July 2021</i>	<u>39,556</u>	<u>32,146</u>	<u>3,924</u>	<u>75,626</u>

13. INVESTMENTS

	2022 £	2021 £
<i>Market value at 1 August</i>	1,162,861	978,789
Reinvested dividends net of investment management fees (excludes accrued dividends)	26,156	28,749
Net unrealised investment (losses)/gains	(64,280)	155,323
Market value at 31 July	<u>1,124,737</u>	<u>1,162,861</u>
 Historic cost (including cash)	 <u>1,103,604</u>	 <u>1,070,654</u>

The following investment constitutes more than 5% of the market value of the portfolio:

	2022 £	2021 £
Vanguard S&P 500 UCITS ET USD DIS	-	59,981
Fidelity UCITS ICA US Qual INC UCITS ETF GBP	<u>59,219</u>	-
	<u>59,219</u>	<u>59,981</u>

CVQO LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2022

14. DEBTORS

	2022 £	2021 £
Trade debtors	15,195	15,984
Prepayments and accrued income	<u>69,467</u>	<u>43,905</u>
	<u>84,662</u>	<u>59,889</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	95,914	72,582
Taxes and social security costs	48,556	47,641
Accruals	98,405	117,200
Deferred income (note 16)	<u>92,673</u>	<u>105,886</u>
	<u>335,548</u>	<u>343,309</u>

16. DEFERRED INCOME

Deferred income relates to grants received for projects which have not yet been started or are partially completed.

The movements during the year were:

	2022 £	2021 £
<i>Balance at 1 August</i>	105,886	69,748
Amounts received	7,980	51,210
Amounts utilised	<u>(21,193)</u>	<u>(15,072)</u>
Balance at 31 July	<u>92,673</u>	<u>105,886</u>

17. RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	2022 £	2021 £
Net income for the reporting period	40,093	210,530
Depreciation	35,082	47,451
Interest received	(7,573)	(7,539)
Income from investments	(34,160)	(35,803)
Unrealised (gains)/losses	64,280	(155,323)
Loss on disposal of fixed assets	1,895	-
(Increase)/decrease in debtors	(24,773)	71,919
(Decrease)/increase in creditors	(7,761)	(6,109)
Increase in provisions	<u>12,000</u>	<u>138,000</u>
Net cash provided/(used) by operating activities	<u>79,083</u>	<u>263,126</u>

CVQO LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2022

18. PENSION AND OTHER POST-RETIREMENT BENEFIT COMMITMENTS

The Charity operates two defined contribution pension schemes. 50 (2021: 49) members have benefits accruing under the schemes. The assets of the schemes are held separately from those of the Charity in independently administered funds. The pension charge represents contributions payable by the Charity to the funds.

	2022	2021
	£	£
Contributions to defined contribution pension schemes	<u>138,330</u>	<u>152,444</u>

19. DESIGNATED FUNDS

	<i>Balance at 1 August 2021</i>	<i>Incoming resources</i>	<i>Resources expended</i>	<i>Transfers</i>	<i>Balance at 31 July 2022</i>
	£	£	£		£
Scotland and Adult	55,672	-	(352)	(55,320)	-
MOD Cadets and Adults	<u>1,135,334</u>	<u>-</u>	<u>(132,399)</u>	<u>-</u>	<u>1,002,935</u>
	<u>1,191,006</u>	<u>-</u>	<u>(132,751)</u>	<u>(55,320)</u>	<u>1,002,935</u>

The designated funds of the Charity relates to the following:

£Nil (2021: £55,672) has been designated to be used in Scotland and on Adult courses. This fund is no longer required.

£1,002,935 (2021: £1,135,334) which was set aside out of unrestricted funds by the Trustees for the specific purpose of providing training to MOD Cadets and Adults. This is expected to be used over the next five years.

DESIGNATED FUNDS Comparative year 2021

	<i>Balance at 1 August 2020</i>	<i>Incoming resources</i>	<i>Resources expended</i>	<i>Transfers</i>	<i>Balance at 31 July 2021</i>
	£	£	£		£
Scotland and Adult	56,909	-	(1,237)	-	55,672
Dilapidations	100,000	-	-	(100,000)	-
MOD Cadets and Adults	<u>1,234,355</u>	<u>-</u>	<u>(99,021)</u>	<u>-</u>	<u>1,135,334</u>
	<u>1,391,264</u>	<u>-</u>	<u>(100,258)</u>	<u>(100,000)</u>	<u>1,191,006</u>

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20. RESTRICTED FUNDS

The funds of the Charity include restricted funds comprising the following unexpended balances of donations and grants held for specific purposes:

	<i>Balance at 1 August 2021</i>	<i>Incoming resources</i>	<i>Resources expended</i>	<i>Balance at 31 July 2022</i>
	£	£	£	£
Devolved Nations	-	3,270	(3,270)	-
Northern Ireland	-	11,118	(11,118)	-
BCBN – Lion Award Bradford	-	2,604	(2,604)	-
The Ulysses Trust – Westminster Award	-	5,000	(5,000)	-
Nottinghamshire and Lincolnshire	<u>19,200</u>	<u>-</u>	<u>(1,680)</u>	<u>17,520</u>
	<u>19,200</u>	<u>21,992</u>	<u>(23,672)</u>	<u>17,520</u>

Restricted funds relate to income given in support of specific cohorts of students be that defined by geographical location, course title, specific group development or student needs.

RESTRICTED FUNDS Comparative year 2021

The funds of the Charity include restricted funds comprising the following unexpended balances of donations and grants held for specific purposes:

	<i>Balance at 1 August 2020</i>	<i>Incoming resources</i>	<i>Resources expended</i>	<i>Balance at 31 July 2021</i>
	£	£	£	£
Devolved Nations	-	7,521	(7,521)	-
Northern Ireland	-	4,251	(4,251)	-
Scotland	-	24,500	(24,500)	-
Isle of Man	2,400	-	(2,400)	-
Nottinghamshire and Lincolnshire	<u>-</u>	<u>20,000</u>	<u>(800)</u>	<u>19,200</u>
	<u>2,400</u>	<u>56,272</u>	<u>(39,472)</u>	<u>19,200</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Designated funds	Restricted funds	Total
	£	£	£	£
Tangible fixed assets	1,190,469	-	-	1,190,469
Current assets	1,995,616	1,002,935	17,520	3,016,071
Creditors: amounts falling due within one year	(335,548)	-	-	(335,548)
Creditors: amounts falling due after one year	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>(150,000)</u>
	<u>2,700,537</u>	<u>1,002,935</u>	<u>17,520</u>	<u>3,720,992</u>

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21. ANALYSIS OF NET ASSETS BETWEEN FUNDS Comparative year 2021 (continued)

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Tangible fixed assets	1,238,487	-	-	1,238,487
Current assets	1,713,515	1,191,006	19,200	2,923,721
Creditors: amounts falling due within one year	(343,309)	-	-	(343,309)
Provisions	<u>(138,000)</u>	<u>-</u>	<u>-</u>	<u>(138,000)</u>
	<u>2,470,693</u>	<u>1,191,006</u>	<u>19,200</u>	<u>3,680,899</u>

22. FINANCIAL INSTRUMENTS

	2022 £	2021 £
Financial assets		
Financial assets measured at fair value	1,124,737	1,162,861
Financial assets measured at amortised cost	<u>2,948,964</u>	<u>2,884,932</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>344,319</u>	<u>327,782</u>

Financial assets measured at fair value are investments.

Financial assets measured at amortised cost comprise trade debtors, other debtors, accrued income, cash and cash equivalents and short term investments excluding prepayments.

Financial Liabilities measured at amortised cost comprise trade creditors, other creditors, provisions and accruals excluding deferred income and other taxation and social security.

23. COMMITMENTS UNDER OPERATING LEASES

At 31 July 2022 the Charity had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2022 £	2021 £	2022 £	2021 £
Expiry date:				
Less than one year	128,071	128,071	14,581	18,021
Between two and five years	288,511	416,582	44,613	41,228
In over five years	<u>-</u>	<u>-</u>	<u>8,365</u>	<u>-</u>
	<u>416,582</u>	<u>544,653</u>	<u>67,559</u>	<u>59,249</u>

CVQO LIMITED
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24. COMMITMENTS

At the year end, CVQO Ltd had contracted capital commitments of £Nil (2021: £Nil).

25. RELATED PARTY TRANSACTIONS

During the year CVQO Ltd had no related party transactions to disclose.

26. PROVISIONS

The provision relates to potential dilapidations liabilities at CVQO Ltd properties.