

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

**CVQO LTD (Operating as Cadet Vocational College)
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2023**

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2023

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 (resigned 23 November 2022) Professor Simon Denny BA MA PhD. Holder of the Queen's Award for Enterprise Promotion Air Vice-Marshal Ranald Munro CB CBE TD VR DL (appointed 23 November 2022)
Chief Executive		Mr Guy Horridge OBE BSc MSc MBA FCGI FCMI FInstLM
Key management personnel	Chief Executive Deputy Chief Executive Director of Finance Director of Marketing and Communications	Mr Guy Horridge OBE BSc MSc MBA FCGI FCMI FInstLM Ms Michèle Parry BA PGDIP MA Mr Robert Harvey MA ACA Mr Stephen Taylor
Charity Name		CVQO LTD
Charity Working Name		Cadet Vocational College
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

TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2023

The Trustees present their report and accounts for the year ended 31 July 2023.

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. In July 2023 CVQO registered a new working name with the Charity Commission and became known as Cadet Vocational College.

Objectives and Activities

The charitable purpose of Cadet Vocational College 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 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, The Boys' Brigade and the Volunteer Police Cadets.

A high proportion of school age learners participating in Cadet Vocational College's 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 the Charity provide these learners with a valuable alternative route to achieve formal recognised qualifications.

Most Cadet Vocational College learners receive their qualifications completely free of charge through funding from the Education and Skills Funding Agency (ESFA) or through 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 other colleges or universities. Many of those who are over 19 who register for an ILM or City & Guilds adult qualification have not achieved any previous formal qualification.

Social Impact

Cadet Vocational College qualifications are an important social enabler, supporting and encouraging learners to fulfil their potential and helping them gain access to further and higher education, to employment or other advancement. The Charity's qualifications are open to all, are wholly inclusive and equality of access is ensured.

In 2021 the Institute for Social Innovation and Impact (ISII) at the University of Northampton published a report after a four year longitudinal research project into 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 Cadet Vocational College. The report included a number of notable conclusions which strongly demonstrate the benefits derived from the programmes offered by Cadet Vocational College:

- 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 Cadet Vocational College has particularly significant positive impacts on young people, particularly those that suffer economic and other disadvantages.

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2023

- Cadet Force Adult Volunteers (“CFAVs”) also benefit greatly in terms of increased lifetime earnings resulting from new qualifications gained through Cadet Vocational College.
- The values of vocational qualifications to individuals have been calculated by previous research, including research commissioned by the UK Government. Although these values are indicative, when we apply them, at 2021 levels, to the cadets and CFAVs that have gained Cadet Vocational College awards, we find that the annual value of the vocational qualifications gained by disadvantaged cadets and CFAVs (measured in terms of their lifetime value to the individuals) is somewhere in the region of £150 million. This sum does not include the value of awards to cadets that are not disadvantaged. We therefore believe that the total annual lifetime value of vocational awards gained by members of the Cadet Forces through Cadet Vocational College must be significantly more than £200 million per annum.

A more detailed synopsis of the original report is available at:

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

During the year, the Charity commissioned the author of the report to re-examine the impacts that qualifications provided by Cadet Vocational College have on individuals and society. The findings of the report are expected to be published in late 2023.

Coronavirus impact

Although there was no direct impact on our ability to deliver qualifications during the period, many of the organisations that our learners come from had 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 still typically too young to benefit from our ESFA funded qualifications. Although this bodes well for the future, we expect that it will take another couple of years before higher numbers in the new cohorts 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 2023 our key objectives were:

- 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.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2023

Achievements and performance

Qualifications – Young People

We registered 3,125 ESFA funded learners in the year, an increase of 33% (2022: 2,344). The prior year had been adversely affected by the impact of the Coronavirus restrictions and although we were not hampered in the same way this year, the suspension of activities at many of the cadet units during the pandemic resulted in a high number of cadets leaving, in particular in the age-range that would have been eligible to register for funded qualifications. We were pleased therefore that the number of registrations was higher than we had initially anticipated. We have continued to make use of virtual learning technology to support learners in an engaging manner and to compliment face-to-face training sessions.

Overall, registrations for learners under 18 totalled 5,314, an increase of 25% over last year's total of 4,247. In particular, we were able to deliver an increase in the number of BTEC Level 1 Teamwork and Personal Skills, and BTEC Level 2 Teamwork and Personal Development qualifications. 78% of learners who were due to finish in the year achieved a qualification. Approximately 17% of learners were from non-MOD sponsored uniformed youth organisations.

Qualifications – Adults

The number of new registrations for adult qualifications totalled 111 (2022: 214). The Adult curriculum was restructured during the year with certain qualifications being withdrawn and others redeveloped to offer additional focussed support and online resources. We expect registrations to pick up again next year and for the delivery of adult qualifications to be more efficient and cost effective.

Schools and Community Projects (Lion Award)

Cadet Vocational College's 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 the Charity's instructors to support children's mental wellbeing, resilience and character. This programme runs at school or youth group premises and relies on school funding and charitable donations. There was a 50% increase in the number of schools and youth groups offering the Award compared to the prior year.

Westminster Award

In 2023 Cadet Vocational College ran its 20th annual Westminster Award programme which is designed to reward those 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 Boys' Brigade. 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 four partner charities and gained an understanding of issues associated with humanitarian aid, climate change and conservation. Their successes were celebrated further with their families, friends and honoured guests during a lunch at the House of Lords in September 2023.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2023

Graduation Ceremony

The Charity held its annual graduation ceremony for adult learners at the historic buildings of RMA Sandhurst in October 2022.

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:

- Achieve agreed ESFA learner targets.
- Increase the number of Adult registrations 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.
- 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%.

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 Leslie Davies OBE (resigned 23 November 2022)

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

Air Vice-Marshal Ranald Munro CB CBE TD VR DL (appointed 23 November 2022)

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, financial and legal 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.

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2023

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.

Cadet Vocational College'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 the charitable company 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

Cadet Vocational College has introduced a risk management process to assess business risks and 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.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2023

The risks are 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 Cadet Vocational College'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 the Charity offers fall outside future funding specifications.

Mitigation: The College 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: Cadet Vocational College 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 the Charity's 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 the College 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 a cyber-attack. This could result in loss of reputation, claims against Cadet Vocational College, interruption to its operations or any combination of these.

Mitigation: The Charity 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.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2023

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 Cadet Vocational College'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

The Company has been operating as an independent Charity and Company Limited by Guarantee for seventeen 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 £3,906,000 (2022: £3,782,000). The ESFA continued to provide the Charity's core grant funding for England at £3,500,000 (2022: £3,500,000). This funding has been secured at the same level for 2023/24.

In addition to government department grant funding, Cadet Vocational College draws charitable funding from a range of sources including charitable trusts and the cadet organisations. Additional funding in the year was £60,000 (2022: £30,000) which helped to cover those not eligible for ESFA grant funding and to allow the Charity to deliver qualifications to adults at subsidised rates.

The investment portfolio depreciated in value (inclusive of reinvested income and net of charges) by £25,000 (2022: depreciation of £38,000). The year-end valuation was £1,100,000 (2022: £1,125,000). Income from cash deposits, however, benefitted from higher interest rates and totalled £47,000 (2022: £8,000).

Total resources expended was £3,929,000 (2022: £3,678,000). Expenditure was higher than in the prior period mainly due to an increase in the number of learners registering for qualifications and increases to the fees charged by awarding bodies.

The Charity's deficit for the year to 31 July 2023 was £77,000 (2022: surplus of £40,000).

Total funds at 31 July 2023 were £3,644,000 (2022: £3,721,000). Unrestricted funds comprised the majority of the balance at £3,634,000 (2022: £3,703,000) of which £904,000 (2022: £1,003,000) was designated for MOD Cadet and Adult qualifications. Restricted funds totalled £9,000 (2022: £18,000).

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2023

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 2023 was £2,730,000 (2022: £2,701,000). 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 £2,649,000 (2022: £2,635,000).

The balance held in restricted funds at 31 July 2023 was £9,000 (2022: £18,000) 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 2023 were £904,000 (2022: £1,003,000). All of the funds were designated for the support and delivery of cadet and adult volunteer vocational qualifications.

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. Cadet Vocational College 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 ten year period whilst minimising risk exposure and investment volatility.

The Charity has appointed RBC 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.

Cadet Vocational College invested £1,000,000 in January 2019. At 31 July 2023 the value of the investments was £1,100,000 (2022: £1,125,000). The return for the year ended 31 July 2023 of -2.2% was lower than comparable benchmarks such as the ARC Balanced Asset Charity Index which showed a decline of 0.7% over the same period. This was attributable to stock and fund selection, in particular US equities.

The portfolio's return over the four years to 31 July 2023 was 3.4% which compares to CPI of 19% and a target return of 31%. Its performance was closer to, but still lower than, returns achieved by the investment manager peer group ARC Balanced Asset Charity Index, which reported growth of 8.1%. Due to the recent high levels of inflation and financial market performance we anticipate that the portfolio is likely to continue to underachieve against its inflation linked objective over the next period.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2023

Fundraising Practices

The Charity'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 Cadet Vocational College vocational qualification or those that know them and wish to show their appreciation. The Charity 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 from the general public. 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. Cadet Vocational College 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: 8 NOVEMBER 2023

Dated: 8 NOVEMBER 2023

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

Opinion

We have audited the financial statements of CVQO LTD for the year ended 31 July 2023 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 2023 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 LTD (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 LTD (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.

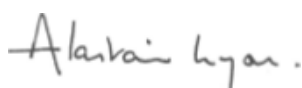
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF CVQO LTD (CONTINUED)

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of certain income streams 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 certain income streams, 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: 9 November 2023

STATEMENT OF FINANCIAL ACTIVITIES
AS AT 31 JULY 2023
COMPANY NUMBER 5736932

	Notes	Unrestricted funds £	Designated funds £	Restricted Funds £	Total 2023 £	<i>Total 2022 £</i>
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	4	9,209	-	950	10,159	9,408
Charitable activities	5	3,500,000	-	51,465	3,551,465	3,521,992
Other trading activities		261,887	-	-	261,887	208,929
Income from investments	6	82,035	-	-	82,035	41,733
Total incoming resources		<u>3,853,131</u>	<u>-</u>	<u>52,415</u>	<u>3,905,546</u>	<u>3,782,062</u>
EXPENDITURE ON:						
Expenditure on raising funds						
Investment manager expenses		7,679	-	-	7,679	8,123
Expenditure on charitable activities		3,761,469	98,785	60,758	3,921,012	3,669,566
Total resources expended	7	<u>3,769,148</u>	<u>98,785</u>	<u>60,758</u>	<u>3,928,691</u>	<u>3,677,689</u>
Net (losses)/gains on investments	12	<u>(54,213)</u>	<u>-</u>	<u>-</u>	<u>(54,213)</u>	<u>(64,280)</u>
NET MOVEMENT IN FUNDS		29,770	(98,785)	(8,343)	(77,358)	40,093
<i>Total funds brought forward</i>		<u>2,700,537</u>	<u>1,002,935</u>	<u>17,520</u>	<u>3,720,992</u>	<u>3,680,899</u>
Total funds carried forward	20	<u>2,730,307</u>	<u>904,150</u>	<u>9,177</u>	<u>3,643,634</u>	<u>3,720,992</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.

BALANCE SHEET
AS AT 31 JULY 2023
COMPANY NUMBER 5736932

	Notes	2023 £	2022 £
FIXED ASSETS			
Tangible assets	11	81,430	65,732
Investments	12	<u>1,100,094</u>	<u>1,124,737</u>
		1,181,524	1,190,469
CURRENT ASSETS			
Debtors	13	192,416	84,662
Cash at bank and in hand		1,415,505	1,960,580
Short term investments		<u>1,481,473</u>	<u>970,829</u>
		3,089,394	3,016,071
CREDITORS: amounts falling due within one year	14	<u>(461,284)</u>	<u>(335,548)</u>
NET CURRENT ASSETS		<u>2,628,110</u>	<u>2,680,523</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,809,634	3,870,992
Provisions	25	<u>(166,000)</u>	<u>(150,000)</u>
NET ASSETS		<u>3,643,634</u>	<u>3,720,992</u>
FUNDS			
Restricted funds	19	9,177	17,520
Unrestricted funds:			
Designated funds	18	904,150	1,002,935
General funds		<u>2,730,307</u>	<u>2,700,537</u>
	20	<u>3,643,634</u>	<u>3,720,992</u>

Approved and authorised for issue by the Board of Directors on 8 NOVEMBER 2023 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.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2023

		2023	2022
	Notes	£	£
Cash flows from operating activities:			
Net cash provided/(used) by operating activities	16	(44,030)	79,083
Net cash used in investing activities			
Purchase of tangible assets		(42,866)	(27,083)
Investment income		35,403	34,160
Purchase of investments (including reinvested dividends)		(29,570)	(26,156)
Bank interest receivable		46,632	7,573
Purchase of short term investments		<u>(510,644)</u>	<u>(643,963)</u>
Net cash used in investing activities		<u>(501,045)</u>	<u>(655,469)</u>
Change in cash and cash equivalents in the reporting period		<u>(545,075)</u>	<u>(576,386)</u>
Net Funds reconciliation:			
Net funds at 1 st August		1,960,580	2,536,966
(Decrease) in cash in the year		<u>(545,075)</u>	<u>(576,386)</u>
Net funds at 31st July		<u>1,415,505</u>	<u>1,960,580</u>
Analysis of cash and cash equivalents			
Cash in hand		<u>1,415,505</u>	<u>1,960,580</u>

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2023

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) 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 current economic climate and other risks. They have assessed the effect on the Charity's cash flow and reserves and consider that there is a reasonable expectation that it 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.

Group accounts

Consolidated accounts have not been produced due to the trading subsidiary's accounts being dormant for the period, and therefore immaterial for the group as a whole.

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.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2023

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 12.

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 21 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.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2023

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.

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2023**

4. DONATIONS

	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2023 £	Total 2022 £'000
Grants receivable for core activities	8,000	-	-	8,000	8,000
Donations and gifts	<u>1,209</u>	<u>-</u>	<u>950</u>	<u>2,159</u>	<u>1,408</u>
	<u>9,209</u>	<u>-</u>	<u>950</u>	<u>10,159</u>	<u>9,408</u>
Grants receivable for core activities;					
Adult contribution – SCC				<u>8,000</u>	<u>8,000</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2023 £	Total 2022 £
Contract Funding	3,500,000	-	-	3,500,000	3,500,000
Other Restricted	<u>-</u>	<u>-</u>	<u>51,465</u>	<u>51,465</u>	<u>21,992</u>
	<u>3,500,000</u>	<u>-</u>	<u>51,465</u>	<u>3,551,465</u>	<u>3,521,992</u>

	Total 2023 £	Total 2022 £
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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	17,750	3,270
Fund generation – Restricted Northern Ireland	11,715	11,118
Fund generation – BNA Nottinghamshire and Lincolnshire	19,000	-
Fund generation – Lion Award	-	2,604
Fund generation – Westminster Award	<u>3,000</u>	<u>5,000</u>
	<u>51,465</u>	<u>21,992</u>

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2023**

6. INVESTMENT INCOME

	Total 2023 £	<i>Total 2022 £</i>
Income from investments	35,403	<i>34,160</i>
Interest receivable	<u>46,632</u>	<i><u>7,573</u></i>
	<u>82,035</u>	<i><u>41,733</u></i>

7. TOTAL RESOURCES EXPENDED

	Staff Costs £	Depreciation £	Other costs £	Total 2023 £	<i>Total 2022 £</i>
Investment manager expenses	-	-	7,679	7,679	<i>8,123</i>
Charitable activities					
Education & training activities undertaken directly	<u>2,130,400</u>	<u>27,168</u>	<u>1,763,444</u>	<u>3,921,012</u>	<i><u>3,669,566</u></i>
	<u>2,130,400</u>	<u>27,168</u>	<u>1,771,123</u>	<u>3,928,691</u>	<i><u>3,677,689</u></i>

Governance costs include costs of £15,950 (2022: £13,800) for audit fees.

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2023**

8. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	<i>Unrestricted funds £</i>	<i>Designated funds £</i>	<i>Restricted Funds £</i>	<i>Total 2022 £</i>
<i>INCOME AND ENDOWMENTS FROM:</i>				
<i>Donations and legacies</i>	9,408	-	-	9,408
<i>Charitable activities</i>	3,500,000	-	21,992	3,521,992
<i>Other trading activities</i>	208,929	-	-	208,929
<i>Income from investments</i>	41,733	-	-	41,733
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total incoming resources</i>	<u>3,760,070</u>	<u>-</u>	<u>21,992</u>	<u>3,782,062</u>
<i>EXPENDITURE ON:</i>				
<i>Expenditure on raising funds</i>				
<i>Investment manager expenses</i>	8,123	-	-	8,123
<i>Expenditure on charitable activities</i>	3,513,143	132,751	23,672	3,669,566
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total resources expended</i>	<u>3,521,266</u>	<u>132,751</u>	<u>23,672</u>	<u>3,677,689</u>
<i>Net (losses)/gains on investments</i>	<u>(64,280)</u>	<u>-</u>	<u>-</u>	<u>(64,280)</u>
<i>Net income/(expenditure)</i>	174,524	(132,751)	(1,680)	40,093
<i>Transfer between funds</i>	<u>55,320</u>	<u>(55,320)</u>	<u>-</u>	<u>-</u>
<i>NET MOVEMENT IN FUNDS</i>	229,844	(188,071)	(1,680)	40,093
<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>
<i>Total funds carried forward</i>	<u>2,700,537</u>	<u>1,002,935</u>	<u>17,520</u>	<u>3,720,992</u>

9. TRUSTEES

None of the Trustees (or any persons connected with them) received any remuneration during the year, and 4 (2022: 5) of them were reimbursed £1,027 (2022: £1,941) travelling expenses.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2023

10. EMPLOYEES

Number of employees

The average monthly number of employees during the year was:

	2023 Number	<i>2022</i> <i>Number</i>
Education and Training	<u>48</u>	<u><i>48</i></u>

Included in the average monthly number of employees above are 11 (2022: 9) part time employees with equivalent hours to 7 (2022: 4) full time employees.

	2023 £	<i>2022</i> <i>£</i>
Wages and salaries	1,817,616	<i>1,725,606</i>
Social Security costs	171,185	<i>177,692</i>
Other pension costs	<u>141,599</u>	<u><i>138,330</i></u>
	<u>2,130,400</u>	<u><i>2,041,628</i></u>

The wages and salaries figure includes redundancy payments of £49,621 (2022: £10,731).

The amount of remuneration earned by directors and trustees in the year was £nil (2022: £nil).

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

	2023 Number	<i>2022</i> <i>Number</i>
£110,000 - £120,000	1	<i>-</i>
£100,000 - £109,999	-	<i>1</i>
£90,000 - £99,999	1	<i>-</i>
£80,000 - £89,999	-	<i>2</i>
£70,000 - £79,999	<u>1</u>	<u><i>-</i></u>

Of the employees whose emoluments exceed £60,000, 3 (2022: 3) have retirement benefits accruing under defined contribution pension schemes. Contributions totalling £27,392 (2022: £27,813) 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 £382,216 (2022: £340,070).

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2023

11. TANGIBLE FIXED ASSETS

	Land & Buildings	Computer Equipment	Fixtures, fittings & equipment	Total
		£	£	£
Cost				
<i>At 1 August 2022</i>	55,975	261,164	115,306	432,445
Additions	-	38,130	4,736	42,866
Disposals	-	(2,401)	-	(2,401)
At 31 July 2023	55,975	296,893	120,042	472,910
Depreciation				
<i>At 1 August 2022</i>	25,375	229,320	112,018	366,713
Charge for the year	8,956	16,023	2,189	27,168
On disposals	-	(2,401)	-	(2,401)
At 31 July 2023	34,331	242,942	114,207	391,480
Net book value				
At 31 July 2023	21,644	53,951	5,835	81,430
<i>At 31 July 2022</i>	<i>30,600</i>	<i>31,844</i>	<i>3,288</i>	<i>65,732</i>

12. INVESTMENTS

	2023 £	2022 £
<i>Market value at 1 August</i>	1,124,737	1,162,861
Reinvested dividends net of investment management fees	29,569	26,156
Net unrealised investment (losses)/gains	(54,213)	(64,280)
Market value at 31 July	1,100,093	1,124,737
Investment in subsidiaries	1	-
	1,100,094	1,124,737
Historic cost (including cash)	1,136,183	1,103,604

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

	2023 £	2022 £
Fidelity UCITS ICA US Qual INC UCITS ETF USD	60,421	59,219
	60,421	59,219

On 13th July 2023 Cadet Vocational College Limited was incorporated. Its registered office is the same as CVQO LTD. The company was dormant during the current year.

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2023**

13. DEBTORS

	2023 £	2022 £
Trade debtors	6,513	15,195
Other debtors	107,053	-
Prepayments and accrued income	<u>78,850</u>	<u>69,467</u>
	<u>192,416</u>	<u>84,662</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	131,053	95,914
Taxes and social security costs	39,888	48,556
Accruals	78,317	98,405
Deferred income (note 15)	<u>212,026</u>	<u>92,673</u>
	<u>461,284</u>	<u>335,548</u>

15. 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:

	2023 £	2022 £
<i>Balance at 1 August</i>	92,673	105,886
Amounts received	158,578	7,980
Amounts utilised	<u>(39,225)</u>	<u>(21,193)</u>
Balance at 31 July	<u>212,026</u>	<u>92,673</u>

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

	2023 £	2022 £
Net income for the reporting period	(77,358)	40,093
Depreciation	27,168	35,082
Interest received	(46,632)	(7,573)
Income from investments	(35,403)	(34,160)
Unrealised (gains)/losses	54,213	64,280
Loss on disposal of fixed assets	-	1,895
(Increase)/decrease in debtors	(107,754)	(24,773)
Increase/(Decrease) in creditors	125,736	(7,761)
Increase in provisions	<u>16,000</u>	<u>12,000</u>
Net cash (used)/provided by operating activities	<u>(44,030)</u>	<u>79,083</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2023

17. PENSION AND OTHER POST-RETIREMENT BENEFIT COMMITMENTS

The Charity operates two defined contribution pension schemes. 43 (2022: 50) 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.

	2023 £	2022 £
Contributions to defined contribution pension schemes	<u>141,599</u>	<u>138,330</u>

18. DESIGNATED FUNDS

	<i>Balance at 1 August 2022 £</i>	<i>Incoming resources £</i>	<i>Resources expended £</i>	<i>Transfers</i>	Balance at 31 July 2023 £
MOD Cadets and Adults	<u>1,002,935</u>	<u>-</u>	<u>(98,785)</u>	<u>-</u>	<u>904,150</u>

The designated funds of the Charity relate to the following:

£904,150 (2022: £1,002,935) 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 2022

	<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>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2023

19. 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 2022</i>	<i>Incoming resources</i>	<i>Resources expended</i>	<i>Balance at 31 July 2023</i>
	£	£	£	£
Devolved Nations	-	17,750	(17,750)	-
Northern Ireland	-	11,715	(11,715)	-
BNA- Nottinghamshire and Lincolnshire	-	19,000	(19,000)	-
The Ulysses Trust – Westminster Award	-	3,000	(3,000)	-
Other	-	950	(950)	-
Nottinghamshire and Lincolnshire	<u>17,520</u>	<u>-</u>	<u>(8,343)</u>	<u>9,177</u>
	<u>17,520</u>	<u>52,415</u>	<u>(60,758)</u>	<u>9,177</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 2022

	<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>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Designated funds	Restricted funds	Total
	£	£	£	£
Fixed assets	1,181,524	-	-	1,181,524
Current assets	2,176,067	904,150	9,177	3,089,394
Creditors: amounts falling due within one year	(461,284)	-	-	(461,284)
Creditors: amounts falling due after one year	<u>(166,000)</u>	<u>-</u>	<u>-</u>	<u>(166,000)</u>
	<u>2,730,307</u>	<u>904,150</u>	<u>9,177</u>	<u>3,643,634</u>

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2023**

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS Comparative year 2022 (continued)

	<i>Unrestricted funds £</i>	<i>Designated funds £</i>	<i>Restricted funds £</i>	<i>Total £</i>
<i>Fixed assets</i>	1,190,469	-	-	1,190,469
<i>Current assets</i>	1,995,616	1,002,935	17,520	3,016,071
<i>Creditors: amounts falling due within one year</i>	(335,548)	-	-	(335,548)
<i>Creditors: amounts falling due after one year</i>	<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>

21. FINANCIAL INSTRUMENTS

	2023	2022
	£	£
Financial assets		
Financial assets measured at fair value	1,100,093	1,124,737
Financial assets measured at amortised cost	<u>3,025,499</u>	<u>2,948,964</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>375,370</u>	<u>344,319</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.

22. COMMITMENTS UNDER OPERATING LEASES

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

	Land and buildings		Other	
	2023	2022	2023	2022
	£	£	£	£
Expiry date:				
Less than one year	128,071	128,071	11,153	14,581
Between two and five years	160,440	288,511	41,825	44,613
In over five years	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,365</u>
	<u>288,511</u>	<u>416,582</u>	<u>52,978</u>	<u>67,559</u>

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2023**

23. COMMITMENTS

At the year end, the Charity had contracted capital commitments of £nil (2022: £nil).

24. RELATED PARTY TRANSACTIONS

During the year Professor Simon Denny, a Trustee, undertook a research project that was approved by the Board of Trustees for a value of £6,800 (2022: £Nil).

25. PROVISIONS

The provision relates to potential dilapidations liabilities at the Charity's properties.