

COGENT SKILLS LIMITED

England & Wales · Charity number 1166082

Details

Other names	COGENT SKILLS
Status	Registered
Legal form	Charitable company
Company number	09361100
Registered	2016-03-15
Register	View on the Charity Commission register

Contact

Address	First Floor 720 Mandarin Court Warrington Centre Park Cheshire WA1 1GG
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Activities

Objects: THE CHARITY'S OBJECTS ('OBJECTS') ARE SPECIFICALLY RESTRICTED TO THE FOLLOWING:THE PROMOTION OF INDUSTRY AND COMMERCE FOR THE PUBLIC BENEFIT BY PROMOTING THE TRAINING AND EDUCATION OF PERSONS EMPLOYED OR INTENDING TO BE EMPLOYED IN THE SCIENCE BASED INDUSTRIES COVERING INDUSTRIAL SCIENCES (INCLUDING PETROLEUM REFINING AND DISTRIBUTION, CHEMICAL MANUFACTURING, AND POLYMERS), LIFE SCIENCES (INCLUDING PHARMACEUTICALS AND MEDICAL TECHNOLOGIES) AND NUCLEAR ("THE INDUSTRY")

Activities: The promotion of industry and commerce for the public benefit by promoting the training and education of persons employed or intending to be employed in the science based industries covering industrial sciences (including petroleum refining and distribution, chemical manufacturing, and polymers), life sciences (including pharmaceuticals and medical technologies) and nuclear.

Classification

- **How:** Provides Services
- **What:** General Charitable Purposes, Education/training
- **Who:** Children/young People, Other Charities Or Voluntary Bodies, Other Defined Groups

Geography

- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£20,468,000	£19,729,000	£2,735,000	105
2023-12-31	£13,287,000	£13,023,000	£1,996,000	88
2022-12-31	£11,197,000	£11,032,000	£1,732,000	78
2021-12-31	£11,477,000	£11,076,000	£1,567,000	74
2020-12-31	£10,332,961	£10,096,657	£1,165,645	73

Trustees

Name	Role	Appointed
David George Vineall		2025-02-25
Justine Fosh		2020-05-04
Karl Robert Gorge		2014-12-18
Katherine Woods-Ruddick		2019-12-20
Marta Csibra		2026-06-01
Matthew Russell Lay		2025-04-01
Nicholas Paul Bone		2026-06-01
Stephen Denis Elliott		2017-05-12
Susan Elizabeth Ferns		2023-06-01

COGENT SKILLS LIMITED

England & Wales - Charity number 1166082

Accounts

Cogent Skills Limited
Annual Report and Financial Statements
for the year ended 31 December 2024

Company Registered number: 09361100

Charity Registration Number: 1166082

Cogent Skills Limited

Annual report and financial statements for the year ended 31 December 2024

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Cogent Skills Limited

Strategic report for the year ended 31 December 2024

The trustees, who are also directors of the charitable company, present their strategic report on the Cogent Skills Limited group for the year ended 31 December 2024.

1. Review of business

During 2024, Cogent Skills continued its mission to support employers in the science and technology sector, ensuring they have access to the skills needed for success. To achieve this, we focused on strengthening our industry collaborations, developing market-leading propositions and driving surplus growth across our commercial operations. Recognising that our charitable purpose is delivered through the convening of collaborations, we prioritised this as the main strategic outcome of our work.

Key Successes

Our collaborative initiatives achieved significant milestones. Notably, we successfully supported the launch of the industry backed Nuclear Skills Plan in addition to producing a detailed workforce analysis for the Life Sciences Futures Collaboration, forecasting sector job trends and identifying the need for 70,000 new jobs over the next decade. Other achievements include the development of the Hydrogen Skills Strategy, incorporating innovative frameworks for eight new occupational standards, and delivering impactful careers initiatives for leading UK trade associations. Furthermore, our support for sectors like bulk storage and science manufacturing has enabled refreshed apprenticeship standards and updated national occupational standards.

Driving Early Careers Support

Recognising the need to attract future talent into the sectors we support, 2024 saw the launch of Not Just Lab Coats (NJLC), a careers platform with the aim of promoting science careers to more than half a million young people over the next three years. Significant efforts in delivering the Nuclear Skills Plan, have also enabled students from low-income households to receive sponsorship support. Collaborative partnerships with organisations such as Salters, The Royal Society of Chemistry, CIEC and the British Coatings Federation, further strengthened sector-wide career opportunities.

Expanding SIAS as an Awarding Organisation

SIAS successfully achieved Ofqual recognition, launching its first qualifications and earning the distinction of EPA of the Year. The diversification into qualifications represents a significant milestone for the business and opens up opportunities to expand into new markets as it continues to contribute significantly to the Cogent Skills group and to developing STEM skills in the UK.

Advancing Low Carbon Initiatives

Our work in low carbon sectors has delivered several standout achievements, including the Hydrogen Skills Strategy, which received Ministerial support and endorsement from the UK Hydrogen Council. Bids secured for clean energy skills research and training development further underline our leadership in hydrogen and broader decarbonisation initiatives. Additionally, we took steps to measure and reduce our own carbon footprint by launching a comprehensive Carbon Reduction Plan.

Accelerating Sustainable Income Growth

To drive growth, we restructured our apprenticeship training division, appointing a new Managing Director. This will enable us to take advantage of a number of new innovative training opportunities, such as being the first provider to offer apprenticeships in battery manufacturing. Furthermore, we improved income generation through a commercial approach to nuclear programme delivery, achieving increased turnover and contribution.

To ensure long-term leadership stability, we appointed David Vineall as Chair, succeeding Joanna Woolf, who is retiring after more than 20-year service to Cogent Skills as both Chair and CEO. David will take up his role as Chair in March 2025 and brings vast industry experience and expertise. We would like to thank Joanna Woolf, whose leadership has been integral to ensure Cogent Skills remains well positioned for future success.

During 2024, we were delighted to achieve recognition as a Times Great Place to Work, in addition to becoming Disability Confident, Menopause Friendly and a receiving a shortlisting for best ED&I strategy at a prestigious national HR awards. This is further recognition of commitment to our people, and testament to the efforts of everyone in the business.

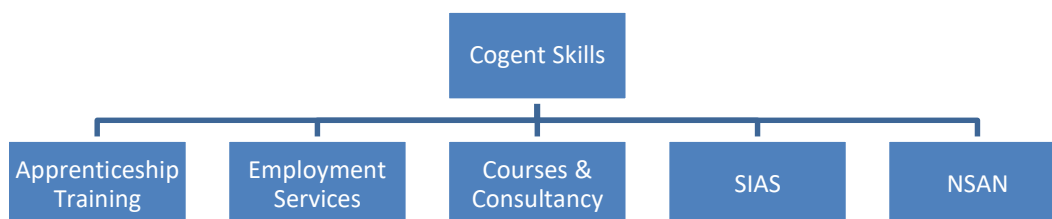
The results on page 19 show a net surplus of £739,000 (2023: £264,000) with total income of £20,468,000 (2023: £13,287,000). Further details are disclosed in the Financial Review on page 7.

Cogent Skills Limited

Strategic report for the year ended 31 December 2024 (continued)

2. Strategic objectives

Cogent Skills is a sector based, employer led Charity, owned, backed and supported by science industry trade associations. Surplus from our wholly owned subsidiaries is reinvested either directly within that business or through gift aid to the charity to deliver against our charitable purpose.



Cogent Skills is a group of companies comprised of Cogent Skills, Cogent SSC, Cogent Skills Services, Cogent Skills Training, NSAN and SIAS.

- Cogent Skills Limited is the Membership Services business unit, the central corporate team and a registered charity governed by its memorandum and articles of association.
- Cogent SSC Limited is the apprenticeship training division.
- Cogent Skills Services Limited provides specialist employment services and is an approved Flexi-Job Apprenticeship Agency (*FJAA*).
- Cogent Skills Training Limited is the Courses and Consultancy business unit.
- SIAS Limited is the endpoint assessment and awarding organisation business unit.
- National Skills Academy for Nuclear (NSAN) operates distinctly with its own business plan and Board.

The businesses support each other to benefit our customers, improve financial performance and support our charitable aims.

Our purpose

Our charitable purpose sets out why we exist – it is to promote enterprise (or business success) for the science and technology industries we serve by promoting education and training to both those employed and seeking employment in the science and technology industries.

How we achieve this

The Cogent Skills Charity will continue to support employers to work together collectively to achieve skills outcomes and impacts that go beyond what can be achieved individually. Addressing issues where a collective whole industry approach to skills is required.

Our subsidiary businesses will deliver services that support individual companies to address their own specific skills issues, fulfilling our charitable objective and generating surplus to support the charity to enhance its ability to have impact.

What this means

Cogent supports the science sector by fostering collaboration through employer forums, allowing a single voice on critical skills issues. Our expertise is widely recognised, making us a trusted advisor to government on skills within the industry.

We train and equip STEM ambassadors, who actively engage with schools and further education institutions to inspire the next generation. Through initiatives like our **Not Just Lab Coats** careers website, we promote the science sector as an exciting and rewarding career choice, encouraging more young people to pursue opportunities within the industry.

Cogent Skills Limited

Strategic report for the year ended 31 December 2024 (continued)

2. Strategic objectives (continued)

Our efforts include maintaining and developing apprenticeship standards tailored to the sector's needs, helping to ensure the availability of diverse pathways into the sector. And by collecting and analysing labour market intelligence (LMI), we provide employers with critical insights into skills gaps and workforce trends. This ensures the science sector benefits first from skills system changes, supported by reliable data and forward-thinking solutions.

Our vision is 'Skills to better our world' and our mission states: 'we are here to ensure science and technology employers have the skills needed for success. We influence for the good of our sector, harnessing the power of collaboration, and provide industry-specific skills services to create a safe, productive and future-ready workforce.'

Our Values

WE CARE about our customers, our reputation, and our people, operating with integrity

WE WELCOME all and are inclusive. Good things happen when people work for a common goal

WE SPEAK OUT on the skills issues that matter to our employers. A strong voice is a catalyst for change.

WE are ENTERPRISING delivering services that are continually best in class.

3. Development and performance

Life Sciences

Celebrating ten years in existence, the Science Industry Partnership (SIP) is a membership alliance, offering life sciences employers the opportunity to collaborate on skills with one influential voice to government, ensuring the sector is heard and understood. The SIP played a lead role in developing the 2030 Life Science Skills report, which addresses the sector's skills requirements over the next decade.

In addition to supporting the SIP, Cogent provides strategic support services to the Future Group (a skills advisory group to the Life Sciences Council) and during the year, remained a key collaborator in the Life Science 2035 Skills refresh.

The SIP continues to work to ensure the apprenticeship system accurately reflects the needs of employers, and remains an advocate of higher-level apprenticeships, which are valued highly in life sciences but face an uncertain future. Our Apprenticeship Strategy Group provides employers a platform and an influential voice to help drive the vocational skills agenda.

The SIP Ambassador programme continues to equip science professionals with the skills and resources to inspire the next generation of STEM talent within schools in their own communities. A 2024 milestone saw the one thousandth ambassador trained. The SIP Careers Task Force - a group of early careers professionals - are actively driving the outreach strategy for the sector, in areas including sustainability and ED&I.

With global life sciences employers currently in membership and strong retention levels, the ambition to grow SIP to represent the broader science sector remains.

Nuclear

As the nuclear sector continues to grow in order to serve the nation's net-zero and energy security ambitions, so too does the requirement to ensure the sector can suitably access the workforce talent needed for long-term success. Cogent Skills was pleased to accept the sector's invitation to provide strategic support for the Nuclear Skills Delivery Board and the Nuclear Skills Review Group, and to provide Programme Management Office (PMO) services for the National Nuclear Strategic Plan for Skills (Nuclear Skills Plan).

The Government and industry backed Nuclear Skills Plan, Building Skills for the Nation's Nuclear Capability, officially launched at a Westminster reception. Executed by the Nuclear Skills Delivery Group, and based on Cogent's robust Nuclear Workforce Assessment and projected growth scenarios, the plan is integral to the goal of filling 40,000 new nuclear jobs by the end of the decade.

Cogent Skills Limited

Strategic report for the year ended 31 December 2024 (continued)

3. Development and performance (continued)

During the year, Cogent Skills developed at scale a PMO function to deliver time critical MOD and DESNZ backed skills activity. This work, including high profile sector recruitment campaign ‘Destination Nuclear’ and co-ordination of skills bootcamps – successfully completed in March 2024 – was the first phase and signalled a shift into an altogether more commercial approach to nuclear programme delivery, contracted until September 2025.

Whilst the scale and complexity of this transition required significant management resource, we recognise the importance of UK nuclear to our national interests, are proud of our record of accomplishments and remain committed to ensuring Cogent Skills is the ‘go to’ organisation reflecting the employer voice of skills in Nuclear.

During 2025 and beyond, the team will proactively seek opportunities to undertake additional projects aligned to our interests, supporting a variety of industry stakeholders with complex skills transformation projects, both in and outside of nuclear.

Standards

As part of our ongoing commitment to work on behalf of employers across the sector, Cogent continues to support industry in the development of apprenticeship standards, ensuring they evolve to reflect changing needs and remain relevant for future entrants. During the course of the Academic year 2023/2024 1,444 apprentices in England enrolled on Cogent facilitated standards (spanning level 2 to level 7).

Ensuring a robust and diverse portfolio of apprenticeship standards, helps to address both immediate and long-term skills needs, enabling the science sector to remain at the forefront of global innovation and competitiveness.

Low Carbon Skills

With hydrogen widely recognised as an important part of our low carbon future, we are committed to supporting skills in this area. The Hydrogen Skills Alliance (HSA), formed in 2023 in partnership with the High Value Manufacturing Catapult and delivered with the National Composites Centre, provides a single powerful voice to government on skills challenges. It represent a vibrant, growing community of employers, educators, trade associations and government representatives, working for the good of the sector.

The Strategic Skills Plan for the UK Hydrogen Economy – published by the Hydrogen Skills Alliance (HSA) – highlights the scale of the challenges the industry faces in ensuring the right skills are in place to support its continued growth and long-term success.

The Strategy calls for a national Hydrogen Skills Academy to be developed in partnership with employers, ensuring local workforces are equipped with the specialised skills needed to support hydrogen’s growing role in the energy transition.

The HSA’s recent workforce assessment found around 29,000 jobs will be needed across the hydrogen economy by 2030 – a huge increase from the current 1,600 jobs – in areas such as production, transmission, transportation and storage.

Apprenticeship Training Overview

Cogent Skills is a registered apprenticeship-training provider with the Education and Skills Funding Agency (ESFA), offering a number of industry relevant standards, including Science Manufacturing Technician, Process Leader, and Laboratory Technician. These flexible programmes are designed for adoption across various industrial settings, ranging from chemical manufacturing, petrochemicals and pharmaceuticals to research and development roles in sectors such as biotechnology, consumer goods, and food and drink.

Recognising the growing importance of electrification and battery manufacturing in the UK’s transition to net zero, Cogent became the first registered training provider for the Battery Manufacturing Technician apprenticeship in 2024. This pioneering initiative underscores Cogent’s commitment to supporting emerging industries and addressing evolving skills needs of employers.

Cogent Skills Limited

Strategic report for the year ended 31 December 2024 (continued)

3. Development and performance (continued)

Cogent Skills is Matrix Accredited, signifying the high-quality information, advice, and guidance provided within an educational setting. We also hold a “Good” rating from Ofsted, and an “Excellent” rating from the National Apprenticeship Service. These achievements firmly position Cogent as a trusted partner for learners and employers alike, with a forward-looking approach to growth and sector leadership.

The business has seen growth in learner engagement, with more than 140 new learner registrations in 2024 contributing to a robust cohort of active learners. Following a restructure and appointment of a new Managing Director, we remain focused on scaling our apprenticeship training operation, with the aim of it becoming a major contributor to charitable funds by 2027.

Employment services

Cogent Skills is a Flexi-Job Apprenticeship Agency registered by the Department for Education – a specialised status that enables it to recruit and employ apprentices and arrange placements with a variety of host businesses in the life science, industrial sciences and nuclear sectors.

Services also include the hosting and placement of undergraduates during their year in industry from four-year degree courses and first jobs in industry for newly qualified graduates. Overall, the tightening of budgets and a high profile site closure in the sector restricted starts, but with around 100 apprentices and graduate placement starts during 2024 managed by Cogent – one of only a small number of providers – the market for specialist employment services offers a scope for future expansion.

A highlight in 2024 involved the awarding of a contract to deliver the Nuclear Sponsorship Scheme. A high profile industry and government backed skills initiative aimed at broadening the take-up of STEM degrees and promotion of the nuclear sector amongst students from low-income households.

Courses and Consultancy

Cogent’s Courses and Consultancy business performed strongly in 2024, contributing £1.3m in revenues, achieved predominantly through the delivery of highly specialised process safety training and consultancy services. This work continues to position Cogent as a trusted partner for regulatory and behavioural training in high hazard industries.

The business secured a number of new and returning process safety training customers in the year, reflecting the growing demand for tailored, high-quality solutions. Process Safety, competency and our human factors understanding remain our core strength, driving significant revenues and meeting the unique requirements of our clients.

Training is delivered via a network of experienced associates and feedback scores remain consistently high, with 96% of participants expressing satisfaction with the courses delivered.

Further investments were made to expand our course offering in 2024 with the launch of ten new courses, whilst the implementation of new Learning Management Software means our training is modern, efficient and easy to deploy. The creation of a commercial catalogue of short form e-learning aligned to our core delivery remains a viable strategy in 2025 and beyond.

We maintained industry leadership via an active programme of events, focusing on critical topics such as process safety leadership and competence management processes. Cogent also continued to support the work of the Process Safety board, an industry led group responsible for maintaining training standards.

With a robust foundation built in 2024, the business is well-positioned for continued growth targeting new opportunities to expand our portfolio and deliver greater value to our clients.

SIAS

SIAS delivered another year of strong results, reaffirming its position as a leading End-Point Assessment Organisation (EPAO) for the STEM industries, with 2,972 new learner registrations and 1,000 assessments completed. These milestones, along with an expanding portfolio of national contracts and strong collaborative partnerships, were backed up by winning the EPAO of the year at the Federation of Awarding Bodies (FAB) Awards 2024.

Cogent Skills Limited

Strategic report for the year ended 31 December 2024 (continued)

3. Development and performance (continued)

Recognising the importance of diversifying its revenue streams and mitigating dependency on End-Point Assessment services, SIAS successfully acquired Ofqual approval as an Awarding Organisation (AO) during the year. This strategic move marked its entry into the regulated qualifications market, targeted at both domestic and international STEM industries.

Initial qualification offerings were successfully launched, receiving positive early reception. This diversification complements existing EPA services and positions SIAS as a competitive new entrant in an established and evolving sector.

Looking ahead to 2025, SIAS aims to further expand, strengthening partnerships with employers and training providers alongside continuing investments in personnel, systems, and infrastructure to support growth ambitions. International markets will continue to be explored further, amplifying SIAS's reputation as a leader in both EPA and AO services within the STEM sector.

Cogent in the devolved administrations

Cogent has been involved in a number of projects in the devolved administrations. Most notably our work in developing and reviewing National Occupational Standards (NOS). Considered the building blocks for qualification development and used to support training and apprenticeships across industry in 2024 our NOS support, covered diverse standards including:

Bioinformatics
Bioprocessing Engineering
Formulation
Health Economists
Qualified Person (Medical Products)
Regulatory Compliance Life Science
Downstream Operational Standards
Storage of hydrogen products
Hydrogen usage.

Our people

As a purpose-driven organisation, committed to improving skills in the science industries, our team is at the heart of this mission. This commitment has earned us recognition as one of the best places to work in the UK, as featured in the Sunday Times Best Places to Work 2024.

We take pride in cultivating a supportive and inclusive workplace, understanding that the growth and well-being of our employees directly contribute to the success of our business. Our latest employee survey highlights this commitment, with 97% of our workforce expressing satisfaction with their roles, 98% showing trust in leadership and management, 95% feeling they have opportunities for growth, and 91% reporting a positive work-life balance.

As advocates for universal development, we provide extensive learning and development opportunities to help our employees grow. Annual away days celebrate our achievements and strengthen our culture, blending corporate training with enjoyable social elements to foster inclusivity, particularly for remote employees. Additionally, quarterly communication days create a family-like atmosphere and are complemented by our engaging employee magazine that celebrates personal milestones and achievements.

We are dedicated to advancing equality, diversity, and inclusion (ED&I) across our organisation. Recognised as an Investor in People and a Disability Confident Employer, we actively support the Good Youth Employment Standards and are working towards the Inclusive Employer standard. Our ED&I board, sponsor, and champions drive positive change, ensuring that inclusion remains a core priority in our ongoing progress.

Cogent Skills Limited

Strategic report for the year ended 31 December 2024 (continued)

3. Development and performance (continued)

Looking ahead

Cogent's Strategic Plan sets the direction of travel for 2025-2027 and beyond. It builds on previous success but represents a slight shift in response to changes in the external environment and key skills trends. A sustainable return ensures delivery of the charitable objectives of the business with the goal of redirecting commercial income to facilitate charitable good causes aligned to the interests of Cogent's customers, people and the industries we serve.

The adoption of a balanced scorecard approach balances financial measures with performance measures and objectives related to all other parts of the organisation.

4. Principal risks and uncertainties

The trustees consider the principal risks and uncertainties to be related to financial risk and these are discussed on page 12 in the Trustees' report.

5. Financial review

The group's performance during 2024 reflected a strong year with all the subsidiaries generating a trading surplus.

The results for the year show a net income of £739,000 (2023: £264,000). Total income increased by 54 per cent to £20,468,000 (2023: £13,287,000) and total expenditure increased by 51 per cent to £19,729,000 (2023: £13,023,000). Income for 2024 included £5,077,000 in relation to project support to the Nuclear Skills Plan. As at 31 December 2024, the unrestricted reserves of the group amounted to £2,735,000 (2023: £1,996,000).

Cogent Skills Limited made a surplus of £634,000 (2023: £873,000). This includes Gift Aid of £704,000 (2023: £1,230,000). Gift aid in the prior year included £750,000 received from Cogent SSC Limited following the deregistration from OSCR of Cogent SSC Limited as a charitable organisation in 2023.

Cogent SSC Limited retained profit of £4,000 (2023: deficit of £747,000) after gift aid distribution of £nil (2023: £750,000). Income was higher at £1,513,000 (2023: £1,089,000). The Gift Aid paid in 2023 was in relation to Cogent SSC deregistering as a charitable organisation from OSCR.

Cogent Skills Services Limited (CSS) retained profit of £5,000 (2023: £6,000) after gift aid distribution of £57,000 (2023: £32,000).

Cogent Skills Training Limited (CST) retained profit of £76,000 (2023: £38,000).

NSAN, the nuclear academy, retained profit of £5,000 (2023: £88,000) after gift aid distribution of £251,000 (2023: £nil) on income of £2,267,000 (2023: £1,684,000).

The Science Industry Assessment Service Limited (SIAS) retained profit of £16,000 (2023: £6,000) after gift aid distribution of £396,000 (2023: £448,000). SIAS had a strong performance from an expanding product portfolio.

The balance sheet remains robust with key movement in debtors and creditors. Debtors increased due to the increased project work in Nuclear and timings of year end payments with some key customers in Cogent Skills Services Limited. Trade Creditors increased due to the increased project work in Nuclear. Deferred income remained high primarily due to project income being received in 2024 and the associated expenditure to be incurred in 2025.

The group's accounting policies are set out in note 1 to the financial statements. These policies are consistent with the accounting policies applied in previous years.

Cogent Skills Limited

Strategic report for the year ended 31 December 2024 (continued)

5. Financial Review (continued)

Reserves policy

As at 31 December 2024, the unrestricted reserves of the group amounted to £2,735,000 (2023: £1,996,000) and the unrestricted reserves of the charity amounted to £1,816,000 (2023: £1,182,000). The target level of the unrestricted reserves of the charity is £3,500,000 representing a minimum six months operating costs of the charity and ensuring that sufficient funds are available to sustain the group.

The total unrestricted reserves of the charity include designated reserves of £251,000 (2023: £nil). The designated reserves are to enable the introduction of a social value fund to provide bursaries to those working in or entering the nuclear sector. The reserves policy is reviewed annually.

Cogent aim to make surpluses over time to help preserve the viability of the charity and provide confidence to those providing funding that the charity is prudently controlled. At present, the trustees conclude that they have sufficient reserves to continue the activities of the charity at the current level. Taking into account the future activities and the current economic environment the trustees expect to reach the targeted level of reserves within five years.

Going concern

Trading and cashflow forecasts have been prepared through until December 2027 which take account of the current environment and possible future developments. Cash is managed on a group level and the cash balances and available facilities, along with forecast results, are sufficient to remove any concerns over liquidity and the going concern basis of preparation of the accounts.

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Income generation

Cogent's main sources of revenue are products and services delivered in the UK, employer contributions and project funding from government and other agencies. The principal funding sources were funding from the ESFA, external grant income and subscription income from employers.

Expenditure

The main expenditure for the charitable group continues to be remuneration costs amounting to 30 per cent (2023: 36%) of total expenditure.

Key performance indicators ("KPIs")

Monthly management reports are produced, providing information on the key performance indicators of the business. These are reviewed at monthly team meetings and at Directors' meetings. This facilitates the assessment and mitigation of risks and determines the future direction and activities required to meet targets. The KPIs on which the Group focuses are:

- Net surplus
- Cash balances
- Income streams

Approved by the board of trustees and signed on its behalf by:

David Vineall

D Vineall
Trustee

08/08/25

Cogent Skills Limited

Trustees' report for the year ended 31 December 2024

The trustees present their report and the audited consolidated financial statements for the year ended 31 December 2024. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice 2nd edition applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

1. Reference and administrative details

The charity, Cogent Skills Limited is registered with Companies House with Company registration number 09361100 and charity registration number 1166082 with the Charity Commission for England and Wales.

The directors of the charitable company are its trustees for the purpose of charity law. The trustees and officers serving during the year and up to the date of signing the financial statements were:

Chairman

D Vineall appointed 25 February 2025

Trustees

J Fosh
K Gorge
S Elliott
N Gardiner
K Woods-Ruddick
C Reed
E Collins
J Howe
E De Jong
S Harris
K Mingay
S Ferns
M Lay appointed 1 April 2025

Other trustees who served during the financial year:

J Woolf resigned 24 March 2025

Principal Office

First Floor, 720
Mandarin Court
Lakeside Drive
Centre Park
Warrington
WA1 1GG

Registered Office

Summit House
4-5 Mitchell Street
Edinburgh
EH6 7BD

Chartered Accountants & Statutory Auditors

RSM UK Audit LLP
14th Floor
20 Chapel Street
Liverpool
L3 9AG

Cogent Skills Limited

Trustees' report for the year ended 31 December 2024 (continued)

1. Reference and administrative details (continued)

Solicitors

GLP Solicitors
4th Floor
8 Haymarket Street
Bury
BL9 0AR

Bankers

Bank of Scotland
31 High Street
Montrose
DD10 8LT

Cogent Skills Limited

Trustees' report for the year ended 31 December 2024 (continued)

2. Structure, governance and management

Governing document

Cogent Skills Limited (Cogent) is a company limited by guarantee with charitable status, registered with the Charity Commission for England and Wales. Cogent is governed by its Memorandum and Articles of Association, dated December 2016, to allow for its current governance arrangements. There are currently 7 members (2023: 7), each of whom agrees to contribute £10 in the event of the charity winding up.

Governance

The board and executive are committed to executing business in a transparent, fair and ethical way. We have embraced the Code of Good Governance for Charities and use this to ensure compliance, accountability and continuous improvement as well as the ethical standards set out in the 7 Nolan Principles.

Activities

Cogent Skills Limited is on the register of charities in England and Wales with a number of charitable objectives around the educational, training and development needs of employers and employees in the science-based industries.

Cogent Skills plan to promote and organise co-operation between employers, employees, schools, providers, local authorities and other skills partners around training and education.

Cogent Skills is sector-based working with companies from across the science industries embracing life sciences, industrial sciences and nuclear. Cogent Skills has particular expertise in STEM and industry regulation with respect to skills and competence.

Cogent Skills' strategic objectives are:

to build a pipeline of young people with the capability, drive and ambition to build a globally competitive science-based industry in the UK; and
to support the development of the existing workforce to acquire the skills needed to adopt new technologies and innovate new products and services.

The Cogent Group comprises Cogent Skills Limited, Cogent SSC Limited, Cogent Skills Services Limited (CSS), Cogent Skills Training Limited (CST), Science Industry Assessment Service Limited (SIAS) and National Skills Academy for Nuclear Limited (NSAN).

As a whole, these businesses work together to support the science industries, championing vocational education and training to improve the skills of the workforce and to promote the development of industry, commerce and enterprise of all forms primarily for the benefit of the science-based industries.

NSAN works independently and is the nuclear industry's leading, not for profit, membership organisation for the sourcing and provision of skills solutions.

The approach is evidence-based and employer-led, with the ambition to boost sector innovation, growth, and competitiveness through skills. Cogent Group solutions are adopted by every size of organisation, from SMEs through to global companies.

Appointment of trustees

As set out in the Articles of Association, the trustees are appointed by the members through the nominations committee. The nominations committee is made up of up to five trustees. It considers the requirement for specialist skills and appropriate representation when recommending trustees to the board. Each owner member of Cogent has the right to nominate trustees to the board such that each owner member will have no more than one representative trustee.

Cogent Skills Limited

Trustees' report for the year ended 31 December 2024 (continued)

2. Structure, governance and management (continued)

Training and induction for trustees

To ensure that all trustees are aware of their responsibilities on appointment, all board members receive a board induction pack that outlines their roles and responsibilities, including their legal obligations under charity and company law. Further training is available if required. The effectiveness of the board is reviewed using the code of good governance for charities as a standard. A survey of the board against the standard provides input data and a benchmark for assessment of continuous improvement. The survey is conducted at least every two years, or as directed by the nominations committee.

Organisation

The Board of Trustees administers the charity. The Board meets quarterly and there are sub-committees covering nominations, finance and audit and remunerations, which meet as and when required. A Chief Executive Officer is appointed by the Board to manage the day to day operations of the charity. To facilitate effective operations, the Chief Executive Officer has delegated authority, within the terms of delegation approved by the trustees, for operational matters including finance and employment.

Key management personnel remuneration policy

Benchmarking exercises are conducted throughout the year for key personnel which involves reviewing other organisations within similar industries and within the charities and public sectors. The executive directors review the remuneration of key personnel and the remunerations committee reviews the remuneration of the executive directors. The remunerations committee also reviews bonus payments and the annual cost of living change for board approval.

Internal control

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The trustees review the strategic plan and annual budget and approve the same. They consider the financial results on a regular basis including variances from budgets. The audit committee meets at least twice a year under its terms of reference.

Related parties

The charity has five wholly-owned subsidiaries – Cogent SSC Limited, National Skills Academy for Nuclear Limited (NSAN), Cogent Skills Training Limited (CST), Cogent Skills Services Limited (CSS) and Science Industry Assessment Service Limited (SIAS).

Public benefit requirement

The charity trustees have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Commission.

Financial risk management

The following statements summarise the charity's policy in managing identified forms of financial risk:

Price risk: The charity negotiates income to finance the charity's activities and incorporates this information into its business plans and budgets. Incremental increases to salaries are communicated to staff during the formal annual review of salaries. Prices of materials and services purchased are subject to contract with suppliers, based on current market prices.

Credit risk: Credit risk on amounts owed to the charity by its customers is low, as the majority of debtors are the government, large established employers and government funded providers.

Liquidity risk: The charity has no long term borrowing. The charity will make use of its overdraft facility if required.

Interest rate cash flow risk: The charity is able to place surplus funds on short term deposit with the group's bankers.

Cogent Skills Limited

Trustees' report for the year ended 31 December 2024 (continued)

3. Plans for future periods

Our business plan highlights Cogent's priorities for 2025-27, including a focus on providing a surplus to the charity while ensuring investment in the core infrastructure for growth.

We will seek to leverage existing capacity and expertise in our Nuclear team to secure alternative income streams through projects and research initiatives. Efforts will intensify to capitalise on the additional commercial resources within the Business Units by promoting cross-business collaboration. This approach aims to attract more collaborative members and unlock new opportunities. To strengthen relationships and foster a deeper understanding of our customers, a revised CRM system will be implemented alongside a key account management strategy to enable a more integrated approach to customer management across the group.

Finally, our commercial business units will continue to proactively seek out new opportunities to drive growth and expand their influence in the market.



Strategic work is undertaken within the parent company Cogent Skills Limited and is largely delivered through an employer led agenda of collaborative forums with a financial membership model. It remains the Trustees' intention to grow the main offers and services delivered through the business units and subsidiary companies with the aim of contributing a surplus to the charity to subsidise the costs of the strategic activity.

4. Statement of disclosure of information to auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditors are unaware, and
- the trustees, having made enquires of fellow directors and the group's auditors that they ought to have individually undertaken, have each taken all the steps necessary as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418(1) of the Companies Act 2006.

Cogent Skills Limited

Trustees' report for the year ended 31 December 2024 (continued)

5. Trustees' indemnities

As permitted by the Articles of Association, the Trustees have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Trustees' and Officers' liability insurance in respect of itself and its Trustees.

6. Statement of trustees' responsibilities

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

Company law requires the trustees to prepare group and charitable company financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the charitable company and of the incoming resources of the group and the charitable company for that period.

In preparing each of the group and charitable company 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 (FRS 102);
- make judgments 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 group's and the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

7. Independent Auditor

The auditor, RSM UK Audit LLP, have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an AGM.

The Report of the Trustees and the Strategic Report were approved by the Board of Trustees on .

On behalf of the Board

David Vineall

D Vineall
Trustee

08/08/25

Cogent Skills Limited

Independent auditor's report to the members of Cogent Skills Limited

Opinion

We have audited the financial statements of Cogent Skills Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Summary Income and Expenditure Account, the Consolidated and Company Balance Sheets, and the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Cogent Skills Limited

Independent auditor's report to the members of Cogent Skills Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report, and the Strategic 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 Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report or the Strategic Report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 Statement of Trustees' responsibilities set out on page 14, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

Cogent Skills Limited

Independent auditor's report to the members of Cogent Skills Limited (continued)

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document and tax legislation.

We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to Register of End Point Assessment Organisations, OFQUAL, Flexi-jobs Apprenticeship Agencies guidelines, Register of Accredited Training Providers, Education Skills Funding Agency (ESFA) regulations and funding guidance, Ofsted requirements and the Apprenticeship Training Agency Framework. Compliance with these requirements is required to remain on certain HM Government registers. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls and the completeness and cut-off of income transactions as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. The audit team also performed testing over the cut-off and completeness of income, including reviewing transactions around the year end to ensure included in the correct period, and tracing bank receipts through to income.

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

Cogent Skills Limited

Independent auditor's report to the members of Cogent Skills Limited (continued)

Use of our report

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

Laura Inglesby

Laura Inglesby FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
14th Floor
20 Chapel Street
Liverpool
L3 9AG

Date: 08/08/25

Cogent Skills Limited

Consolidated Statement of Financial Activities for the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Income and endowments from:			
Charitable activities	3	20,392	13,243
Investment income	4	76	44
Total income		20,468	13,287
Expenditure on:			
Charitable activities	5	19,729	13,023
Total expenditure	5	19,729	13,023
Net income		739	264
Fund balances brought forward at 1 January		1,996	1,732
Fund balances carried forward at 31 December		2,735	1,996

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The trustees consider all the fund balances as being unrestricted.

Cogent Skills Limited

Consolidated Summary Income and Expenditure Account for the year ended 31 December 2024

Continuing operations	Note	2024 £'000	2023 £'000
Income			
Charitable income	3	20,392	13,243
Total income		20,392	13,243
Expenditure			
Charitable expenditure	5	19,727	13,012
Total expenditure		19,727	13,012
Surplus for the financial year before interest and taxation		665	231
Interest receivable	4	76	44
Surplus for the financial year before taxation		741	275
Taxation on Surplus	2	(2)	(11)
Surplus for the financial year		739	264

The consolidated income and expenditure account is derived from the Consolidated Statement of Financial Activities.

Cogent Skills Limited

Balance Sheets as at 31 December 2024

		Group		Company	
	Note	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Fixed assets					
Intangible assets	9	91	36	62	20
Tangible assets	10	92	86	41	46
Investments	11	-	-	140	140
Total fixed assets		183	122	243	206
Current assets					
Debtors	12	4,636	3,454	1,905	846
Investments - money market deposits	23	1,100	750	-	-
Cash at bank and in hand		1,796	1,916	1,448	1,214
Total current assets		7,532	6,120	3,353	2,060
Creditors: amounts falling due within one year	13	(4,948)	(4,234)	(1,755)	(1,075)
Net current assets		2,584	1,886	1,598	985
Total assets less current liabilities		2,767	2,008	1,841	1,191
Provisions	14	(32)	(12)	(25)	(9)
Net assets		2,735	1,996	1,816	1,182
The funds of the Charity					
Unrestricted Funds		2,484	1,996	1,565	1,182
Designated Reserves		251	-	251	-
Unrestricted income funds	18	2,735	1,996	1,816	1,182
Total charity funds	19	2,735	1,996	1,816	1,182

The movement in the net funds of the group attributable to the parent charitable company was £634,000 (2023: £873,000). The residual net movement of £105,000 surplus (2023: £609,000 deficit) is attributable to subsidiary undertakings.

The financial statements on pages 19 to 44 were approved by the Board of Trustees and were signed on its behalf by:

David Vineall

D Vineall

Trustee

Date: 08/08/25

Company Registered Number 09361100

Charity Registration Number 1166082

Cogent Skills Limited

Consolidated cash flow statement for the year ended 31 December 2024

	Note	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Operating activities					
Cash generated from operations	21		291		390
Taxation			(11)		-
Net cash inflow from operating activities			280		390
Investing activities					
Interest received		76		44	
Purchase of intangible fixed assets		(74)		(25)	
Purchase of tangible fixed assets		(52)		(25)	
Gross money market deposits	23	(2,550)		(2,150)	
Gross money market maturities	23	2,200		1,900	
Net cash (outflow) from investing activities			(400)		(256)
Financing activities					
Repayment of long term debt		-		(180)	
Net cash (outflow) from financing activities			-		(180)
Net (decrease) in cash and cash equivalents			(120)		(46)
Cash and cash equivalents at the beginning of the year			1,916		1,962
Cash and cash equivalents at the end of the year	23		1,796		1,916

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2024

1 Principal accounting policies

The financial statements have been prepared under the historic cost convention, on a going concern and accruals basis, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities and 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.

Cogent Skills Limited (incorporated in England and Wales) meets the definition of a public benefit entity under Financial Reporting Standard (FRS) 102.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements, is set out below.

The financial statements are presented in sterling (£) and the functional currency is sterling (£), rounded to the nearest £'000.

General Information

The Charity is a registered charity and is incorporated in England. The address of its registered office is First Floor, 720 Mandarin Court, Lakeside Drive, Centre Park, Warrington, Cheshire, United Kingdom, WA1 1GG.

Reduced disclosures

In accordance with FRS 102, the group has taken advantage of the exemptions from the following disclosure requirement in the individual financial statements of Cogent Skills Limited:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flows and related notes and disclosures.
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches; and details of hedges and hedging fair value changes recognised in profit or loss and in other comprehensive income.

Consolidation

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis. A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All Intra-group transactions are eliminated on consolidation. The accounting policies are uniform throughout the group with the exception of the capitalisation policy detailed on page 25.

As permitted by section 408(3) of the Companies Act 2006, the parent company's individual income and expenditure account has not been included in these financial statements as a primary financial statement. The parent company's result for the financial year was £634,000 (2023: £873,000).

Going concern

Trading and cashflow forecasts have been prepared through until December 2027 which take account of the current environment and possible future developments. Cash is managed on a group level and the cash balances and available facilities, along with forecast results, are sufficient to remove any concerns over liquidity and the going concern basis of preparation of the accounts.

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Company status

The company is a company limited by guarantee with charitable status.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

1 Principal accounting policies (continued)

Fund accounting

All funds are classed as unrestricted funds. Designated reserves are unrestricted funds that have been set aside by the Trustees for specific future purposes. While these funds remain unrestricted and under the control of the Trustees, they have been earmarked to support strategic initiatives in line with the Charity's objectives. During the year, the Trustees established a designated reserve of £251k to enable the introduction of a social value fund to provide bursaries to those working in or entering the nuclear sector. All other reserves are available for use at the discretion of the members in furtherance of the general objectives of the company and which have not been designated for other purposes.

Incoming resources

All incoming resources are included in the SOFA when the company is legally entitled to the income, the amount is probable and the amount can be quantified with reasonable accuracy. Income includes grants receivable, investment income, membership fees and other commercial income which represents the invoiced value of goods and services supplied.

Income from donations and grants is included in incoming resources when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity or its subsidiary undertakings must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until pre-conditions for use have been met.

Deferred income

Income is deferred where funds are received in advance and the contract has only been partly completed at the balance sheet date. Income is released on a systematic basis in line with costs incurred.

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Cost of charitable activities comprises those costs incurred by the charity in the delivery of its aims and objectives. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and board meeting expenditure.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly whereas support costs are apportioned on a per capita basis.

Irrecoverable VAT

All expenditure is classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

Investments

Investments in subsidiary undertakings are included at cost except where provision is made against an identified impairment.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

1 Principal accounting policies (continued)

Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation. The cost of intangible fixed assets is their purchase cost or transfer value, together with any incidental expenses of acquisition. Amortisation is calculated so as to write off the cost of intangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned, as follows:

Software	3-4 years
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The expected useful lives of the assets are reassessed periodically in the light of experience. Capital grants are deferred and released in line with the amortisation policy for the grant funded assets purchased.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. The cost of tangible fixed assets is their purchase cost or transfer value, together with any incidental expenses of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned, as follows:

Plant and machinery	3-8 years
Grant funded assets	3-8 years
Fixtures and fittings	3-8 years
Computer equipment	3-4 years

The expected useful lives of the assets are reassessed periodically in the light of experience. Capital grants are deferred and released in line with the depreciation policy for the grant funded assets purchased.

Cogent Skills Limited operates a policy where items with a value below £500 are not capitalised whereas the consolidated subsidiary undertakings operate to a policy of where there is no minimum capitalisation value.

Impairment

The company reviews tangible fixed assets and investments for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recovered. If the carrying amounts are not expected to be recovered by discounted future cash flows, the assets are impaired and an impairment loss recorded in the SOFA.

Cash held on behalf of third parties

Cash is held on behalf of third parties where the charity is legally bound to pay this cash to a third party and has no responsibility for its ultimate application. In these circumstances the transaction is legally a transfer of resources from the principal to the specified third party and the principal retains legal responsibility for ensuring the charitable application of the funds. The group is simply acting as an intermediary and therefore does not recognise these funds on the balance sheet.

Money market deposit

Money market funds are term deposits of 12 months or less with well known UK banking institutions with high credit ratings.

Leases

All leases are operating leases and are charged to the SOFA / income and expenditure account on a straight line basis over the lease term.

Taxation

The charity has been granted charitable status by the HMRC and therefore is not liable for corporation tax. The charity's trading subsidiaries are liable for corporation tax.

The tax expense represents the sum of the current tax expense and deferred tax expense.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

1 Principal accounting policies (continued)

Current tax assets are recognised when tax paid exceeds the tax payable. Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements.

Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income or expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allowed for tax in a future period except where the Company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Current and deferred tax, other than the tax effects of distributions to owners, is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

The tax expense or income effects of distributions to owners are recognised in profit or loss.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Employee benefits

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined benefit and defined contribution pension plans.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Multi-employer pension plan

Cogent SSC Limited participated in the ITB Pension Scheme, a multi-employer pension plan defined benefit scheme. The company is not legally responsible for the plan and does not have sufficient information to use defined benefit accounting. Where the plan is in deficit and where the entities have agreed with the plan to participate in a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the contributions payable under the agreement that relate to the deficit. Payments made to the Plan are offset against this creditor. Where there is a change in the value of the contributions to be paid to the Plan as a result of the deficit funding arrangement the change is recognised in the Statement of Financial Activities in the period in which the agreement is signed by both parties. The unwinding of the discount is recognised as a finance cost. Further pension details can be found in note 17 to the financial statements.

From 1 April 2017 the remaining employees who participated in the defined benefit scheme were transferred into the defined contribution scheme for future service benefits. From 1 August 2022 Cogent SSC Limited employees participate in a separate defined contribution scheme outside of the ITB scheme.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

1 Principal accounting policies (continued)

During 2022 Cogent SSC Limited entered into a flexible apportionment arrangement with the ITB Pension Scheme where the parent company Cogent Skills Limited took over responsibility for all the liabilities in relation to the defined benefit scheme.

Defined contribution pension plan

Cogent Skills Limited, Cogent Skills Services Limited, Cogent Skills Training Limited and Science Industry Assessment Services Limited all participate in the defined contribution scheme of the ITB. The cost recognised in the SOFA is equal to the contributions payable for the year. The assets of the plan are held separately from the company in independently administered funds.

National Skills Academy for Nuclear Limited participate in a separate defined contribution pension scheme. The cost recognised in the SOFA is equal to the contributions payable for the year. The assets of the plan are held separately from the company in independently administered funds.

Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Recognition and measurement of financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Classification of financial instruments

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial assets and liabilities at amortised cost

Trade, group and other debtors

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument and subsequently measured at amortised cost using the effective interest method. The effective interest rate is the market rate used to determine initial measurement adjusted to amortise directly attributable transaction costs.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract.

Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Trade creditors, group and other creditors

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

1 Principal accounting policies (continued)

Trade creditors, group and other creditors (continued)

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost, being transaction price less any amounts settled and the cumulative amortisation (using the effective interest method) of any difference between the amount at initial recognition and the maturity amount. The effective interest rate is the rate that discounts estimated future cash payments to the carrying amount of the financial liability.

Agency Arrangements

The Charity can act as an agent in receiving funds that ultimately come from the ESFA in relation to apprenticeship incentives. These payments and subsequent disbursements are excluded from the statement of financial activities as the charity does not have control over the charitable application of the funds.

Bank overdrafts

Bank overdrafts are presented within creditors: amounts falling due within one year.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some (but not substantially all) risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The Trustees consider that there are no material sources of estimation uncertainty.

Critical areas of judgement

Debtor provision

A provision for bad and doubtful debts is established when there is objective evidence that the amounts due will not be collected in line with the usual fee collections.

Contract Income Recognition

Income from contracts is recognised in the Statement of Financial Activities to the extent that the Charity has provided the goods or services under the contract.

Contract income is recognised when:

- There is entitlement to the income through the delivery of specified performance obligations;
- It is probable that the income will be received; and
- The amount of income can be measured reliably.

Where income relates to performance over a period of time (e.g. project milestones or time-based services), it is recognised on a proportionate basis as the work is performed. Any income received in advance of performance is deferred and shown as deferred income in the balance sheet.

Expenditure incurred in delivering contract obligations is recognised in line with the income recognition policy to ensure proper matching of income and related costs.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

2 Commercial trading operations and investments in trading subsidiaries

The charity has five wholly owned trading subsidiaries Cogent SSC Limited, National Skills Academy for Nuclear Limited (“NSAN”), Cogent Skills Training Limited (“CST”), Cogent Skills Services Limited (“CSS”) and Science Industry Assessment Service Limited (“SIAS”) which are incorporated in the UK.

Income and expenditure accounts for the year ended 31 December 2024

	Cogent Skills Limited	Cogent SSC Limited	NSAN	CST	CSS	SIAS	Inter Co Elim	Total 2024
	£’000	£’000	£’000	£’000	£’000	£’000	£’000	£’000
Income	6,399	1,513	2,267	1,364	5,711	3,393	(255)	20,392
Expenditure	(6,518)	(1,508)	(2,039)	(1,288)	(5,648)	(2,981)	255	(19,727)
Surplus/(deficit) for the financial year before interest and taxation	(119)	5	228	76	63	412	-	665
Interest receivable	49	-	27	-	-	-	-	76
Surplus for the financial year before taxation	(70)	5	255	76	63	412	-	741
Taxation on Surplus	-	(1)	-	-	(1)	-	-	(2)
Surplus for the financial year after taxation	(70)	4	255	76	62	412	-	739
Gift Aid	704	-	(251)	-	(57)	(396)	-	-
Surplus for the financial year	634	4	4	76	5	16	-	739

* This figure includes £1,291m recharges to subsidiary companies which have been invoiced and net off the corresponding expenditure within this line.

Taxation on Surplus	2024	2023
	£’000	£’000
Current tax:		
UK corporation tax on Surplus for the year	2	11
Deferred tax:		
Origination and reversal of timing differences	-	-
Taxation on Surplus	2	11

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

2 Commercial trading operations and investments in trading subsidiaries (continued)

Income and expenditure accounts for the year ended 31 December 2023

	Cogent Skills Limited £'000	Cogent SSC Limited £'000	NSAN £'000	CST £'000	CSS £'000	SIAS £'000	Inter Co Elim £'000	Total 2023 £'000
Income	2,534	1,089	1,684	1,209	5,391	2,633	(1,297)	13,243
Expenditure	(1,686)	(1,836)	(1,605)	(1,171)	(5,384)	(2,627)	1,297	(13,012)
Surplus/(deficit) for the financial year before interest and taxation and after gift aid	848	(747)	79	38	7	6	-	231
Interest receivable	25	-	19	-	-	-	-	44
Surplus/(deficit) for the financial year before taxation	873	(747)	98	38	7	6	-	275
Taxation on Surplus/(deficit)	-	-	(10)	-	(1)	-	-	(11)
Surplus/(deficit) for the financial year	873	(747)	88	38	6	6	-	264

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

2 Commercial trading operations and investments in trading subsidiaries (continued)

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The tax assessed for the year is different to the standard effective rate of corporation tax in the UK for the year ended 31 December 2024 of 25% (2023: 25%). The differences are explained below:

	Cogent SSC Limited £'000	NSAN £'000	CST £'000	CSS £'000	SIAS £'000	Total 2024 £'000	Total 2023 £'000
Surplus for the financial year before taxation	5	4	76	6	16	107	(598)
Surplus for the financial year at standard tax rate in the UK of 25% (2023: 25%)	1	1	19	2	4	27	(149)
Effects of:							
Losses (utilised)	-	-	(19)	-	-	(19)	(14)
Losses not utilised	-	-	-	-	-	-	187
Expenses (deductible)/ not deductible for tax purposes	-	(1)	-	(1)	(4)	(6)	(13)
Current tax for the year	1	-	-	1	-	2	11

Factors affecting future tax charges

The rate of UK corporation tax increased to 25% from April 2023.

The assets and liabilities of the subsidiaries at 31 December 2024 were:

	Cogent SSC Limited £'000	NSAN £'000	CST £'000	CSS £'000	SIAS £'000	Total £'000
Fixed assets	6	7	9	3	55	80
Current assets	234	1,892	433	1,578	821	4,958
Creditors: amounts falling due within one year	(177)	(1,199)	(423)	(1,508)	(666)	(3,973)
Creditors: amounts falling after more than one year	-	-	(7)	-	-	(7)
Net assets	63	700	12	73	210	1,058

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

2 Commercial trading operations and investments in trading subsidiaries (continued)

The assets and liabilities of the subsidiaries at 31 December 2023 were:

	Cogent SSC Limited £'000	NSAN £'000	CST £'000	CSS £'000	SIAS £'000	Total £'000
Fixed assets	9	7	10	3	27	56
Current assets	163	1,871	390	1,073	662	4,159
Creditors: amounts falling due within one year	(113)	(1,182)	(460)	(1,008)	(495)	(3,258)
Creditors: amounts falling after more than one year	-	-	(4)	-	-	(4)
Net assets/(liabilities)	59	696	(64)	68	194	953

3 Charitable income

	2024 £'000	2023 £'000
Project income	5,688	483
Membership fees	1,310	1,403
End assessments	3,836	2,869
Course & consultancy sales	1,364	1,209
ATA – fee income	1,056	1,007
ATA – recharge of employment costs	4,553	4,133
Apprenticeship delivery	1,513	1,089
Other income	1,072	1,050
	20,392	13,243

4 Investment income

	2024 £'000	2023 £'000
Bank deposit income	76	44

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

5 Analysis of expenditure

	Research, policy, Occupational standards and engaging with employers £'000	Governance costs £'000	Cogent SSC £'000	National Skills Academy for Nuclear Limited £'000	Cogent Skills Training Limited £'000	Cogent Skills Services Limited £'000	Science Industry Assessment Service Limited £'000	Intercompany Elimination £'000	Total 2024 £'000
Cost directly allocated to activities									
Salaries and other staff costs	1,691	-	921	746	-	4,553	-	-	7,911
Specific projects	4,445	-	485	654	554	35	929	(255)	6,847
Other costs	-	-	81	-	-	-	-	-	81
	6,136	-	1,487	1,400	554	4,588	929	(255)	14,839
Support costs									
Salaries and other staff costs	13	-	-	351	538	717	1,151	679	3,449
Marketing and communications	47	-	10	30	9	27	99	-	222
Premises costs	50	-	11	11	32	18	24	-	146
Other costs	251	21	1	498	155	356	1,174	(1,383)	1,073
	361	21	22	890	734	1,118	2,448	(704)	4,890
Total expenditure	6,497	21	1,509	2,290	1,288	5,706	3,377	(959)	19,729

The support costs have been allocated on a per capita basis.

Other costs in the table above include a taxation charge of £2,000 (2023: £11,000) which is disclosed separately for the purpose of the consolidated income and expenditure account on page 20.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

5 Analysis of expenditure (continued)

The comparative numbers for 2023 are:

	Research, policy, Occupational standards and engaging with employers £'000	Governance costs £'000	Cogent SSC £'000	National Skills Academy for Nuclear Limited £'000	Cogent Skills Training Limited £'000	Cogent Skills Services Limited £'000	Science Industry Assessment Service Limited £'000	Intercompany Elimination £'000	Total 2023 £'000
Cost directly allocated to activities									
Salaries and other staff costs	1,021	-	562	640	-	4,134	-	-	6,357
Specific projects	368	-	372	412	502	169	710	(67)	2,466
Other costs	39	-	141	-	-	-	-	-	180
	1,428	-	1,075	1,052	502	4,303	710	(67)	9,003
Support costs									
Salaries and other staff costs	3	-	-	315	502	747	823	689	3,079
Marketing and communications	58	-	-	13	9	28	56	-	164
Premises costs	45	-	11	11	30	17	22	-	136
Other costs	134	18	750	224	128	290	1,016	(1,919)	641
	240	18	761	563	669	1,082	1,917	(1,230)	4,020
Total expenditure	1,668	18	1,836	1,615	1,171	5,385	2,627	(1,297)	13,023

The support costs have been allocated on a per capita basis.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

6 Net income

	2024 £'000	2023 £'000
Net income is stated after charging:		
Amortisation of intangible fixed assets – owned	19	11
Depreciation of tangible fixed assets – owned	46	41
Auditors' remuneration: audit services	55	48
: other services	-	-
Operating lease rentals – other	64	64

7 Trustees' emoluments

Two trustees (2023: two), J Fosh and K Gorge, received aggregate emoluments of £303,495 (2023: £269,473) including pension contributions of £25,703 (2023: £13,304) during the year for their services as employees, in accordance with the articles of the charity. No trustees (2023: nil) have received reimbursement (2023: £nil) for travel and subsistence expenses. Professional indemnity insurance, which cost the charity £3,528 (2023: £3,269) is in place with a limit of £2 million.

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2024 £000's	2023 £000's
Remuneration for qualifying services	150	147
Pension contributions	19	8

8 Employee information

The monthly average number of persons employed by the group (including directors) during the year is analysed below:

	Group		Company	
	2024 Number	2023 Number	2024 Number	2023 Number
Administration	105	88	30	23

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

8 Employee information (continued)

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Employee costs in relation to the above employees				
Wages and salaries	5,059	3,995	1,636	1,191
Social security costs	497	391	159	114
Other pension costs	364	296	92	61
	5,920	4,682	1,887	1,366

The number of employees whose employee benefits (excluding employer pension costs and employer national insurance contributions) exceeded £60,000 was:

Salaries and benefits	2024 Number	2023 Number
£60,000 - £70,000	7	6
£70,001 - £80,000	2	3
£80,001 - £90,000	2	-
£90,001 - £100,000	-	1
£100,001 - £110,000	-	2
£110,001 - £120,000	2	-
£120,001 - £130,000	1	-
£130,000 +	1	1

The number of higher paid employees accruing retirement benefits was 15 (2023: 13).

Remuneration of key management personnel

The total remuneration, including employer's national insurance and pension contributions, of key management personnel of the group for the year was £1,035,357 (2023: £867,927). Key management personnel comprise of the executive directors and the senior management team.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

9 Intangible assets

Group	Computer software £'000	Total £'000
Cost		
At 1 January 2024	516	516
Additions	74	74
Disposals	-	-
At 31 December 2024	590	590
Accumulated depreciation		
At 1 January 2024	480	480
Charge for year	19	19
Disposals	-	-
At 31 December 2024	499	499
Net book value		
At 31 December 2024	91	91
At 31 December 2023	36	36

Company	Computer software £'000	Total £'000
Cost		
At 1 January 2024	32	32
Additions	54	54
Disposals	-	-
At 31 December 2024	86	86
Accumulated depreciation		
At 1 January 2024	12	12
Charge for year	12	12
Disposals	-	-
At 31 December 2024	24	24
Net book value		
At 31 December 2024	62	62
At 31 December 2023	20	20

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

10 Tangible assets

Group	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost			
At 1 January 2024	127	252	379
Additions	16	36	52
Disposals	-	(5)	(5)
At 31 December 2024	143	283	426
Accumulated depreciation			
At 1 January 2024	86	207	293
Charge for year	15	31	46
Disposals	-	(5)	(5)
At 31 December 2024	101	233	334
Net book value			
At 31 December 2024	42	50	92
At 31 December 2023	41	45	86

Company	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost			
At 1 January 2024	47	37	84
Additions	-	15	15
Disposals	-	-	-
At 31 December 2024	47	52	99
Accumulated depreciation			
At 1 January 2024	17	21	38
Charge for year	10	10	20
Disposals	-	-	-
At 31 December 2024	27	31	58
Net book value			
At 31 December 2024	20	21	41
At 31 December 2023	30	16	46

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

11 Interests in subsidiary undertakings

Details of subsidiary undertakings held by Cogent Skills Limited at £nil carrying value apart from SIAS, of which the company has an investment in the share capital of £140,000, are as follows:

Name of company, company registration number and address of incorporation and operation	Description of shares held	Proportion of nominal value of issued shares	Principal activity
Cogent SSC Limited (SC129351) Summit House, 4-5 Mitchell Street, Edinburgh, Scotland, EH6 7BD	Ordinary	100%*	Education and training
National Skills Academy for Nuclear Limited (06423637) The Base, Dallam Lane, Warrington, England, WA2 7NG	Ordinary	100%*	Education and training
Cogent Skills Training Limited (06430341) First Floor, 720 Mandarin Court, Lakeside Drive, Centre Park, Warrington, Cheshire, England, WA1 1GG	Ordinary	100%*	Education and training
Cogent Skills Services Limited (07806185) First Floor, 720 Mandarin Court, Lakeside Drive, Centre Park, Warrington, Cheshire, England, WA1 1GG	Ordinary	100%*	Promotion of Technical Apprenticeships
Science Industry Assessment Service Limited (09396974) First Floor, 720 Mandarin Court, Lakeside Drive, Centre Park, Warrington, Cheshire, England, WA1 1GG	Ordinary	100%	Administration services

* These subsidiary undertakings are limited by guarantee and the company is the sole subscriber.

12 Debtors

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Trade debtors	3,971	2,859	973	402
Amounts owed by group undertakings	-	-	613	99
Other debtors	18	17	183	17
Prepayments and accrued income	647	578	136	328
	4,636	3,454	1,905	846

Amounts owed by group undertakings are interest free and payable on demand.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

13 Creditors: amounts falling due within one year

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Trade creditors	864	468	466	76
Taxation and social security	523	748	67	93
Accruals	723	877	275	202
Deferred income	2,174	1,954	947	703
Invoice discounting facility	644	-	-	-
Other creditors	20	187	-	-
	4,948	4,234	1,755	1,074

CSS uses an Invoice discounting facility with Close Brothers. The liability is secured on the trade debtors of CSS. This facility is with recourse and bears interest at a variable rate.

Deferred income comprises contract income received in advance of contract outputs delivered.

	Group	Company
	£'000	£'000
Balance as at 1 January 2024	1,954	703
Amount released from previous years	(1,954)	(703)
Incoming resources deferred in year	2,174	947
Balance as at 31 December 2024	2,174	947

The group balance above includes £2,174,000 (2023: £1,954,000) of amounts falling due within one year and £nil (2023: £nil) of amounts falling due after more than one year.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

14 Provisions

Dilapidations	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Opening Balance	12	-	9	-
Additional provision in year	20	12	16	9
Closing Balance	32	12	25	9

A provision is recognised for estimated dilapidation costs relating to leasehold properties. The company is contractually required to make good any damage or restore the properties to their original condition at the end of the lease term. The provision is based on management's best estimate of the cost of works required, assessed by reference to lease terms and historical experience.

The outflow of economic benefits is expected to occur upon lease expiry, which is anticipated to be between 2027 and 2030.

15 Members' liability

Members' liability is limited by guarantee not exceeding £10 per member (7 members) (2023: 7 members).

16 Commitments

At 31 December 2024 the group had total commitments under non-cancellable operating leases expiring as follows:

	2024 Land and buildings £'000	2023 Land and buildings £'000	2024 Other £'000	2023 Other £'000
Within one year	66	64	-	-
Within two to five years	78	145	-	-
	144	209	-	-

Company	2024 Land and buildings £'000	2023 Land and buildings £'000	2024 Other £'000	2023 Other £'000
Within one year	39	37	-	-
Within two to five years	50	89	-	-
	89	126	-	-

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

17 Pensions

Cogent SSC Limited participates in the ITB Pension Scheme, a multi-employer pension plan defined benefit scheme. The employers share the actuarial risks associated with all employees and former employees. The company is not legally responsible for the plan and does not have sufficient information to use defined benefit accounting.

From 1 April 2017 the remaining employees who participated in the defined benefit scheme were transferred into the defined contribution scheme for future service benefits. From 1 August 2021 Cogent SSC Limited employees participate in a separate defined contribution scheme outside of the ITB scheme.

During 2021 Cogent SSC Limited entered into a flexible apportionment arrangement with the ITB Pension Scheme where the parent company Cogent Skills Limited took over responsibility for all the liabilities in relation to the defined benefit scheme.

The latest triennial review of the scheme was at 31 March 2022. The fund has insured the majority of pensioner liabilities through a number of buy-in policies. The buy-ins have changed the fund's risk profile and funding position significantly since the 2016 valuation.

At the review date, the actuarial value of the assets of the scheme was £543.9 million and the value of liabilities was £519.1 million, leaving a surplus of £24.8 million representing a funding level of 105% (2019 104%). The next formal actuarial valuation is due at 31 March 2025. The solvency position is equivalent to a funding level of 95% (2019:87%).

The ITB Trustees are planning to begin the formal process of winding-up the Open Fund DB Section in November 2025, with the buy-out of the DB Section planned for the end of May 2026 and the wind-up of the Open Fund planned for the end of 2026.

The total pension cost for the group was £364,000 (2023: £296,000). This includes £18,000 (2023: £16,000) outstanding contribution at the balance sheet date. The contributions rate payable by the group was up to 8.35%.

CS, CSS, CST, SIAS and NSAN operate defined contribution pension schemes.

18 Unrestricted income funds

	At 1 January 2024 £'000	Income for the financial year £'000	Expenditure for the financial year £'000	Transfer of Reserves £'000	At 31 December 2024 £'000
Group					
Unrestricted Funds	1,996	20,468	(19,729)	(251)	2,484
Designated Reserves	-	-	-	251	251
Total Funds	1,996	20,468	(19,729)	-	2,735
Company					
Unrestricted Funds	1,182	7,152	(6,518)	(251)	1,565
Designated Reserves	-	-	-	251	251
Total Funds	1,182	7,152	(6,518)	-	1,816

All funds are classed as unrestricted funds with £251k classed as designated reserves to enable the introduction of a social value fund to provide bursaries to those working in or entering the nuclear sector. The designated reserves are expected to be utilised by end of 2026.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

19 Reconciliation of movements in members' funds

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Surplus for the year	739	264	1,182	873
Opening members' funds	1,996	1,732	634	309
Closing members' funds	2,735	1,996	1,816	1,182

20 Related party transactions

Transactions between the charity and its related parties (subsidiaries) are disclosed below:

	2024 £'000	2023 £'000
Opening charity debtor	99	243
Recharged to subsidiaries	1,291	1,212
Paid by subsidiaries	(1,364)	(2,535)
Invoiced by subsidiaries	(117)	(51)
Gift Aid from subsidiaries	704	1,230
Closing charity debtor	613	99

21 Reconciliation of Net income to net cash generated from operations

Group	Note	2024 £'000	2023 £'000
Net income		739	264
Taxation		2	11
Investment income	5	(76)	(44)
Depreciation and amortisation		65	52
Increase in debtors		(1,182)	(1,227)
Increase in creditors		723	1,334
Increase in provisions		20	-
Cash generated from operations		291	390

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

22 Analysis of net cash and cash equivalents

	At 1 January 2024 £'000	Cash flow £'000	At 31 December 2024 £'000
Group			
Cash at bank and in hand	1,916	(120)	1,796
	1,916	(120)	1,796

23 Analysis of net funds/(debt)

	At 1 January 2024 £'000	Cash flow £'000	At 31 December 2024 £'000
Group			
Cash at bank and in hand	1,916	(120)	1,796
Money market deposits	750	350	1,100
	2,666	230	2,896
Borrowings			
Loans falling due within one year	-	-	-
Loans falling due after more than one year	-	-	-
Total	2,666	230	2,896

Money market funds are term deposits of between 3 and 12 months with well-known UK banking institutions with high credit ratings. These investments are classified as current asset investments rather than cash and cash equivalents because they are not available on demand and have maturities exceeding three months from the date of acquisition. As such, they do not meet the definition of cash equivalents under FRS 102 Section 7.

24 Controlling party

The charity has 7 (2023: 7) members representing the science based industries covering industrial sciences (including petroleum refining and distribution, chemical manufacturing, and polymers), life sciences (including pharmaceuticals and medical technologies) and nuclear. The trustees do not consider there to be a controlling party on the basis that each of the members has equal voting rights. Cogent Skills Limited is the only company to consolidate these results

COGENT SKILLS LIMITED

England & Wales - Charity number 1166082

Accounts

Cogent Skills Limited
Annual Report and Financial Statements
for the year ended 31 December 2023

Company Registered number: 09361100

Charity Registration Number: 1166082

Cogent Skills Limited

Annual report and financial statements

for the year ended 31 December 2023

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Cogent Skills Limited

Strategic report for the year ended 31 December 2023

The trustees, who are also directors of the charitable company, present their strategic report on the Cogent Skills Limited group for the year ended 31 December 2023.

1. Review of business

Cogent Skills is committed to growing the nation's scientific talent base. A charitable organisation with a family of commercially focused companies, we re-invest our surplus to promote training and education across the science-based industries.

During the course of the year, our individual business units delivered a robust financial performance. In particular, SIAS – our regulated End-Point Assessment Organisation (EPAO) – demonstrated strong growth, fuelled by significant contract wins. While demand for bespoke process safety training in high-hazard regulated industries also boosted the performance of our courses and consultancy business.

The Membership Business Unit provides a strategic skills proposition to employers in both the science and nuclear sector. The Nuclear Skills Strategy Group (NSSG) represents the breadth and depth of the UK nuclear sector across both civil and defence. Cogent Skills was heavily involved in facilitating the development of the Nuclear Skills Task Force's National Nuclear Strategic Plan for Skills, and in the formation of a new collaborative structure to ensure its delivery against sector priorities.

As an employer-led representative voice, extending reach and influence requires strength in numbers. To that extent, we continued to forge close relationships with leading UK trade associations, seeking to add value to existing membership offers with specialist skills support services. Our deep understanding of the labour market, and a track record of devising and delivering careers outreach programmes, help address attraction and perception challenges across our sector. The Science Industry Partnership (SIP) which heads into its tenth year of operating, includes some of the most recognised names in industry working together to improve the outlook for skills.

Building on previous work in facilitating the development of the UK's first National Occupational Standards (NOS) for hydrogen production, storage, and transportation, Cogent published its first 'Greenprint for Skills'. The report was the result of an industry wide collaborative exercise designed to start the conversation about advancing the green skills and occupations required to achieve net zero in the UK science and technology sector.

Finally, to mark twenty-one years of supporting skills, we published our impact report at a House of Commons event featuring our people and our customers to highlight some of our key achievements over the last two decades.

The results on page 20 show a net income of £264,000 (2022: £165,000) with total income of £13,287,000 (2022: £11,197,000).

2. Strategic objectives

Cogent Skills is a group of companies comprised of Cogent Skills, Cogent SSC, Cogent Skills Services, Cogent Skills Training, NSAN and SIAS. Collectively these companies' purpose is entirely focused on skills and supporting the skills needs and ambitions of individual employers and their employees. Cogent Skills is sector based, working with companies from across the science industries embracing Life Sciences, Industrial Sciences and Nuclear. Cogent Skills is owned by the leading Science Industry Trade Associations.

Cogent Skills Limited

Strategic report for the year ended 31 December 2023 (continued)

Cogent Skills Vision and Mission

Our Group Vision:

“Skills, to better our World”

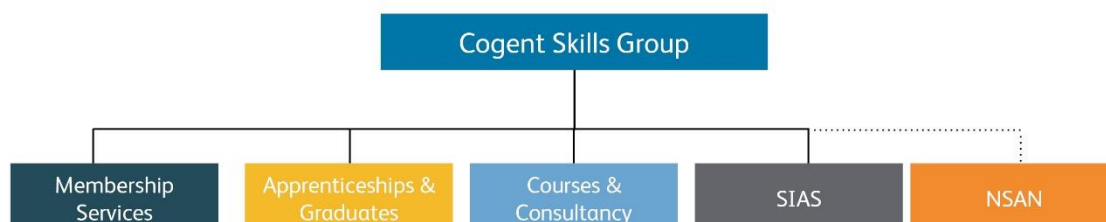
Our Group Mission:

“We are here to ensure Science & Technology employers have the skills needed for success. We influence for the good of our sector, harnessing the power of collaboration, and provide industry-specific skills services to create a safe and productive, future-ready workforce.”

An updated strategic plan covering 2024-26 set a direction of travel for the Cogent Skills group both in terms of the corporate objectives, supported by the Board and the individual business unit plans.

Business Units

Cogent Skills operates through five Business Units each with a unique service offering. Our subsidiary, the National Skills Academy for Nuclear (NSAN) operates distinctly with its own Business Plan and Board. The Businesses seek to support each other, unlocking synergies where possible, to benefit our customers and improve bottom line performance.



- Cogent Skills Limited is the Membership Services business unit and the central corporate team.
- Cogent SSC Limited is the apprenticeship delivery part of the Apprenticeships and Graduates business unit.
- Cogent Skills Services Limited provides employers with a managed apprenticeship service, also known as a Flexi-Job Apprenticeship Agency (FJAA) and is part of the Apprenticeships and Graduates business unit.
- Cogent Skills Training Limited is the Courses and Consultancy business unit.
- SIAS Limited is the end assessment business unit.
- NSAN Limited provides a range of skills services to companies operating in the Nuclear Industry.

Cogent Skills Limited

Strategic report for the year ended 31 December 2023 (continued)

3. Development and performance

Membership Business Unit

Science Industry Partnership (SIP)

The SIP is a powerful membership alliance, offering employers the opportunity to collaborate on skills with one influential voice to government, ensuring the science sector is heard and understood. The SIP played a lead role in developing the 2030 Life Science Skills Strategy, which addresses the sector's skills requirements over the next decade.

The Life Sciences Skills Strategy is now delivered through Futures – the Futures Board is the skills advisory group to the Life Sciences Council. Currently, the new job forecasts in the report are being reviewed to understand new opportunities, job roles and areas of growth.

The SIP continues to work to ensure the apprenticeship system accurately reflects the needs of employers, via the Apprenticeship Strategy Group and SIP Apprenticeship Survey giving employers a platform and an influential voice to drive the skills agenda.

SIP labour market intelligence provides sector-wide insight into skills needs and new talent pipeline. The SIP Ambassador programme continues to equip science professionals with the skills and resources to inspire the next generation of STEM talent within schools in their own communities. The Careers Task Force, a group of early careers professionals are actively driving the outreach strategy for the sector, in areas including sustainability and equality, diversity and inclusion (ED&I).

In 2023 Cogent published its second ED&I survey and report, which examined the sector to understand the progress employers had made on the key equality indicators.

Nuclear Skills Strategy Group (NSSG)

The government-led Nuclear Skills Task Force (NSTF) was established in 2023 to address the skills shortage and workforce development challenges facing the UK nuclear industry. Comprising representatives from government, industry and academia, it was formed to ensure the UK has the necessary skilled workforce to support its nuclear energy programme and remain a global leader in the field.

Building on work of the Nuclear Skills Strategy Group (NSSG) and supported by Cogent Skills, it conducted a comprehensive review of current and future skills requirements. Based on this assessment, it developed a strategic action plan to bridge these gaps: the National Nuclear Strategic Plan for Skills (NNSPS). The NNSPS includes measures such as increasing the number of apprenticeships and graduate programmes in nuclear-related fields, promoting STEM education, and encouraging more women and diverse candidates to pursue careers in the nuclear sector.

To drive implementation of the NNSPS, the sector has now formed a new structure with three key groups:

- Nuclear Skills Executive Council (composed of CEOs) – to set strategic direction for the NNSPS and address any changes in strategy required
- Nuclear Skills Delivery Board (composed of nominees from NSEC organisations) – to provide overall leadership to ensure implementation of the Skills Plan while maintaining a strategic role for the nuclear sector on skills
- Nuclear Skills Review Group (composed of nominees from the NSDB and invited partners key to delivery of the agreed actions in the NNSPS) – to drive actions with partners for each of the work streams in the NNSPS

Cogent Skills was pleased to accept the sector's invitation to continue to provide strategic support for the Delivery Board and the Review Group, and to provide Programme Management Office services for the NNSPS.

Cogent Skills Limited

Strategic report for the year ended 31 December 2023 (continued)

3. Development and performance (continued)

Standards

As part of our ongoing commitment to work for the good of the sector Cogent continues to support industry in the development of apprenticeship standards, ensuring they evolve to reflect changing needs and remain relevant for future entrants. During the course of the year, Cogent facilitated the development of the following standards for England:

- Polymer Processing Technician
- Battery Manufacturing Technician
- Process Industry Manufacturing Technician
- Science Manufacturing Technician (life science focus)
- Bulk Storage Terminal Technician (submitted for approval in March 2024)

Cogent has also worked with other sector partners – including EU Skills and ECITB – to revise the Science Industry Maintenance Technician and Maintenance and Operations Engineering Technician standard.

Apprenticeships and Graduates Business Unit

Employer Services

At the beginning of 2023, Cogent Skills became approved as a Flexi-Job Apprenticeship Agency (FJAA) by the Education and Skills Funding Agency (ESFA) – meaning it can provide, recruit and employ apprentices and arrange placements with a variety of host businesses for life science, industrial sciences and nuclear.

Cogent achieved its target of 80 starts through the FJAA during 2023, giving an 8% share of the current market (with more than 80% of learners hosted by life science employers).

Services also include the hosting and placement of undergraduates during their year in industry from four-year degree courses and first jobs in industry for newly qualified graduates. The tightening of budgets in the sector restricted starts but Cogent still hosted 50 students (around 1% of the graduate market in its sector).

Employer Services customers include employers in petrochemicals, nuclear equipment, powder processing, vaccines, pigments, coatings, medical devices, biotechnology, pharmaceuticals and polymers. Ambitions for 2024 include strengthening engagement with the industrial science sector and exploiting opportunities in emerging technologies.

Apprenticeship Delivery

Apprenticeship delivery is registered through the ESFA and accredited by City & Guilds, Pearson, GQA and NCFE. It offers five apprenticeship standards across the life and industrial science industry - the newest part of which is Science Industry Maintenance Technician (SIMT), a Level 3 standard. Much of the current business is in chemical manufacturing, petrochemicals and pharmaceuticals with the laboratory technician apprenticeship crossing into research and development functions across employers within biotechnology, consumer goods, food and drink, pharmaceuticals, chemicals, energy oil and gas, coatings, and medical devices, but with new customers in technology and supply chain.

Quality and compliance has remained at the forefront, building on the Quality Improvement Plan (QIP) and enhancing the Self-Assessment Report (SAR) to maintain compliance with the Education Skills Funding Agency (ESFA) and Ofsted. During 2023 Cogent maintained quality standard ISO9001 and Matrix Standard accreditation, both being reviewed during the year, with no improvements required or recommendations (allowing Cogent SSC to deliver high quality advice and guidance to learners on progression and careers options).

Cogent also achieved Ofsted Grade 2 (Good) following a visit in June 2023. An internal compliance audit delivered 0% errors and a solid processes report, while improving all provider outcomes and feedback through the government apprenticeship service gave CSSC an excellent rating – all of which puts the provider business in a very strong position for growth.

Cogent Skills Limited

Strategic report for the year ended 31 December 2023 (continued)

3. Development and performance (continued)

The focus during 2023 was on increasing learner numbers with an ambitious target of 150 starts – there are now around 250 live learners with further growth planned for 2024. Digitalization of learning content remains a priority, along with enhancing the curriculum, enriching learner content and introducing transitional and emerging technologies.

Courses and Consultancy Business Unit

Our Courses and Consultancy business unit performed strongly during a year that saw returning and new companies engaging in regulatory training for topics such as process safety and human factors.

This is at least partly due to companies coming back online after Covid-19 and restarting their training plans. With the HSE increasing inspections, companies have started to catch up with their workforce training with Cogent as their trusted partner for regulatory/behavioural training. The business has ensured delivery and marketing plans align with these emerging trends.

Noteworthy successes have been contracts with four large organisations – which have all rolled out bespoke process safety courses - and commissioning a number of new products. Bespoke course income generated over £500,000 of income during 2023.

One of the additional strategies has been to increase the portfolio organically, including the launch of NEBOSH courses developed specifically for industry. Delivery has grown from £14,000 in 2022 to £74,000 in 2023, while the business also introduced permit-to-work courses and we will continue to expand the portfolio in 2024.

Several consultancy projects covering competence management and human factors models were successfully delivered in sectors including industrial chemicals, pharmaceuticals, oil and gas, water and utilities, composites, mining and explosives. Many of these will continue into 2024, providing longer-term income.

Added together this was an exceptional year for course delivery with more courses delivered in 2023 than in any other year. Credit goes to the team for managing this effectively and efficiently and to the quality of the trainers.

Customer feedback regarding training remains positive with a score of 3.85/4, while flexibility and customer service has scored strongly, leading to several industry case studies as well as further business.

Several well-attended webinars for potential clients and trade association members were delivered, focusing on process safety leadership management and how to deliver effective competence management processes.

The business has also exhibited (and in some cases had speaker slots) at events including Chem UK, Tank Storage Association and Hazards33, promoting the importance of process safety management and competence management systems to the safety of the industry.

Science Industry Assessment Service (SIAS)

SIAS is an Ofqual-approved and regulated End-Point Assessment Organisation (EPAO), providing apprenticeship assessment services for and to the technical science, manufacturing, and engineering industries.

SIAS works with a range of employers, providers and other stakeholders across the apprenticeship and skills sector.

SIAS delivered an exceptionally strong year across 2023, following a very successful 2022, as the business continues to grow at pace. A strong commercial performance and healthy pipeline, fuelled by several new and significant contracts and the consistent strengthening of existing partnerships, saw the number of new learner registrations for the year exceeded 2,000. This is almost double the registrations achieved in the previous financial year – this positive lead indicator performance, combined with a record number (789) of End-Point Assessments (EPAs) delivered, ensured very positive full year financial outcomes.

Cogent Skills Limited

Strategic report for the year ended 31 December 2023 (continued)

3. Development and performance (continued)

In 2023 SIAS continued to expand its product portfolio and was approved to deliver EPA services for an additional 10 new standards, taking the total to 24 – which delivered strong coverage across all key STEM disciplines. SIAS has developed another strong product roadmap for the coming year to continue achieving business goals in 2024 and beyond.

The selection, implementation and launch of QuestionMark – a first online testing and assessment system for SIAS – was another major achievement in 2023. This delivered greater efficiencies and strengthened operational and compliance processes internally, as well as contributing to an evolving value proposition to customers and the market.

Operationally, 2023 saw the successful roll-out of an innovative start-point to end-point customer support and EPA planning model, which further strengthened the value proposition into market and supported growth. Targeted investment into people, wider resources and infrastructure continued throughout the year, aligning with growth and strategic planning, ultimately to ensure capacity and capability was at an optimum level.

SIAS's commitment to quality and ongoing improvement remained a constant in 2023: a robust continuous improvement plan was implemented to ensure all policies and processes remained fully compliant. This culminated in SIAS submitting a second annual Statement of Compliance to the regulator in December.

2024 promises to be another exciting one commercially and strategically for SIAS, building on the success of the previous two years. With plans to expand the EPA portfolio by an additional nine standards, several new significant commercial partnerships with national employers and providers beginning, and continued investment in people and infrastructure to support growth, SIAS remains focused on becoming one of, if not the, leading EPAO nationally.

In addition, in 2024 SIAS plans to apply to expand its Ofqual scope of recognition to achieve full Awarding Organisation (AO) status. EPA services will remain a central focus, but the move to full AO opens a range of opportunities to support STEM industries in England and internationally through new assessment products and skills-based solutions and services, including a regulated qualification offering.

National Skills Academy for Nuclear

NSAN is a subsidiary of the Cogent Group and is the collective skills forum for the nuclear industry, working closely with a range of employers, stakeholders, industry groups and training providers. It delivers proactive support to the industry – offering a wide variety of skills training, guidance and solutions – and operates across three main areas:

Membership

Employer and provider membership remains a key strength, with organisations receiving one-to-one support. Membership increased in 2023 and is expected to continue into 2024. In 2023, NSAN focussed on two key themes: recruitment and retention; and social value.

Commercial

NSAN delivers courses online and face-to-face through its Nuclear Training Network, which also includes bespoke support to address customers' specific needs. NSAN has seen a surge in demand in 2023, with 113% growth in learner numbers and nearly 7,000 people trained.

Competence & Assessment

NSAN plays a crucial role in maintaining high standards in a range of apprenticeships and undertakes independent assessment of apprentices against a range of standards. NSAN has a high quality competence management platform, skills assured, which is utilised by its customers with flexibility for it to integrate into existing in-house platforms through SSO. The system continued to be developed with 2023 seeing the integration of electronic badges into the system from training undertaken in NSAN's e-learning platform.

Cogent Skills Limited

Strategic report for the year ended 31 December 2023 (continued)

3. Development and performance (continued)

Cogent in the Devolved Administrations

Throughout 2023, Cogent has been involved in a number of projects in the devolved administrations:

- Review of the explosives suite of national occupational standards (NOS)
- Developed a suite of new NOS for battery manufacturing, building on the work of the apprenticeship standard developed in 2022/2023
- Continuing to work with the low-carbon sector to develop NOS to deliver skills for transitioning industries

On government policy, in early 2023 Cogent took part in a qualification consultation by IfATE and submitted a response on the Advanced British Standard consultation.

Cogent People

Cogent Skills celebrated its 21st birthday throughout 2023 – this included the publication of an impact report highlighting the businesses’ growth and successes over that time, which was launched at a gala event at the Houses of Parliament in London.

During 2023, Cogent launched its ‘Values Awards’ a reward and recognition programme designed to acknowledge and reward employees for their contributions, achievements, and behaviours that align with our goals and values.

We also continue to hold quarterly Communication Days and biannual away days, which serve to bring remote team members together for updates and discussions about business performance.

Looking ahead

Cogent’s Strategic Plan sets the direction of travel for 2024-2026 and beyond. It builds on previous success but represents a slight shift in response to changes in the external environment and key skills trends. A sustainable return ensures delivery of the charitable objectives of the business with the goal of redirecting commercial income to facilitate charitable good causes aligned to the interests of Cogent’s customers, people and the industries we serve.

The adoption of a balanced scorecard approach balances financial measures with performance measures and objectives related to all other parts of the organisation.

4. Principal risks and uncertainties

The trustees consider the principal risks and uncertainties to be related to financial risk and these are discussed on page 13 in the Trustees’ report.

Cogent Skills Limited

Strategic report for the year ended 31 December 2023 (continued)

5. Financial review

The group's performance during 2023 reflected a positive year with all the subsidiaries generating a trading surplus.

The results for the year show a net income of £264,000 (2022: £165,000). Total income increased by 19 per cent to £13,287,000 (2022: £11,197,000) and total expenditure increased by 18 per cent to £13,023,000 (2022: £11,032,000). As at 31 December 2023, the unrestricted reserves of the group amounted to £1,996,000 (2022: £1,732,000).

Cogent Skills Limited made a surplus of £873,000 (2022: £110,000). This includes Gift Aid of £1,230,000 (2022: £318,000). Gift aid includes £750,000 received from Cogent SSC Limited following the deregistration from OSCR of Cogent SSC Limited as a charitable organisation.

Cogent SSC Limited made a deficit of £747,000 (2022: £48,000). Income was higher at £1,089,000 (2022: £717,000). Gift Aid of £750,000 (2022: £nil) is included in the results.

Cogent Skills Services Limited (CSS) made a surplus of £6,000 (2022: £42,000). Gift Aid of £32,000 (2022: £118,000) is included in the results.

Cogent Skills Training Limited (CST) made a surplus of £38,000 (2022: £2,000).

NSAN, the nuclear academy, made a surplus of £88,000 (2022: £52,000) on income of £1,684,000 (2022: £1,504,000).

The Science Industry Assessment Service Limited (SIAS) made a surplus of £6,000 (2022: £7,000). Gift Aid of £448,000 (2022: £200,000) is included in the results. SIAS had a strong performance from an expanding product portfolio.

The balance sheet remains robust with key movements in debtors and deferred income. Debtors increased due to a strong end to the year and deferred income increased primarily due to project income being received in 2023 and the associated expenditure to be incurred in 2024.

The group's accounting policies are set out in note 1 to the financial statements. These policies are consistent with the accounting policies applied in previous years.

Reserves policy

As at 31 December 2023, the unrestricted reserves of the group amounted to £1,996,000 (2022: £1,732,000). The target level of reserves of the charity is £2,500,000 representing a minimum six months operating costs of the charity and ensuring that sufficient funds are available to sustain the group. The reserves policy is reviewed annually.

Cogent aim to make surpluses over time to help preserve the viability of the charity and provide confidence to those providing funding that the charity is prudently controlled. At present, the trustees conclude that they have sufficient reserves to continue the activities of the charity at the current level. Taking into account the future activities and the current economic environment the trustees expect to reach the targeted level of reserves within five years.

Our investment strategy is to place any surplus funds on deposit with recognised institutions, to maximise interest earned for the charity.

Going concern

Forecasts have been prepared through until December 2026 which take account of the current environment and possible future developments. The cash balances and available facilities are sufficient to remove any concerns over liquidity and the going concern basis of preparation of the accounts.

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Cogent Skills Limited

Strategic report for the year ended 31 December 2023 (continued)

5. Financial Review (continued)

Income generation

Cogent's main sources of revenue are products and services delivered in the UK, employer contributions and project funding from government and other agencies. The principal funding sources were funding from the ESFA, external grant income and subscription income from employers.

Expenditure

The main expenditure for the charitable group continues to be remuneration costs amounting to 36 per cent (2022: 37) of total expenditure.

Key performance indicators ("KPIs")

Monthly management reports are produced, providing information on the key performance indicators of the business. These are reviewed at monthly team meetings and at Directors' meetings. This facilitates the assessment and mitigation of risks and determines the future direction and activities required to meet targets. The KPIs on which the Group focuses are:

- Net surplus
- Cash balances
- Income streams

Approved by the board of trustees and signed on its behalf by:

joanna woolf

J Woolf

Trustee

29/08/24

Cogent Skills Limited

Trustees' report for the year ended 31 December 2023

The trustees present their report and the audited consolidated financial statements for the year ended 31 December 2023. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

1. Reference and administrative details

The charity, Cogent Skills Limited is registered with Companies House with Company registration number 09361100 and charity registration number 1166082 with the Charity Commission for England and Wales.

The directors of the charitable company are its trustees for the purpose of charity law. The trustees and officers serving during the year and up to the date of signing the financial statements were:

Chairman

J Woolf

Trustees

J Fosh

K Gorge

S Elliott

N Gardiner

K Woods-Ruddick

C Reed

E Collins

J Howe

E De Jong

S Harris appointed 28 March 2023

K Mingay appointed 28 March 2023

S Ferns appointed 1 June 2023

Other trustees who served during the financial year:

T Burke resigned 28 March 2023

S Earp resigned 2 April 2024

Principal Office

First Floor, 720

Mandarin Court

Lakeside Drive

Centre Park

Warrington

WA1 1GG

Registered Office

First Floor, 720

Mandarin Court

Lakeside Drive

Centre Park

Warrington

WA1 1GG

Chartered Accountants & Statutory Auditors

RSM UK Audit LLP

14th Floor

20 Chapel Street

Liverpool

L3 9AG

Cogent Skills Limited

Trustees' report for the year ended 31 December 2023 (continued)

1. Reference and administrative details (continued)

Solicitors

GLP Solicitors
4th Floor
8 Haymarket Street
Bury
BL9 0AR

Bankers

Bank of Scotland
31 High Street
Montrose
DD10 8LT

Cogent Skills Limited

Trustees' report for the year ended 31 December 2023 (continued)

2. Structure, governance and management

Governing document

Cogent Skills Limited (Cogent) is a company limited by guarantee with charitable status, registered with the Charity Commission for England and Wales. Cogent is governed by its Memorandum and Articles of Association to allow for its current governance arrangements. There are currently 7 members (2022: 7), each of whom agrees to contribute £10 in the event of the charity winding up.

Governance

The board and executive are committed to executing business in a transparent, fair and ethical way. We have embraced the Code of Good Governance for Charities and use this to ensure compliance, accountability and continuous improvement as well as the ethical standards set out in the 7 Nolan Principles.

Activities

Cogent Skills Limited is on the register of charities in England and Wales with a number of charitable objectives around the educational, training and development needs of employers and employees in the science based industries.

Cogent Skills plans to promote and organise co-operation between employers, employees, schools, providers, local authorities and other skills partners around training and education.

Cogent Skills is sector-based, working with companies from across the science industries embracing life sciences, industrial sciences and nuclear. Cogent Skills has particular expertise in STEM and industry regulation with respect to skills and competence.

Cogent Skills Vision is for 'Skills, to better our world'

Cogent Skills strategic objectives are:

- To have a pipeline of young people with the capability, drive and ambition to build a globally competitive science based industry in the UK; and
- To support the development of the existing workforce to acquire the skills needed to adopt new technologies and innovate new products and services.

The Cogent Group comprises Cogent Skills Limited, Cogent SSC Limited, Cogent Skills Services Limited (CSS), Cogent Skills Training Limited (CST), Science Industry Assessment Service Limited (SIAS) and National Skills Academy for Nuclear Limited (NSAN).

Cogent Skills Limited, Cogent SSC, CSS and SIAS work together to support the science industries under the new leadership of the Science Industry Partnership (SIP).

Cogent Skills Training Limited promotes and provides vocational education training and re-training to improve the skills of the science-based workforce and to promote the development of industry, commerce and enterprise of all forms primarily for the benefit of the science-based industries.

NSAN works independently and is the nuclear industry's leading, not for profit, membership organisation for the sourcing and provision of skills solutions.

The approach is evidence-based and employer-led, with the ambition to boost sector innovation, growth, and competitiveness through skills. Cogent Group solutions are adopted by every size of organisation, from SMEs through to global companies.

Appointment of trustees

As set out in the Articles of Association, the trustees are appointed by the members through the nominations committee. The nominations committee is made up of up to five trustees. It considers the requirement for specialist skills and appropriate representation when recommending trustees to the board. Each owner member of Cogent has the right to nominate trustees to the board such that each owner member will have no more than one representative trustee.

Cogent Skills Limited

Trustees' report for the year ended 31 December 2023 (continued)

2. Structure, governance and management (continued)

Training and induction for trustees

All trustees receive an induction pack on joining the Board which includes the Memorandum and Articles of Association, the Cogent business plan and annual report. Training for trustees takes place to brief them on their legal obligations under charity and company law.

Organisation

The Board of Trustees administers the charity. The Board meets quarterly and there are sub-committees covering nominations, finance and audit and remunerations, which meet as and when required. A Chief Executive Officer is appointed by the Board to manage the day to day operations of the charity. To facilitate effective operations, the Chief Executive Officer has delegated authority, within the terms of delegation approved by the trustees, for operational matters including finance and employment.

Key management personnel remuneration policy

Benchmarking exercises are conducted throughout the year for key personnel which involves reviewing other organisations within similar industries and within the charities and public sectors. The executive directors review the remuneration of key personnel and the remunerations committee reviews the remuneration of the executive directors. The remunerations committee also reviews bonus payments and the annual cost of living change for board approval.

Internal control

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The trustees review the strategic plan and annual budget and approve the same. They consider the financial results on a regular basis including variances from budgets. The audit committee meets at least twice a year under its terms of reference.

Related parties

The charity has five wholly-owned subsidiaries – Cogent SSC Limited, National Skills Academy for Nuclear Limited (NSAN), Cogent Skills Training Limited (CST), Cogent Skills Services Limited (CSS) and Science Industry Assessment Service Limited (SIAS).

Public benefit requirement

The charity trustees have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Commission.

Financial risk management

The following statements summarise the charity's policy in managing identified forms of financial risk:

Price risk: The charity negotiates income to finance the charity's activities and incorporates this information into its business plans and budgets. Incremental increases to salaries are communicated to staff during the formal annual review of salaries. Prices of materials and services purchased are subject to contract with suppliers, based on current market prices.

Credit risk: Credit risk on amounts owed to the charity by its customers is low, as the majority of debtors are the government, large established employers and government funded providers.

Liquidity risk: The charity has no long term borrowing. The charity will make use of its overdraft facility if required.

Interest rate cash flow risk: The charity is able to place surplus funds on short term deposit with the group's bankers.

Cogent Skills Limited

Trustees' report for the year ended 31 December 2023 (continued)

3. Plans for future periods

Our business plan highlights Cogent's priorities for 2024-26, including a focus on returning a surplus to the charity while ensuring investment in the core infrastructure for growth.

Following direction from our Board, the development of our early careers offering (building talent pipelines across the industries we serve) and low carbon support have been prioritised and will result in greater investment and ongoing oversight from the Board.



Strategic work is undertaken within the parent company Cogent Skills Limited and is largely delivered through an employer led agenda of collaborative forums with a financial membership model. It remains the Trustees' intention to grow the main offers and services delivered through the business units and subsidiary companies with the aim of contributing a surplus to the charity to subsidise the costs of the strategic activity.

4. Statement of disclosure of information to auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditors are unaware, and
- the trustees, having made enquires of fellow directors and the group's auditors that they ought to have individually undertaken, have each taken all the steps necessary as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418(1) of the Companies Act 2006.

5. Trustees' indemnities

As permitted by the Articles of Association, the Trustees have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Trustees' and Officers' liability insurance in respect of itself and its Trustees.

Cogent Skills Limited

Trustees' report for the year ended 31 December 2023 (continued)

6. Statement of trustees' responsibilities

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

Company law requires the trustees to prepare group and charitable company financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the charitable company and of the profit or loss of the group and the charitable company for that period.

In preparing each of the group and charitable company 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 (FRS 102);
- make judgments 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 group's and the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

7. Independent Auditors

The auditors, RSM UK Audit LLP, have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an AGM.

The Report of the Trustees and the Strategic Report were approved by the Board of Trustees on 29/08/24

On behalf of the Board

joanna woolf

J Woolf
Trustee

Cogent Skills Limited

Independent auditor's report to the members of Cogent Skills Limited

Report on the financial statements

Our opinion

We have audited the financial statements of Cogent Skills Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Income and Expenditure Account, the Consolidated and Company Balance Sheets, and the Consolidated Cash Flow Statement 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Cogent Skills Limited

Independent auditor's report to the members of Cogent Skills Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report and the Strategic 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 Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report or the Strategic Report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 Statement of Trustees' responsibilities set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

Cogent Skills Limited

Independent auditor's report to the members of Cogent Skills Limited (continued)

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document and tax legislation.

We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to ESFA funding guidance, Ofsted requirements, OFQAL, the Register of Accredited Training Providers, the Register of End Point Assessment Organisations, and the Apprenticeship Training Agency Framework. Compliance with these requirements is required to remain on certain HM Government registers. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls and the completeness and cut-off of certain revenue transactions as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. The audit team also performed testing over the completeness of income, including reviewing transactions around the year end to ensure included in the correct period, and tracing bank receipts through to income.

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

Cogent Skills Limited

Independent auditor's report to the members of Cogent Skills Limited (continued)

Use of our report

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

Laura Inglesby

Laura Inglesby FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
RSM UK Audit LLP
14th Floor
20 Chapel Street
Liverpool
L3 9AG

Date: 29/08/2024

Cogent Skills Limited
Consolidated Statement of Financial Activities
for the year ended 31 December 2023

	Note	2023 £'000	2022 £'000
Income and endowments from:			
Charitable activities	3	13,243	11,195
Investment income	4	44	2
Total income		13,287	11,197
Expenditure on:			
Charitable activities	5	13,023	11,032
Total expenditure	5	13,023	11,032
Net income		264	165
Fund balances brought forward at 1 January		1,732	1,567
Fund balances carried forward at 31 December		1,996	1,732

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The trustees consider all the fund balances as being unrestricted.

Cogent Skills Limited

Consolidated Summary Income and Expenditure Account for the year ended 31 December 2023

Continuing operations	Note	2023 £'000	2022 £'000
Income			
Charitable income	3	13,243	11,195
Total income		13,243	11,195
Expenditure			
Charitable expenditure	5	13,012	11,032
Total expenditure		13,012	11,032
Surplus for the financial year before interest and taxation		231	163
Interest receivable	4	44	2
Surplus for the financial year before taxation		275	165
Taxation on Surplus	2	(11)	-
Surplus for the financial year		264	165

The consolidated income and expenditure account is derived from the Consolidated Statement of Financial Activities.

Cogent Skills Limited

Balance Sheets as at 31 December 2023

		Group		Company	
	Note	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Fixed assets					
Intangible assets	9	36	22	20	22
Tangible assets	10	86	102	46	55
Investments	11	-	-	140	140
Total fixed assets		122	124	206	217
Current assets					
Debtors	12	3,454	2,227	846	562
Investments - money market deposits	22	750	500	-	-
Cash at bank and in hand		1,916	1,962	1,214	143
Total current assets		6,120	4,689	2,060	705
Creditors: amounts falling due within one year	13	(4,234)	(2,949)	(1,075)	(613)
Net current assets		1,886	1,740	985	92
Total assets less current liabilities		2,008	1,864	1,191	309
Creditors: amounts falling due after more than one year	14	(12)	(132)	(9)	-
Net assets		1,996	1,732	1,182	309
The funds of the Charity					
Unrestricted income funds	18	1,996	1,732	1,182	309
Total charity funds	19	1,996	1,732	1,182	309

The movement in the net funds of the group attributable to the parent charitable company was £873,000 (2022: £110,000). The residual net movement of £609,000 deficit (2022: surplus of £55,000) is attributable to subsidiary undertakings.

The financial statements on pages 20 to 45 were approved by the Board of Trustees and were signed on its behalf by:

joanna woolf

J Woolf
Trustee

Date: 29/08/24

Company Registered Number 09361100

Charity Registration Number 1166082

Cogent Skills Limited

Consolidated cash flow statement for the year ended 31 December 2023

	Note	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Net cash inflow/ (outflow) from operating activities	21		390		(253)
Return on investments and servicing of finance					
Interest received		44		2	
Net cash inflow from returns on investments and servicing of finance			44		2
Capital expenditure and financial investment					
Purchase of intangible fixed assets		(25)		(22)	
Purchase of tangible fixed assets		(25)		(101)	
Net money market deposits	22	(250)		(500)	
Net cash (outflow) from investing activities			(300)		(623)
Financing activities					
Repayment of long term debt		(180)		(48)	
Net cash (outflow) from financing activities			(180)		(48)
Net (decrease) in cash and cash equivalents			(46)		(922)
Cash and cash equivalents at the beginning of the year			1,962		2,884
Cash and cash equivalents at the end of the year	22		1,916		1,962

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2023

1 Principal accounting policies

The financial statements have been prepared under the historic cost convention, on a going concern and accruals basis, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities and 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.

Cogent Skills Limited (incorporated in England and Wales) meets the definition of a public benefit entity under Financial Reporting Standard (FRS) 102.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements, is set out below.

The financial statements are presented in sterling (£) and the functional currency is sterling (£), rounded to the nearest £'000.

General Information

The Charity is a registered charity and is incorporated in England. The address of its registered office is First Floor, 720 Mandarin Court, Lakeside Drive, Centre Park, Warrington, Cheshire, United Kingdom, WA1 1GG.

Reduced disclosures

In accordance with FRS 102, the group has taken advantage of the exemptions from the following disclosure requirement in the individual financial statements of Cogent Skills Limited:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flows and related notes and disclosures.
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches; and details of hedges and hedging fair value changes recognised in profit or loss and in other comprehensive income.

Consolidation

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis. A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All Intra-group transactions are eliminated on consolidation. The accounting policies are uniform throughout the group with the exception of the capitalisation policy detailed on page 25.

As permitted by section 408(3) of the Companies Act 2006, the parent company's individual income and expenditure account has not been included in these financial statements as a primary financial statement. The parent company's result for the financial year was £873,000 (2022: £110,000).

Going concern

Forecasts have been prepared through until December 2026 which take account of the current environment and any possible future developments. The cash balances and available facilities are sufficient to remove any concerns over liquidity and the going concern basis of preparation of the accounts.

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Company status

The company is a company limited by guarantee with charitable status.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2023 (continued)

1 Principal accounting policies (continued)

Fund accounting

All funds are classed as unrestricted funds which are available for use at the discretion of the members in furtherance of the general objectives of the company and which have not been designated for other purposes.

Incoming resources

All incoming resources are included in the SOFA when the company is legally entitled to the income, the amount is probable and the amount can be quantified with reasonable accuracy. Income includes grants receivable, investment income, membership fees and other commercial income which represents the invoiced value of goods and services supplied.

Income from donations and grants is included in incoming resources when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity or its subsidiary undertakings must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until pre-conditions for use have been met.

Deferred income

Income is deferred where funds are received in advance and the contract has only been partly completed at the balance sheet date. Income is released on a systematic basis in line with costs incurred.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Cost of charitable activities comprises those costs incurred by the charity in the delivery of its aims and objectives. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and board meeting expenditure.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly whereas support costs are apportioned on a per capita basis.

Irrecoverable VAT

All expenditure is classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

Investments

Investments in subsidiary undertakings are included at cost except where provision is made against an identified impairment.

Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation. The cost of intangible fixed assets is their purchase cost or transfer value, together with any incidental expenses of acquisition. Amortisation is calculated so as to write off the cost of intangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned, as follows:

Software	3-4 years
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The expected useful lives of the assets are reassessed periodically in the light of experience. Capital grants are deferred and released in line with the amortisation policy for the grant funded assets purchased.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2023 (continued)

1 Principal accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. The cost of tangible fixed assets is their purchase cost or transfer value, together with any incidental expenses of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned, as follows:

Plant and machinery	3-8 years
Grant funded assets	3-8 years
Fixtures and fittings	3-8 years
Computer equipment	3-4 years

The expected useful lives of the assets are reassessed periodically in the light of experience. Capital grants are deferred and released in line with the depreciation policy for the grant funded assets purchased.

Cogent Skills Limited operates a policy where items with a value below £500 are not capitalised whereas the consolidated subsidiary undertakings operate to a policy of where there is no minimum capitalisation value.

Impairment

The company reviews tangible fixed assets and investments for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recovered. If the carrying amounts are not expected to be recovered by discounted future cash flows, the assets are impaired and an impairment loss recorded in the SOFA.

Cash held on behalf of third parties

Cash is held on behalf of third parties where the charity is legally bound to pay this cash to a third party and has no responsibility for its ultimate application. In these circumstances the transaction is legally a transfer of resources from the principal to the specified third party and the principal retains legal responsibility for ensuring the charitable application of the funds. The group is simply acting as an intermediary and therefore does not recognise these funds on the balance sheet.

Money market deposit

Money market funds are term deposits of 12 months or less with well known UK banking institutions with high credit ratings.

Leases

All leases are operating leases and are charged to the SOFA / income and expenditure account on a straight line basis over the lease term.

Taxation

The charity has been granted charitable status by the Inland Revenue and therefore is not liable for corporation tax. The charity's trading subsidiaries are liable for corporation tax.

The tax expense represents the sum of the current tax expense and deferred tax expense.

Current tax assets are recognised when tax paid exceeds the tax payable. Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2023 (continued)

1 Principal accounting policies (continued)

Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income or expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allowed for tax in a future period except where the Company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Current and deferred tax, other than the tax effects of distributions to owners, is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

The tax expense or income effects of distributions to owners are recognised in profit or loss.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Employee benefits

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined benefit and defined contribution pension plans.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Multi-employer pension plan

Cogent SSC Limited participated in the ITB Pension Scheme, a multi-employer pension plan defined benefit scheme. The company is not legally responsible for the plan and does not have sufficient information to use defined benefit accounting. Where the plan is in deficit and where the entities have agreed with the plan to participate in a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the contributions payable under the agreement that relate to the deficit. Payments made to the Plan are offset against this creditor. Where there is a change in the value of the contributions to be paid to the Plan as a result of the deficit funding arrangement the change is recognised in the Statement of Financial Activities in the period in which the agreement is signed by both parties. The unwinding of the discount is recognised as a finance cost. Further pension details can be found in notes 16 and 19 to the financial statements.

From 1 April 2017 the remaining employees who participated in the defined benefit scheme were transferred into the defined contribution scheme for future service benefits. From 1 August 2022 Cogent SSC Limited employees participate in a separate defined contribution scheme outside of the ITB scheme.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2023 (continued)

1 Principal accounting policies (continued)

During 2022 Cogent SSC Limited entered into a flexible apportionment arrangement with the ITB Pension Scheme where the parent company Cogent Skills Limited took over responsibility for all the liabilities in relation to the defined benefit scheme.

Defined contribution pension plan

Cogent Skills Limited, Cogent Skills Services Limited, Cogent Skills Training Limited and Science Industry Assessment Services Limited all participate in the defined contribution scheme of the ITB. The cost recognised in the SOFA is equal to the contributions payable for the year. The assets of the plan are held separately from the company in independently administered funds.

National Skills Academy for Nuclear Limited participate in a separate defined contribution pension scheme. The cost recognised in the SOFA is equal to the contributions payable for the year. The assets of the plan are held separately from the company in independently administered funds.

Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Recognition and measurement of financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Classification of financial instruments

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial assets and liabilities at amortised cost

Trade, group and other debtors

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument and subsequently measured at amortised cost using the effective interest method. The effective interest rate is the market rate used to determine initial measurement adjusted to amortise directly attributable transaction costs.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract.

Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Trade creditors, group and other creditors

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2023 (continued)

1 Principal accounting policies (continued)

Trade creditors, group and other creditors (continued)

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost, being transaction price less any amounts settled and the cumulative amortisation (using the effective interest method) of any difference between the amount at initial recognition and the maturity amount. The effective interest rate is the rate that discounts estimated future cash payments to the carrying amount of the financial liability.

Bank overdrafts

Bank overdrafts are presented within creditors: amounts falling due within one year.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some (but not substantially all) risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The Trustees consider that there are no material sources of estimation uncertainty.

Critical areas of judgement

Debtor provision

A provision for bad and doubtful debts is established when there is objective evidence that the amounts due will not be collected in line with the usual fee collections.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2023 (continued)

2 Commercial trading operations and investments in trading subsidiaries

The charity has five wholly owned trading subsidiaries Cogent SSC Limited, National Skills Academy for Nuclear Limited (“NSAN”), Cogent Skills Training Limited (“CST”), Cogent Skills Services Limited (“CSS”) and Science Industry Assessment Service Limited (“SIAS”) which are incorporated in the UK.

Income and expenditure accounts for the year ended 31 December 2023

	Cogent Skills Limited £'000	Cogent SSC Limited £'000	NSAN £'000	CST £'000	CSS £'000	SIAS £'000	Inter Co Elim £'000	Total 2023 £'000
Income	2,534	1,089	1,684	1,209	5,391	2,633	(1,297)	13,243
Expenditure	(1,686)	(1,836)	(1,605)	(1,171)	(5,384)	(2,627)	1,297	(13,012)
Surplus/(deficit) for the financial year before interest and taxation and after gift	848	(747)	79	38	7	6	-	231
Interest receivable	25	-	19	-	-	-	-	44
Surplus/(deficit) for the financial year before taxation	873	(747)	98	38	7	6	-	275
Taxation on Surplus/(deficit)	-	-	(10)	-	(1)	-	-	(11)
Surplus/(deficit) for the financial year	873	(747)	88	38	6	6	-	264

Taxation on Surplus	2023 £'000	2022 £'000
Current tax:		
UK corporation tax on Surplus for the year	11	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Taxation on Surplus	11	-

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2023 (continued)

2 Commercial trading operations and investments in trading subsidiaries (continued)

Income and expenditure accounts for the year ended 31 December 2022

	Cogent Skills Limited £'000	Cogent SSC Limited £'000	NSAN £'000	CST £'000	CSS £'000	SIAS £'000	Inter Co Elim £'000	Total 2022 £'000
Income	1,295	717	1,504	904	5,333	1,872	(430)	11,195
Expenditure	(1,185)	(765)	(1,454)	(902)	(5,291)	(1,865)	430	(11,032)
Surplus/(deficit) for the financial year before interest and taxation	110	(48)	50	2	42	7	-	163
Interest receivable	-	-	2	-	-	-	-	2
Surplus/(deficit) for the financial year before taxation	110	(48)	52	2	42	7	-	165
Taxation on Surplus/(deficit)	-	-	-	-	-	-	-	-
Surplus/(deficit) for the financial year	110	(48)	52	2	42	7	-	165

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2023 (continued)

2 Commercial trading operations and investments in trading subsidiaries (continued)

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The tax assessed for the year is different to the standard effective rate of corporation tax in the UK for the year ended 31 December 2023 of 25% (2022: 19%). The differences are explained below:

	Cogent SSC Limited £'000	NSAN £'000	CST £'000	CSS £'000	SIAS £'000	Total 2023 £'000	Total 2022 £'000
(Deficit)/surplus for the financial year before taxation	(747)	98	38	7	6	(598)	55
(Deficit)/surplus for the financial year at standard tax rate in the UK of 25% (2022: 19%)	(187)	25	9	2	2	(149)	10
Effects of:							
Losses (utilised)	-	(5)	(9)	-	-	(14)	(19)
Losses not utilised	187	-	-	-	-	187	9
Expenses (deductible)/ not deductible for tax purposes	-	(10)	-	(1)	(2)	(13)	-
Current tax for the year	-	10	-	1	-	11	-

Factors affecting future tax charges

The rate of UK corporation tax increased to 25% from April 2023.

The assets and liabilities of the subsidiaries at 31 December 2023 were:

	Cogent SSC Limited £'000	NSAN £'000	CST £'000	CSS £'000	SIAS £'000	Total £'000
Fixed assets	9	7	10	3	27	56
Current assets	163	1,871	390	1,073	662	4,159
Creditors: amounts falling due within one year	(113)	(1,182)	(460)	(1,008)	(495)	(3,258)
Creditors: amounts falling after more than one year	-	-	(4)	-	-	(4)
Net assets/(liabilities)	59	696	(64)	68	194	953

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2023 (continued)

2 Commercial trading operations and investments in trading subsidiaries (continued)

The assets and liabilities of the subsidiaries at 31 December 2022 were:

	Cogent SSC Limited £'000	NSAN £'000	CST £'000	CSS £'000	SIAS £'000	Total £'000
Fixed assets	12	7	14	6	7	46
Current assets	867	1,519	368	896	578	4,228
Creditors: amounts falling due within one year	(73)	(918)	(484)	(839)	(265)	(2,579)
Creditors: amounts falling after more than one year	-	-	-	-	(132)	(132)
Net assets/(liabilities)	806	608	(102)	63	188	1,563

3 Charitable activities

	2023 £'000	2022 £'000
Project income	483	406
Membership fees	1,403	1,088
End assessments	2,869	2,046
Course & consultancy sales	1,209	901
ATA – fee income	1,007	1,032
ATA – recharge of employment costs	4,133	4,159
Apprenticeship delivery	1,089	717
Other income	1,050	846
	13,243	11,195

4 Investment income

	2023 £'000	2022 £'000
Bank deposit income	44	2

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2023 (continued)

5 Analysis of expenditure

	Research, policy, Occupational standards and engaging with employers £'000	Governance costs £'000	Cogent SSC £'000	National Skills Academy for Nuclear Limited £'000	Cogent Skills Training Limited £'000	Cogent Skills Services Limited £'000	Science Industry Assessment Service Limited £'000	Intercompany Elimination £'000	Total 2023 £'000
Cost directly allocated to activities									
Salaries and other staff costs	1,021	-	562	640	-	4,134	-	-	6,357
Specific projects	368	-	372	412	502	169	710	(67)	2,466
Other costs	39	-	141	-	-	-	-	-	180
	1,428	-	1,075	1,052	502	4,303	710	(67)	9,003
Support costs									
Salaries and other staff costs	3	-	-	315	502	747	823	689	3,079
Marketing and communications	58	-	-	13	9	28	56	-	164
Premises costs	45	-	11	11	30	17	22	-	136
Other costs	134	18	750	224	128	290	1,016	(1,919)	641
	240	18	761	563	669	1,082	1,917	(1,230)	4,020
Total expenditure	1,668	18	1,836	1,615	1,171	5,385	2,627	(1,297)	13,023

The support costs have been allocated on a per capita basis.

Other costs in the table above include a taxation charge of £11,000 (2022: £nil) which is disclosed separately for the purpose of the consolidated income and expenditure account on page 22.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2023 (continued)

5 Analysis of expenditure (continued)

The comparative numbers for 2022 are:

	Research, policy, Occupational standards and engaging with employers £'000	Governance costs £'000	Cogent SSC £'000	Cogent (Telford) Limited £'000	National Skills Academy for Nuclear Limited £'000	Cogent Skills Training Limited £'000	Cogent Skills Services Limited £'000	Science Industry Assessment Service Limited £'000	Intercompany Elimination £'000	Total 2022 £'000
Cost directly allocated to activities										
Salaries and other staff costs	708	-	435	-	597	-	4,160	-	-	5,900
Specific projects	174	-	191	-	381	281	87	518	(112)	1,520
Other costs	62	-	139	-	-	-	-	-	-	201
	944	-	765	-	978	281	4,247	518	(112)	7,621
Support costs										
Salaries and other staff costs	44	-	-	-	280	493	676	631	613	2,737
Marketing and communications	9	-	-	-	20	3	11	20	-	63
Premises costs	30	-	-	-	10	24	19	22	-	105
Other costs	144	14	-	-	166	101	338	674	(931)	506
	227	14	-	-	476	621	1,044	1,347	(318)	3,411
Total expenditure	1,171	14	765	-	1,454	902	5,291	1,865	(430)	11,032

The support costs have been allocated on a per capita basis.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2023 (continued)

6 Net incoming resources

	2023 £'000	2022 £'000
Net incoming resources is stated after charging:		
Amortisation of intangible fixed assets – owned	11	7
Depreciation of tangible fixed assets – owned	41	39
Auditors' remuneration: audit services	48	42
: other services	-	-
Operating lease rentals – other	64	71

7 Trustees' emoluments

Two trustees (2022: two) received aggregate emoluments of £269,473 (2022: £255,427) including pension contributions of £13,304 (2022: £12,283) during the year for their services as employees, in accordance with the articles of the charity. No trustees (2022: nil) have received reimbursement (2022: £nil) for travel and subsistence expenses. Professional indemnity insurance, which cost the charity £3,269 (2022: £3,174) is in place with a limit of £2 million.

8 Employee information

The monthly average number of persons employed by the group (including directors) during the year is analysed below:

	Group		Company	
	2023 Number	2022 Number	2023 Number	2022 Number
Administration	88	78	23	19

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2023 (continued)

8 Employee information (continued)

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Employee costs in relation to the above employees				
Wages and salaries	3,995	3,447	1,191	975
Social security costs	391	362	114	100
Other pension costs	296	260	61	46
	4,682	4,069	1,366	1,121

The number of employees whose employee benefits (excluding employer pension costs and employer national insurance contributions) exceeded £60,000 was:

Salaries and benefits	2023 Number	2022 Number
£60,000 - £70,000	6	6
£70,001 - £80,000	3	2
£80,001 - £90,000	-	1
£90,001 - £100,000	1	1
£100,001 - £110,000	2	2
£110,001 - £120,000	-	-
£120,001 - £130,000	-	-
£130,000 +	1	1

The number of higher paid employees accruing retirement benefits was 13 (2022: 13).

Remuneration of key management personnel

The total remuneration, including employer's national insurance and pension contributions, of key management personnel of the group for the year was £867,927 (2022: £771,504). Key management personnel comprise of the executive directors and the senior management team.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2023 (continued)

9 Intangible assets

Group	Computer software £'000	Total £'000
Cost		
At 1 January 2023	491	491
Additions	25	25
Disposals	-	-
At 31 December 2023	516	516
Accumulated depreciation		
At 1 January 2023	469	469
Charge for year	11	11
Disposals	-	-
At 31 December 2023	480	480
Net book value		
At 31 December 2023	36	36
At 31 December 2022	22	22

Company	Computer software £'000	Total £'000
Cost		
At 1 January 2023	27	27
Additions	5	5
Disposals	-	-
At 31 December 2023	32	32
Accumulated depreciation		
At 1 January 2023	5	5
Charge for year	7	7
Disposals	-	-
At 31 December 2023	12	12
Net book value		
At 31 December 2023	20	20
At 31 December 2022	22	22

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2023 (continued)

10 Tangible assets

Group	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost			
At 1 January 2023	130	256	386
Additions	-	25	25
Disposals	(3)	(29)	(32)
At 31 December 2023	127	252	379
Accumulated depreciation			
At 1 January 2023	73	211	284
Charge for year	16	25	41
Disposals	(3)	(29)	(32)
At 31 December 2023	86	207	293
Net book value			
At 31 December 2023	41	45	86
At 31 December 2022	57	45	102

Company	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost			
At 1 January 2023	47	28	75
Additions	-	9	9
Disposals	-	-	-
At 31 December 2023	47	37	84
Accumulated depreciation			
At 1 January 2023	8	12	20
Charge for year	9	9	18
Disposals	-	-	-
At 31 December 2023	17	21	38
Net book value			
At 31 December 2023	30	16	46
At 31 December 2022	39	16	55

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2023 (continued)

11 Investments

Interests in subsidiary undertakings

Details of subsidiary undertakings held by Cogent Skills Limited at £nil carrying value apart from SIAS, of which the company has an investment in the share capital of £140,000, are as follows:

Name of company, company registration number and address of incorporation and operation	Description of shares held	Proportion of nominal value of issued shares	Principal activity
Cogent SSC Limited (SC129351) Blue Square House, 272 Bath Street, Glasgow Scotland, G2 4JR	Ordinary	100%*	Education and training
National Skills Academy for Nuclear Limited (06423637) The Base, Dallam Lane, Warrington, England, WA2 7NG	Ordinary	100%*	Education and training
Cogent Skills Training Limited (06430341) First Floor, 720 Mandarin Court, Lakeside Drive, Centre Park, Warrington, Cheshire, England, WA1 1GG	Ordinary	100%*	Education and training
Cogent Skills Services Limited (07806185) First Floor, 720 Mandarin Court, Lakeside Drive, Centre Park, Warrington, Cheshire, England, WA1 1GG	Ordinary	100%*	Promotion of Technical Apprenticeships
Science Industry Assessment Service Limited (09396974) First Floor, 720 Mandarin Court, Lakeside Drive, Centre Park, Warrington, Cheshire, England, WA1 1GG	Ordinary	100%	Administration services

* These subsidiary undertakings are limited by guarantee and the company is the sole subscriber.

12 Debtors

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade debtors	2,859	1,846	402	168
Amounts owed by group undertakings	-	-	99	243
Other debtors	17	9	17	9
Prepayments and accrued income	578	372	328	142
	3,454	2,227	846	562

Amounts owed by group undertakings are interest free and payable on demand.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2023 (continued)

13 Creditors: amounts falling due within one year

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade creditors	468	347	76	120
Taxation and social security	748	522	93	26
Bank Loan	-	48	-	-
Other creditors	187	16	-	-
Accruals	877	724	202	165
Deferred income	1,954	1,292	703	302
	4,234	2,949	1,074	613

Deferred income comprises contract income received in advance of contract outputs delivered.

	Group	Company
	£'000	£'000
Balance as at 1 January 2023	1,292	302
Amount released from previous years	(1,292)	(302)
Incoming resources deferred in year	1,954	703
Balance as at 31 December 2023	1,954	703

The group balance above includes £1,954,000 (2022: £1,292,000) of amounts falling due within one year and £nil (2022: £nil) of amounts falling due after more than one year.

14 Creditors: amounts falling due after more than one year

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Dilapidations	12	-	9	-
Bank Loan	-	132	-	-
	12	132	9	-

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2023 (continued)

15 Members' liability

Members' liability is limited by guarantee not exceeding £10 per member (7 members) (2022: 7 members).

16 Commitments

At 31 December 2023 the group had total commitments under non-cancellable operating leases expiring as follows:

	2023 Land and buildings £'000	2022 Land and buildings £'000	2023 Other £'000	2022 Other £'000
Within one year	64	61	-	-
Within two to five years	145	179	-	-
	209	240	-	-

Company	2023 Land and buildings £'000	2022 Land and buildings £'000	2023 Other £'000	2022 Other £'000
Within one year	37	37	-	-
Within two to five years	89	126	-	-
	126	163	-	-

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2023 (continued)

17 Pensions

Cogent SSC Limited participates in the ITB Pension Scheme, a multi-employer pension plan defined benefit scheme. The employers share the actuarial risks associated with all employees and former employees. The company is not legally responsible for the plan and does not have sufficient information to use defined benefit accounting.

From 1 April 2017 the remaining employees who participated in the defined benefit scheme were transferred into the defined contribution scheme for future service benefits. From 1 August 2022 Cogent SSC Limited employees participate in a separate defined contribution scheme outside of the ITB scheme.

During 2022 Cogent SSC Limited entered into a flexible apportionment arrangement with the ITB Pension Scheme where the parent company Cogent Skills Limited took over responsibility for all the liabilities in relation to the defined benefit scheme.

The latest triennial review of the scheme was at 31 March 2023. The fund has insured the majority of pensioner liabilities through a number of buy-in policies. The buy-ins have changed the fund's risk profile and funding position significantly since the 2016 valuation.

At the review date, the actuarial value of the assets of the scheme was £543.9 million and the value of liabilities was £519.1 million, leaving a surplus of £24.8 million representing a funding level of 105% (2019 104%). The next formal actuarial valuation is due at 31 March 2025. The solvency position is equivalent to a funding level of 95% (2019:87%).

The total pension cost for the group was £296,000 (2022: £260,000). This includes £16,000 (2022: £15,000) outstanding contribution at the balance sheet date. The contributions rate payable by the group was up to 8.35%.

CS, CSS, CST, SIAS and NSAN operate defined contribution pension schemes.

18 Unrestricted income funds

	Group	Company
	£'000	£'000
At 1 January 2023	1,732	309
Surplus for the financial year	264	873
At 31 December 2023	1,996	1,182

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2023 (continued)

19 Reconciliation of movements in members' funds

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Surplus for the year	264	165	873	110
Opening members' funds	1,732	1,567	309	199
Closing members' funds	1,996	1,732	1,182	309

20 Related party transactions

During the year Cogent Skills Limited entered into no transactions with its subsidiaries (2022: none).

21 Net cash inflow from operating activities

Group	Note	2023 £'000	2022 £'000
Net income before tax		275	165
Investment income	5	(44)	(2)
Depreciation and amortisation		52	46
Loss on disposal of fixed assets		-	2
Increase in debtors		(1,227)	(155)
Increase in creditors		1,334	(362)
Taxation		-	53
Net cash inflow/ (outflow) from operating activities		390	(253)

22 Analysis of net cash

Group	At 1 January 2023 £'000	Cash flow £'000	At 31 December 2023 £'000
Cash at bank and in hand	1,962	(46)	1,916
	1,962	(46)	1,916

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2023 (continued)

23 Analysis of net funds/(debt)

	At 1 January 2023 £'000	Cash flow £'000	At 31 December 2023 £'000
Group			
Cash at bank and in hand	1,962	(46)	1,916
Money market deposits	500	250	750
	2,462	204	2,666
Borrowings			
Loans falling due within one year	(48)	48	-
Loans falling due after more than one year	(132)	132	-
Total	2,282	384	2,666

24 Controlling party

The charity has 7 (2022: 7) members representing the science based industries covering industrial sciences (including petroleum refining and distribution, chemical manufacturing, and polymers), life sciences (including pharmaceuticals and medical technologies) and nuclear. The trustees do not consider there to be a controlling party on the basis that each of the members has equal voting rights. Cogent Skills Limited is the only company to consolidate these results.

COGENT SKILLS LIMITED

England & Wales - Charity number 1166082

Accounts

Cogent Skills Limited
Annual Report and Financial Statements
for the year ended 31 December 2022

Company Registered number: 09361100

Charity Registration Number: 1166082

Cogent Skills Limited

Annual report and financial statements for the year ended 31 December 2022

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Cogent Skills Limited

Strategic report for the year ended 31 December 2022

The trustees, who are also directors of the charitable company, present their strategic report on the Cogent Skills Limited group for the year ended 31 December 2022.

1. Review of business

Cogent Skills is committed to growing the nation's scientific talent base. Through our individual businesses, we aim to be the skills partner of choice for employers; working in partnership to deliver the skills needs and ambitions for employers across the science and technology sector.

During 2022 we took steps to position the Cogent Skills Group for future success. Driven by a changing external landscape, including the growth of emerging low carbon technologies, we sought to simplify our offer, modernising our business, our brand and our digital footprint. The launch of our new website in the latter part of the year features a modern design, improved functionality, and easy access to our diverse range of skills solutions.

Cogent Skills facilitated the development of the UK's first National Occupational Standards (NOS) for hydrogen production, storage, and transportation. The new technical standards are being developed in collaboration with employers in the industry, which is a critical step towards establishing a highly skilled and competent workforce, and underpins our ambition to become skills leader for green technologies.

Our Membership Business Unit provides a strategic skills proposition to employers in both the science and nuclear sector. The Science Industry Partnership (SIP) includes some of the most recognised names in our industry working together to improve the outlook for skills. As an employer-led representative voice, extending our reach and influence requires strength in numbers. To that extent, we continued to develop and evolve our membership proposition, ensuring it remains relevant to employers across the science sector.

The Nuclear Skills Strategy Group (NSSG) represents the breadth and depth of the UK nuclear sector across both civil and defence. While Russia's invasion of Ukraine reshaped global conversations around energy security, the publication of the Government's *British Energy Security Strategy* set out plans for civil nuclear to generate up to 24GW of electricity by 2050 (an increase of 300%) along with the launch of Great British Nuclear. Work to build a skills base capable of meeting the demands of the sector, is now more relevant than ever, and the NSSG continues to lead the way.

Across the Cogent group, demand for commercial services remained strong. With a robust customer pipeline, our Apprenticeships and Graduates business unit saw the continued uptake of its range of specialist recruitment and delivery services. Whilst our Courses and Consultancy business provided invaluable process safety and regulatory support to boardrooms and operational teams across the UK. Our apprentice end-point assessment (EPA) organisation (SIAS), maintained its exceptional performance, steadily building on a solid track record of success.

The results on page 19 show a net income of £165,000 (2021: £401,000) with total income of £11,197,000 (2021: £11,477,000).

2. Strategic objectives

Cogent Skills is a group of companies comprised of Cogent Skills, Cogent SSC, Cogent Skills Services, Cogent Skills Training, NSAN and SIAS. Collectively these companies' purpose is entirely focused on skills and supporting the skills needs and ambitions of individual employers and their employees. Cogent Skills is sector based, working with companies from across the Science Industries embracing Life Sciences, Industrial Sciences and Nuclear. Cogent Skills is owned by the leading Science Industry Trade Associations.

Cogent Skills Limited

Strategic report for the year ended 31 December 2022 (continued)

Cogent Skills Vision and Mission

Our Group Vision:

“Skills, to better our World”

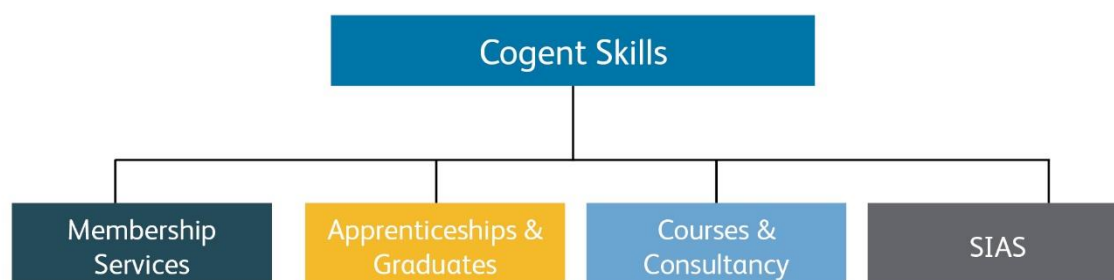
Our Group Mission:

“We are here to ensure Science & Technology employers have the skills needed for success. We influence for the good of our sector, harnessing the power of collaboration, and provide industry-specific skills services to create a safe and productive, future-ready workforce.”

An updated strategic plan covering 2023-25 set a direction of travel for the Cogent Skills Group both in terms of the corporate objectives, supported by the Board and the individual business unit plans.

Business Units

Cogent Skills operates through four Business Units each with a unique service offering. Our subsidiary, the National Skills Academy for Nuclear (NSAN) operates distinctly with its own Business Plan and Board. The Businesses seek to support each other, unlocking synergies where possible, to benefit our customers and improve bottom line performance.



Cogent Skills Limited encompasses the business unit of membership services and the central corporate team. Cogent SSC Limited is the apprenticeship delivery part of the apprenticeship and graduate business unit. Cogent Skills Services Limited is the ATA part of the apprenticeship and graduates business unit. Cogent Skills Training Limited consists of the courses and consultancy business unit. SIAS Limited is the end assessment business unit.

Cogent Skills Limited

Strategic report for the year ended 31 December 2022 (continued)

3. Development and performance

Membership Business Unit

Science Industry Partnership (SIP)

The SIP is a powerful membership alliance, offering employers the opportunity to collaborate on skills with one influential voice to Government - ensuring the science sector is heard and understood. The SIP played a lead role in developing the 2030 Life Science Skills Strategy – which addresses the sector’s skills requirement over the next decade.

In 2022, the SIP published its Technical Education Skills Manifesto. Focusing on current apprenticeship and technical education policy in England, the manifesto outlined four key recommendations that would enable the UK science sector to take significant strides forward to secure the skills needed now and in the future.

The SIP continues to work to ensure the apprenticeship system accurately reflects the needs of employers, via the Apprenticeship Strategy Group and National Apprenticeship Survey giving employers a platform and an influential voice to drive the skills agenda.

SIP labour market intelligence provides sector-wide insight into the use of apprenticeships and their funding, with the latest figures revealing that although the science industry continues to embrace apprenticeships and technical education, more work is required to deliver the vision of apprenticeships for the sector. Our SIP Ambassador programme continued to equip science professionals with the skills and resources to inspire the next generation of STEM talent within schools in their own communities. This activity extended in 2022 to include the launch of a Careers Taskforce, which will see early careers professionals actively driving the outreach strategy for the sector.

Nuclear Skills Strategy Group (NSSG)

As the Nuclear industry skills lead, the NSSG brings together key stakeholders to address the sector’s skills challenges and provide one voice to Government.

During 2022 the NSSG re-aligned and restructured itself for success, following the completion of a landscape review which sought to increase efficiency and minimise duplication within the skills landscape.

The nuclear sector skill demands come from the client organisations owning the major projects. These organisations’ activities set the demand for skills in UK Nuclear. They form the Strategic Skills Board in the NSSG, where they identify, quantify and manage the key skills risks and prioritise actions and interventions to address these risks where collaborative risk mitigation effort is the right solution.

The supply of skills for nuclear is delivered by a much broader set of organisations (including those in the client supply chain) who are uniquely placed to understand the availability of skills and will already be identifying solutions for their own future skills needs. Through the NSSG Enabling Forum, they work with organisations who support the delivery of skills to a) identify and signpost existing solutions that need scaling up and b) develop innovative and cost effective solutions where none currently exist. These prioritised skills mitigation activities will be delivered through subgroups of the Enabling Forum, sponsored by the Strategic Skills Board.

This co-ordinated approach to identifying skills risks allows for a more holistic approach to planning, creating an evidence backed, single source of truth on the state of skills for nuclear. Subsequent decisions around interventions can be made with a clear view of what action is already taking place, minimising duplication of effort and sending clear signals of intent to the wider market.

Cogent Skills Limited

Strategic report for the year ended 31 December 2022 (continued)

3. Development and performance (continued)

Standards

During 2022 SIP supported trailblazer activity for:

Science Manufacturing Technician (Level 3) - revision
Composites Technician (Level 3) - revision
Polymer Processing Technician (Level 3) - new standard
Battery Manufacturing Technician (Level 3) - new standard

Trailblazer support continued from the 2021 activity and focused on developing and revising standards following the Engineering and Manufacturing Route Review and the decision to split the Science Manufacturing Technician standard into industry-specific standards. Throughout 2022 SIP worked with a wide range of sector employers, providers, and stakeholders to create occupational proposals and outline occupational standards for Battery Manufacturing and Polymer Processing as well as continuing to work on the core Science Manufacturing Technician standard to draft out a future replacement.

The SIP has maintained a strong interest in the policy reforms around degree apprenticeships, qualifications and funding for apprenticeship standards, resulting in the publication of the Technical Skills Manifesto in Autumn 2022.

The SIP has been involved in T Level activity throughout 2022, supporting Department of Education activity with focused T Level Action Groups for both Health and Science and Engineering and Manufacturing, whilst continuing to support employers understanding of T Levels and exploring the benefits of industry placements.

Apprenticeships and Graduates Business Unit

At the start of 2022 the UK emerged from a year of lockdowns and disruption and made a positive start to rebuilding our ATA numbers, which suffered an 11% drop during the previous year (giving us a starting headcount of 216 and an average of 211 over the year).

We started the year with the understanding that the Education and Skills Funding Agency (ESFA) would be closing the ATA register after eleven years and asking existing registered ATAs to make a full application to become one of the new Flexi-Jobs Apprenticeship Agencies (FJAA) by the end of September 2022 if we wished to continue to employ apprentices on behalf of host employers.

We received notification in December 2022 that our application was one of the 50% which were successful and we would be placed on the new register from 3rd January 2023 to cover life sciences, industrial science, technology, nuclear and defence on a national basis.

There will be 32 approved FJAAs on the register charged by the ESFA and the Department for Education (DfE) with increasing apprenticeship numbers through host employment and spearheading the following:

- Frontloading – embedding skills early so apprentices can hit the ground running from day one in the workplace
- Accelerate – allowing apprentices with skills and experience to complete their training more quickly.
- Portability – enabling moves between employers and the ability to step on and off the apprenticeship to meet short term contracts

A review of our service mid 2022 evidenced that 63% of our apprentices and graduates are hosted by the pharmaceutical sector, 17% by chemical manufacturing, 10% by petrochemicals with the remaining 10% in medical technology or R&D.

Our Employer Services Customers during the year included companies involved in the following: petrochemicals, nuclear equipment, powder processing, vaccines, pigments, coatings, medical devices, biotechnology, pharmaceuticals, and polymers. Our ambition will see a strengthening of our engagement with the industrial science sector along with opportunities with emerging technologies.

Cogent Skills Limited

Strategic report for the year ended 31 December 2022 (continued)

3. Development and performance (continued)

For 2023, management's expectations are for a further recovery in learner starts across apprenticeships due to increasing availability of 16-year-olds leaving full time education (due to higher birth years from 2007). However, challenges across placements and graduate activities are expected to be exacerbated by the relatively full employment market and wage inflation on one side, with the short-term economic outlook and low birth rates in 2002/3 on the other.

Apprenticeship Delivery registered through the ESFA, accredited by City & Guilds, Pearson, GQA and NCFE and offering four current apprenticeship standards across the life and industrial science industry, the newest part of the offer from the business unit is the introduction of the Process Leader level four standard. Much of our current business is within the manufacturing of chemicals, Petro-chemicals and pharmaceuticals with our laboratory technician apprenticeship crossing into research and development functions across employers within Biotechnology, Consumer Goods, Pharmaceuticals, Chemicals, Energy Oil & Gas, Coatings, and Medical Devices but with new customers in technology and supply chain.

Quality & Compliance has remained at the forefront, building on our Quality Improvement Plan (QIP) and enhancing our Self-Assessment Report (SAR) to maintain compliance with the Education Skills Funding Agency (ESFA) and OFSTED. During 2022 we embarked on our journey to acquire quality standard ISO9001 that should conclude in March 2023. We also attained Matrix Standard accreditation, achieved with no improvement requirements or recommendations allowing CSSC to deliver high quality advice and guidance to learners on progression and careers options.

Although we did not receive an Ofsted visit for CSSC this year, we conducted an external Quality Deep Dive assessment which achieved a "good" grading for our delivery. An internal compliance audit delivered 0% errors and a solid processes report while improving all our provider matrix outcomes and retaining extremely high retention rates of 98% compared to national averages of 68% for science subjects. Furthermore, our feedback through the external Gov.uk apprenticeship service gave CSSC a rating of Excellent! This all puts the provider business in a very good position to grow in the coming years.

In 2022 there was a change in the leadership of our governance committee and the appointment of Claire Foreman former Vice Principle of Wigan & Leigh College and now Director of the GM Institute of Technology replacing Terry Weston, providing educational and industry insight. Focus in 2023 will be to strengthen this committee further by the appointment of a Further Education (FE) expert and possibly an industry employer.

Focus during 2022 was on increasing our learner numbers to pre-pandemic levels with an ambitious target of 100 starts, this was exceeded by 30% and now have around 200 live learners. Digitalization of learning content remains one of our key activities along with enhancement of curriculum and enrichment of our learner content while adding value to our offer through the introduction of transitional and emerging technologies. Our midyear analysis of sectors we deliver to showed 44% were employers in chemical manufacturing, 43% in petrochemicals, 7% other manufacturing technologies and 6% pharmaceutical. Our focus will now be growing our learner numbers to 250 starts per year and tripling our turnover by 2025.

Courses and Consultancy Business Unit

The unexpected and continued effects of COVID-19 and additional lockdowns impacted on the Q1 delivery of courses, however the hard work completed by the team to create the sales pipeline meant that Q4 was one of the busiest periods for the team and this is forecast to continue into 2023. Course sales were £627k of which £286k (46%) was delivered in Q4.

As a result of this and a targeted sales/ marketing plan employers took up programmes of both Process Safety and Competence Consultancy throughout the year. The large contract with National Grid during 2021 for an in depth competency / change management project was extended into 2022 and accounted for £140k of the consultancy income in 2022. This underpinned the consultancy delivery for the year.

We have continued to support our customers with a flexible approach to delivery, utilising our associate network to protect existing margins and adapting to differing delivery requests and formats. We were pleased with the outcome of our bespoke course development projects with many customers asking for significant course delivery throughout their workforce going into 2023 with several more companies in the pipeline.

Cogent Skills Limited

Strategic report for the year ended 31 December 2022 (continued)

3. Development and performance (continued)

We continue with a prudent approach to cost control, adoption of alternative technology and flexible working to enable business operations to continue and protect revenue streams.

As we enter 2023 with a healthy order book, we remain cautiously optimistic for growth.

Science Industry Assessment Service

SIAS provides End-Point Assessment (EPA) services for the technical Science, Manufacturing, and Engineering industries working with a range of Employer and Provider partners, and other stakeholders, across the apprenticeship sector.

SIAS delivered an exceptionally strong year for learner registrations in 2022, a transformational year in many respects, with an ambitious new MD Steve Smith entering the business in January alongside a new and talented senior leadership team.

A strong commercial performance and healthy pipeline, fuelled by several new and significant contracts and a strengthening of existing partnerships, saw the number of End Point Assessments (EPA's) delivered during the year grow to 555, and new registrations to 1,118, representing a significant year on year uplift, and an overall strong performance.

2022 also saw SIAS expand its product portfolio further and be approved to deliver EPA services for an additional four new standards. SIAS has developed a strong product roadmap to support achieving business goals in 2023 and beyond.

The selection, implementation and go-live of EPAPro, a first EPA system for SIAS, was another major positive development in 2022 – delivering efficiencies and a strengthening of operational and compliance processes internally, as well as contributing to a quickly evolving value proposition to customers and the market.

In a further boost, SIAS, after a robust and rigorous application process carried out across 2021, was able to successfully achieve full Ofqual recognition effective from January 2022. This positive development is not only a testament to SIAS's commitment to quality and on-going continuous improvement, but also provides added confidence to employers, apprentices, and training providers in the reliability and long-term stability of the SIAS offering. A robust continuous improvement plan was implemented across 2022 post Ofqual approval, to ensure that all ways of working, policies and processes were fully compliant and this culminated in SIAS being able to submit a fully compliant first annual Statement of Compliance to Ofqual in December.

2023 promises to be another exciting year both commercially and strategically building on the success of 2022. With plans to expand our portfolio by an additional ten standards, several new significant commercial partnerships with national employers beginning, the introduction of a Testing Platform to support transition to a more flexible paperless assessment model, and the continued build out of resource and capability to support future growth forecasts, SIAS continues its relentless drive towards becoming one of the leading EPAOs nationally.

National Skills Academy for Nuclear

NSAN (National Skills Academy for Nuclear) is a subsidiary within the Cogent Group and well established as the collective and collaborative skills forum for the nuclear industry. Led by employers, from both civil and defence, NSAN provides valuable, cost-effective and practical skills solutions.

During the year, NSAN delivered the UK Nuclear Skills Awards, the event remains a key fixture in the nuclear calendar and brings together nearly 300 professionals from across the nuclear industry to celebrate the success and high achievement of individuals in a number of award categories, including Apprentice, Graduate, STEM, Subject Matter Expert, and Equality, Inclusion, and Diversity.

Cogent Skills Limited

Strategic report for the year ended 31 December 2022 (continued)

3. Development and performance (continued)

Cogent in the Devolved Administrations

As noted in the Standards section, during 2022 Cogent worked with a number of employers and interested organisations on the review, development and translation of qualification products as part of their Standards and Frameworks contract across all the Devolved Administrations - Scotland, Wales, England and Northern Ireland.

Cogent has been working on the following projects:

1. Development of New National Occupational Standard in Hydrogen Production, Storage and Transportation
2. Development of New National Occupational Standards in Life Science Digital Imaging
3. Review of the Life Science and Laboratory and Associated Technical Activities National Occupational Standards
4. Review of the Welsh Apprenticeship in Laboratory Technicians Level 2, 3 and 4
5. Review of the Welsh Apprenticeship in Process Manufacturing Level 2 and 3

Cogent People

We believe our long-term success is down to the talent and commitment of our people right across the Cogent business. We continue to engage colleagues with a raft of informal initiatives designed to create a sense of fun and energy from gift hampers to health and wellbeing challenges.

More formally, our ASPIRE scheme is open to all Cogent employees and continues to provide recognition and reward for members of staff who go ‘above and beyond’ for our customers. We continue to hold quarterly Communication Days, bringing team members together virtually or face to face for updates and discussions about business performance.

Looking Ahead

Our Strategic Plan sets the direction of travel for Cogent for the period 2023- 2025 and beyond. It builds on previous success but represents a slight shift, as we respond to changes in the external environment and key skills trends. A sustainable return ensures delivery of the charitable objectives of the business with the goal of redirecting commercial income to facilitate charitable good causes aligned to the interests of our customers, our people, and the industries we serve.

The adoption of a balanced scorecard approach balances financial measures with performance measures and objectives related to all other parts of the organisation.



Cogent Skills Limited

Strategic report for the year ended 31 December 2022 (continued)

4. Principal risks and uncertainties

The trustees consider the principal risks and uncertainties to be related to financial risk and these are discussed on page 13 in the Trustees' report.

5. Financial review

The group's performance during 2022 reflected a positive year in a challenging environment.

The results for the year show a net income of £165,000 (2021: £401,000). Total income decreased by 2 per cent to £11,197,000 (2021: £11,477,000) and total expenditure decreased by 1 per cent to £11,032,000 (2021: £11,076,000). As at 31 December 2022, the unrestricted reserves of the group amounted to £1,732,000 (2021: £1,567,000).

Cogent Skills Limited made a surplus of £110,000 (2021: £199,000). This includes Gift Aid of £318,000 (2021: £300,000).

Cogent SSC Limited made a deficit of £48,000 (2021: £169,000). Income was lower at £717,000 (2021: £1,047,000) mainly due to the Membership & Corporate business units now transferred to Cogent Skills Limited.

Cogent Skills Services Limited (CSS) had a good year with a surplus of £42,000 (2021: £137,000). Gift Aid of £118,000 (2021: £nil) is included in the results.

Cogent Skills Training Limited (CST) made a surplus of £2,000 (2021: £47,000).

NSAN, the nuclear academy, made a surplus of £52,000 (2021: £170,000) on income of £1,504,000 (2021: £1,503,000). The surplus includes a R&D tax credit of £nil (2021: £55,000).

The Science Industry Assessment Service Limited (SIAS) made a surplus of £7,000 (2021: £17,000). Gift Aid of £200,000 (2021: £300,000) is included in the results. SIAS had a good performance from an expanding product portfolio.

The group's accounting policies are set out in note 1 to the financial statements. These policies are consistent with the accounting policies applied in previous years.

Reserves policy

As at 31 December 2022, the unrestricted reserves of the group amounted to £1,732,000 (2021: £1,567,000). The target level of reserves of the charity is £2,100,000 representing a minimum six months operating costs of the charity and ensuring that sufficient funds are available to sustain the group. The reserves policy is reviewed annually.

Cogent aim to make surpluses over time to help preserve the viability of the charity and provide confidence to those providing funding that the charity is prudently controlled. At present, the trustees conclude that they have sufficient reserves to continue the activities of the charity at the current level. Taking into account the future activities and the current economic environment the trustees expect to reach the targeted level of reserves within five years.

Going concern

Forecasts have been prepared through until December 2025 which take account of the current environment and possible future developments. The cash balances and available facilities are sufficient to remove any concerns over liquidity and the going concern basis of preparation of the accounts.

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Cogent Skills Limited

Strategic report for the year ended 31 December 2022 (continued)

5. Financial Review (continued)

Income generation

Cogent's main sources of revenue are products and services delivered in the UK, employer contributions and project funding from government and other agencies. The principal funding sources were funding from the ESFA, external grant income and subscription income from employers.

Expenditure

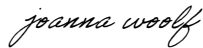
The main expenditure for the charitable group continues to be remuneration costs amounting to 37 per cent (2021:34) of total expenditure.

Key performance indicators ("KPIs")

Monthly management reports are produced, providing information on the key performance indicators of the business. These are reviewed at monthly team meetings and at Directors' meetings. This facilitates the assessment and mitigation of risks and determines the future direction and activities required to meet targets. The KPIs on which the Group focuses are:

- Net surplus
- Cash balances
- Income streams

Approved by the board of trustees and signed on its behalf by:



J Woolf

Trustee

21/09/23

Cogent Skills Limited

Trustees' report for the year ended 31 December 2022

The trustees present their report and the audited consolidated financial statements for the year ended 31 December 2022. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

1. Reference and administrative details

The charity, Cogent Skills Limited is registered with Companies House with Company registration number 09361100 and charity registration number 1166082 with the Charity Commission for England and Wales.

The directors of the charitable company are its trustees for the purpose of charity law. The trustees and officers serving during the year and up to the date of signing the financial statements were:

Chairman

J Woolf

Trustees

J Fosh

K Gorge

S Elliott

S Earp

N Gardiner

K Woods-Ruddick

C Reed appointed 19 April 2022

E Collins appointed 16 August 2022

J Howe appointed 28 April 2022

E De Jong appointed 1 September 2022

S Harris appointed 28 March 2023

K Mingay appointed 28 March 2023

S Ferns appointed 1 June 2023

Other trustees who served during the financial year:

C Parr resigned 14 January 2022

S Jones resigned 14 January 2022

T Burke resigned 28 March 2023

M Barber appointed 14 January 2022 and resigned 17 October 2022

T Weston appointed 28 January 2022 and resigned 22 July 2022

Principal Office

First Floor, 720

Mandarin Court

Lakeside Drive

Centre Park

Warrington

WA1 1GG

Registered Office

First Floor, 720

Mandarin Court

Lakeside Drive

Centre Park

Warrington

WA1 1GG

Cogent Skills Limited

Trustees' report for the year ended 31 December 2022 (continued)

1. Reference and administrative details (continued)

Chartered Accountants & Statutory Auditors

RSM UK Audit LLP

3 Hardman Street

Manchester,

M3 3HF

Solicitors

GLP Solicitors

4th Floor

8 Haymarket Street

Bury

BL9 0AR

Bankers

Bank of Scotland

31 High Street

Montrose

DD10 8LT

Cogent Skills Limited

Trustees' report for the year ended 31 December 2022 (continued)

2. Structure, governance and management

Governing document

Cogent Skills Limited (Cogent) is a company limited by guarantee with charitable status, registered with the Charity Commission for England and Wales. Cogent is governed by its Memorandum and Articles of Association to allow for its current governance arrangements. There are currently 7 members (2021:7), each of whom agrees to contribute £10 in the event of the charity winding up.

Governance

The board and executive are committed to executing business in a transparent, fair and ethical way. We have embraced the Code of Good Governance for Charities and use this to ensure compliance, accountability and continuous improvement as well as the ethical standards set out in the 7 Nolan Principles.

Activities

Cogent Skills Limited is on the register of charities in England and Wales with a number of charitable objectives around the educational, training and development needs of employers and employees in the science based industries.

Cogent Skills plan to promote and organise co-operation between employers, employees, schools, providers, local authorities and other skills partners around training and education.

Cogent Skills is sector-based working with companies from across the science industries embracing life sciences, industrial sciences and nuclear. Cogent Skills has particular expertise in STEM and industry regulation with respect to skills and competence.

Cogent Skills Vision is for 'Skills, to better our world'

Cogent Skills strategic objectives are:

- To have a pipeline of young people with the capability, drive and ambition to build a globally competitive science based industry in the UK; and
- To support the development of the existing workforce to acquire the skills needed to adopt new technologies and innovate new products and services.

The Cogent Group comprises Cogent Skills Limited, Cogent SSC Limited, Cogent Skills Services Limited (CSS), Cogent Skills Training Limited (CST), Science Industry Assessment Service Limited (SIAS) and National Skills Academy for Nuclear Limited (NSAN).

Cogent Skills Limited, Cogent SSC, CSS and SIAS work together to support the Science Industries under the new leadership of the Science Industry Partnership (SIP).

Cogent Skills Training Limited promotes and provides vocational education training and re-training to improve the skills of the science-based workforce and to promote the development of industry, commerce and enterprise of all forms primarily for the benefit of the science-based industries.

NSAN works independently and is the nuclear industry's leading, not for profit, membership organisation for the sourcing and provision of skills solutions.

The approach is evidence-based and employer-led, with the ambition to boost sector innovation, growth, and competitiveness through skills. Cogent Group solutions are adopted by every size of organisation, from SMEs through to global companies.

Appointment of trustees

As set out in the Articles of Association, the trustees are appointed by the members through the nominations committee. The nominations committee is made up of up to five trustees. It considers the requirement for specialist skills and appropriate representation when recommending trustees to the board. Each owner member of Cogent has the right to nominate trustees to the board such that each owner member will have no more than one representative trustee.

Cogent Skills Limited

Trustees' report for the year ended 31 December 2022 (continued)

2. Structure, governance and management (continued)

Training and induction for trustees

All trustees receive an induction pack on joining the Board which includes the Memorandum and Articles of Association, the Cogent business plan and annual report. Training for trustees takes place to brief them on their legal obligations under charity and company law.

Organisation

The Board of Trustees administers the charity. The Board meets quarterly and there are sub-committees covering nominations, finance and audit and remunerations, which meet as and when required. A Chief Executive Officer is appointed by the Board to manage the day to day operations of the charity. To facilitate effective operations, the Chief Executive Officer has delegated authority, within the terms of delegation approved by the trustees, for operational matters including finance and employment.

Key management personnel remuneration policy

Benchmarking exercises are conducted throughout the year for key personnel which involves reviewing other organisations within similar industries and within the charities and public sectors. The executive directors review the remuneration of key personnel and the remunerations committee reviews the remuneration of the executive directors. The remunerations committee also reviews bonus payments and the annual cost of living change for board approval.

Internal control

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The trustees review the strategic plan and annual budget and approve the same. They consider the financial results on a regular basis including variances from budgets. The audit committee meets at least twice a year under its terms of reference.

Related parties

The charity has five wholly-owned subsidiaries – Cogent SSC Limited, National Skills Academy for Nuclear Limited (NSAN), Cogent Skills Training Limited (CST), Cogent Skills Services Limited (CSS) and Science Industry Assessment Service Limited (SIAS).

Public benefit requirement

The charity trustees have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Commission.

Financial risk management

The following statements summarise the charity's policy in managing identified forms of financial risk:

Price risk: The charity negotiates income to finance the charity's activities and incorporates this information into its business plans and budgets. Incremental increases to salaries are communicated to staff during the formal annual review of salaries. Prices of materials and services purchased are subject to contract with suppliers, based on current market prices.

Credit risk: Credit risk on amounts owed to the charity by its customers is low, as the majority of debtors are the government, large established employers and government funded providers.

Liquidity risk: The charity has no long term borrowing. The charity will make use of its overdraft facility if required.

Interest rate cash flow risk: The charity is able to place surplus funds on short term deposit with the group's bankers.

Cogent Skills Limited

Trustees' report for the year ended 31 December 2022 (continued)

3. Plans for future periods

We will continue establishing Cogent Skills as a membership organisation, Cogent Skills Training as a growing commercial skills training provider, Cogent Skills Services as an outsourced Apprenticeship and Internship service, Cogent SSC as an outsourced apprenticeship training provider, SIAS as the end assessment organisation of choice and NSAN as the chosen skills solutions provider for nuclear companies.

Commercial Sustainability Objectives:

- Build our commercial businesses through the delivery of a highly regarded value proposition to Science Industry companies.
- A growing and vibrant membership base providing sector skills leadership through SIP & NSSG.
- Employers across the Science Industries and their employees are our customers

Our strategic work is undertaken within the parent company Cogent Skills Limited and is largely delivered through an employer led agenda of collaborative forums with a financial membership model. It remains the Trustees' intention to grow the main offers and services delivered through the business units and subsidiary companies with the aim of contributing a surplus to the charity to subsidise the costs of the strategic activity.

As the membership services activities of the business were transferred to Cogent Skills Limited during the second half of 2021 Cogent SSC Limited is now focussed on growing its apprenticeship delivery business. Following on from this restructuring, Cogent Skills Training Limited become a direct subsidiary of the parent Cogent Skills Limited during 2022 and Cogent SSC Limited was removed from the Scottish Charity Register on 6 April 2023.

Cogent (Telford) Limited was dissolved on 4 January 2021.

4. Statement of disclosure of information to auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditors are unaware, and
- the trustees, having made enquires of fellow directors and the group's auditors that they ought to have individually undertaken, have each taken all the steps necessary as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418(1) of the Companies Act 2006.

5. Trustees' indemnities

As permitted by the Articles of Association, the Trustees have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Trustees' and Officers' liability insurance in respect of itself and its Trustees.

Cogent Skills Limited

Trustees' report for the year ended 31 December 2022 (continued)

6. Statement of trustees' responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, these trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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 proper accounting records that 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. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

7. Independent Auditors

The auditors, RSM UK Audit LLP, have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an AGM.

The Report of the Trustees and the Strategic Report were approved by the Board of Trustees on .

On behalf of the Board



J Woolf
Trustee

21/09/23

Cogent Skills Limited

Independent auditors' report to the members and trustees of Cogent Skills Limited

Report on the financial statements

Our opinion

We have audited the financial statements of Cogent Skills Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Summary Income and Expenditure Account, the Consolidated and Company Balance Sheets, and the Consolidated Cash Flow Statement 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Cogent Skills Limited

Independent auditors' report to the members and trustees of Cogent Skills Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report and the Strategic 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 Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report or the Strategic Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 Statement of Trustees' responsibilities set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

Cogent Skills Limited

Independent auditors' report to the members and trustees of Cogent Skills Limited (continued)

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document and tax legislation.

We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to ESFA funding guidance, Ofsted requirements and the Apprenticeship Training Agency Framework. Compliance with these requirements is required to remain on certain HM Government registers. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls and the completeness of certain revenue transactions as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. The audit team also performed testing over the completeness of income.

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

Use of our report

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

Dale Thorpe

Dale Thorpe (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

Date: 22/09/23

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Cogent Skills Limited

Consolidated Statement of Financial Activities for the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Income and endowments from:			
Charitable activities	3	11,195	11,370
Other income	4	-	107
Investment income	5	2	-
Total income		11,197	11,477
Expenditure on:			
Charitable activities	6	11,032	11,076
Total expenditure	6	11,032	11,076
Net income		165	401
Fund balances brought forward at 1 January		1,567	1,166
Fund balances carried forward at 31 December		1,732	1,567

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The trustees consider all the fund balances as being unrestricted.

Cogent Skills Limited

Balance Sheets as at 31 December 2022

		Group		Company	
	Note	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Fixed assets					
Intangible assets	10	22	7	22	2
Tangible assets	11	102	43	55	13
Investments	12	-	-	140	140
Total fixed assets		124	50	217	155
Current assets					
Debtors	13	2,227	2,125	562	167
Money Market Deposit	24	500	-	-	-
Cash at bank and in hand		1,962	2,884	143	452
Total current assets		4,689	5,009	705	619
Creditors: amounts falling due within one year	14	(2,949)	(3,312)	(613)	(575)
Net current assets		1,740	1,697	92	44
Total assets less current liabilities		1,864	1,747	309	199
Creditors: amounts falling due after more than one year	15	(132)	(180)	-	-
Net assets		1,732	1,567	309	199
The funds of the Charity					
Unrestricted income funds	20	1,732	1,567	309	199
Total charity funds	21	1,732	1,567	309	199

The movement in the net funds of the group attributable to the parent charitable company was £110,000 (2021: £199,000). The residual net movement of £55,000 (2021: £202,000) is attributable to subsidiary undertakings.

The financial statements on pages 19 to 42 were approved by the Board of Trustees and were signed on its behalf by:

joanna woolf

J Woolf
Trustee

Date: 21/09/23

Company Registered Number 09361100
Charity Registration Number 1166082

Cogent Skills Limited

Consolidated income and expenditure account for the year ended 31 December 2022

Continuing operations	Note	2022 £'000	2021 £'000
Income			
Charitable income	3	11,195	11,370
Other income	4	-	107
Total income		11,195	11,477
Expenditure			
Charitable expenditure	6	11,032	11,128
Total expenditure		11,032	11,128
Surplus for the financial year before interest and taxation		163	349
Interest receivable	5	2	-
Surplus for the financial year before taxation		165	349
Taxation on Surplus	2	-	52
Surplus for the financial year		165	401

The consolidated income and expenditure account is derived from the Consolidated Statement of Financial Activities.

Cogent Skills Limited

Consolidated cash flow statement for the year ended 31 December 2022

	Note	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Net cash (outflow)/ inflow from operating activities	23		(301)		378
Return on investments and servicing of finance					
Interest received		2		-	
Net cash inflow from returns on investments and servicing of finance			2		-
Capital expenditure and financial investment					
Purchase of intangible fixed assets		(22)		-	
Purchase of tangible fixed assets		(101)		(24)	
Net money market deposits	25	(500)		600	
Net cash (outflow)/inflow for capital expenditure and financial investment			(621)		576
Net (decrease)/increase in cash and cash equivalents			(922)		954
Cash and cash equivalents at the beginning of the year			2,884		1,930
Cash and cash equivalents at the end of the year	25		1,962		2,884

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2022

1 Principal accounting policies

The financial statements have been prepared under the historic cost convention, on a going concern and accruals basis, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities and 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 principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements, is set out below.

Consolidation

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis. A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All Intra-group transactions are eliminated on consolidation. The accounting policies are uniform throughout the group with the exception of the capitalisation policy detailed on page 24.

As permitted by section 408(3) of the Companies Act 2006, the parent company's individual income and expenditure account has not been included in these financial statements as a primary financial statement. The parent company's result for the financial year was £110,000 (2021: £199,000).

Going concern

Forecasts have been prepared through until December 2025 which take account of the current environment and any possible future developments. The cash balances and available facilities are sufficient to remove any concerns over liquidity and the going concern basis of preparation of the accounts.

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Company status

The company is a company limited by guarantee with charitable status.

Fund accounting

All funds are classed as unrestricted funds which are available for use at the discretion of the members in furtherance of the general objectives of the company and which have not been designated for other purposes.

Incoming resources

All incoming resources are included in the SOFA when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy. Income includes grants receivable, investment income, membership fees and other commercial income which represents the invoiced value of goods and services supplied.

Income from donations and grants is included in incoming resources when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity or its subsidiary undertakings must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until pre-conditions for use have been met.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

1 Principal accounting policies (continued)

Deferred income

Income is deferred where funds are received in advance and the contract has only been partly completed at the balance sheet date. Income is released on a systematic basis in line with costs incurred.

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred.

- Costs of generating funds comprise those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.
- Cost of charitable activities comprises those costs incurred by the charity in the delivery of its aims and objectives. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and board meeting expenditure.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly whereas support costs are apportioned on a per capita basis.

Investments

Investments in subsidiary undertakings are included at cost except where provision is made against an identified impairment.

Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation. The cost of intangible fixed assets is their purchase cost or transfer value, together with any incidental expenses of acquisition. Amortisation is calculated so as to write off the cost of intangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned, as follows:

Software	3-4 years
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The expected useful lives of the assets are reassessed periodically in the light of experience. Capital grants are deferred and released in line with the amortisation policy for the grant funded assets purchased.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. The cost of tangible fixed assets is their purchase cost or transfer value, together with any incidental expenses of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned, as follows:

Plant and machinery	3-8 years
Grant funded assets	3-8 years
Fixtures and fittings	3-8 years
Computer equipment	3-4 years

The expected useful lives of the assets are reassessed periodically in the light of experience. Capital grants are deferred and released in line with the depreciation policy for the grant funded assets purchased.

Cogent Skills Limited operates a policy where items with a value below £500 are not capitalised whereas the consolidated subsidiary undertakings operate to a policy of where there is no minimum capitalisation value.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

1 Principal accounting policies (continued)

Impairment

The company reviews tangible fixed assets and investments for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recovered. If the carrying amounts are not expected to be recovered by discounted future cash flows, the assets are impaired and an impairment loss recorded in the SOFA.

Cash held on behalf of third parties

Cash is held on behalf of third parties where the charity is legally bound to pay this cash to a third party and has no responsibility for its ultimate application. In these circumstances the transaction is legally a transfer of resources from the principal to the specified third party and the principal retains legal responsibility for ensuring the charitable application of the funds. The group is simply acting as an intermediary and therefore does not recognise these funds on the balance sheet.

Money market deposit

Money market funds are term deposits of 12 months or less with well known UK banking institutions with high credit ratings.

Leases

All leases are operating leases and are charged to the SOFA / income and expenditure account on a straight line basis over the lease term.

Irrecoverable VAT

All expenditure is classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

Deferred taxation

The charity has been granted charitable status by the Inland Revenue and therefore is not liable for corporation tax. The charity's trading subsidiaries are liable for corporation tax.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Reduced disclosures

In accordance with FRS 102, the group has taken advantage of the exemptions from the following disclosure requirement in the individual financial statements of Cogent Skills Limited:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flows and related notes and disclosures.
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches; and details of hedges and hedging fair value changes recognised in profit or loss and in other comprehensive income.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

1 Principal accounting policies (continued)

Employee benefits

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined benefit and defined contribution pension plans.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Multi-employer pension plan

Cogent SSC Limited participated in the ITB Pension Scheme, a multi-employer pension plan defined benefit scheme. The company is not legally responsible for the plan and does not have sufficient information to use defined benefit accounting. Where the plan is in deficit and where the entities have agreed with the plan to participate in a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the contributions payable under the agreement that relate to the deficit. Payments made to the Plan are offset against this creditor. Where there is a change in the value of the contributions to be paid to the Plan as a result of the deficit funding arrangement the change is recognised in the Statement of Financial Activities in the period in which the agreement is signed by both parties. The unwinding of the discount is recognised as a finance cost. Further pension details can be found in notes 16 and 19 to the financial statements.

From 1 April 2017 the remaining employees who participated in the defined benefit scheme were transferred into the defined contribution scheme for future service benefits. From 1 August 2021 Cogent SSC Limited employees participate in a separate defined contribution scheme outside of the ITB scheme.

During 2021 Cogent SSC Limited entered into a flexible apportionment arrangement with the ITB Pension Scheme where the parent company Cogent Skills Limited took over responsibility for all the liabilities in relation to the defined benefit scheme.

Defined contribution pension plan

Cogent Skills Limited, Cogent Skills Services Limited, Cogent Skills Training Limited and Science Industry Assessment Services Limited all participate in the defined contribution scheme of the ITB. The cost recognised in the SOFA is equal to the contributions payable for the year. The assets of the plan are held separately from the company in independently administered funds.

National Skills Academy for Nuclear Limited participate in a separate defined contribution pension scheme. The cost recognised in the SOFA is equal to the contributions payable for the year. The assets of the plan are held separately from the company in independently administered funds.

Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

Other loans are initially recognised at their transaction value and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

1 Principal accounting policies (continued)

Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The Trustees consider that there are no material sources of estimation uncertainty.

Critical areas of judgement

Debtor provision

A provision for bad and doubtful debts is established when there is objective evidence that the amounts due will not be collected in line with the usual fee collections.

Useful life of fixed assets

In making decisions regarding the depreciation of tangible fixed assets, management must estimate the useful life of these assets to the group. A change in estimate would result in a change in the depreciation charged to the statement of total comprehensive income in each year.

Coronavirus Job Retention Scheme (CJRS) income

The CJRS grant is receivable as compensation for staff costs incurred and for the purpose of giving immediate financial support to the organisation with no future related costs. It is recognised as income in the period in which it becomes receivable within 'Other income' (note 4).

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

2 Commercial trading operations and investments in trading subsidiaries

The charity has five wholly owned trading subsidiaries Cogent SSC Limited, National Skills Academy for Nuclear Limited (“NSAN”), Cogent Skills Training Limited (“CST”), Cogent Skills Services Limited (“CSS”) and Science Industry Assessment Service Limited (“SIAS”) which are incorporated in the UK.

Income and expenditure accounts for the year ended 31 December 2022

	Cogent Skills Limited £'000	Cogent SSC Limited £'000	NSAN £'000	CST £'000	CSS £'000	SIAS £'000	Inter Co Elim £'000	Total 2022 £'000
Income	1,295	717	1,504	904	5,333	1,872	(430)	11,195
Expenditure	(1,185)	(765)	(1,454)	(902)	(5,291)	(1,865)	430	(11,032)
Surplus/(deficit) for the financial year before interest and taxation	110	(48)	50	2	42	7	-	163
Interest receivable	-	-	2	-	-	-	-	2
Surplus/(deficit) for the financial year before taxation	110	(48)	52	2	42	7	-	165
Taxation on Surplus/(deficit)	-	-	-	-	-	-	-	-
Surplus/(deficit) for the financial year	110	(48)	52	2	42	7	-	165

Taxation on Surplus	2022 £'000	2021 £'000
Current tax:		
UK corporation tax on Surplus for the year	-	(52)
Deferred tax:		
Origination and reversal of timing differences	-	-
Taxation on Surplus	-	(52)

Cogent Skills Limited

Notes to the financial statements

for the year ended 31 December 2022 (continued)

2 Commercial trading operations and investments in trading subsidiaries (continued)

Income and expenditure accounts for the year ended 31 December 2021

	Cogent Skills Limited £'000	Cogent SSC Limited £'000	Cogent Telford Limited £'000	NSAN £'000	CST £'000	CSS £'000	SIAS £'000	Inter Co Elim £'000	Total 2021 £'000
Income	743	1,047	1	1,503	1,142	5,822	1,707	(488)	11,477
Expenditure	(544)	(1,216)	(1)	(1,389)	(1,095)	(5,685)	(1,686)	488	(11,128)
Surplus/(deficit) for the financial year before interest and taxation	199	(169)	-	114	47	137	21	-	349
Interest receivable	-	-	-	-	-	-	-	-	-
Surplus/(deficit) for the financial year before taxation	199	(169)	-	114	47	137	21	-	349
Taxation on Surplus/(deficit)	-	-	-	56	-	-	(4)	-	52
Surplus/(deficit) for the financial year	199	(169)	-	170	47	137	17	-	401

* Cogent (Telford) Limited was dissolved on 4 January 2021.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

2 Commercial trading operations and investments in trading subsidiaries (continued)

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The tax assessed for the year is different to the standard effective rate of corporation tax in the UK for the year ended 31 December 2022 of 19% (2021: 19%). The differences are explained below:

	Cogent SSC Limited £'000	NSAN £'000	CST £'000	CSS £'000	SIAS £'000	Total 2022 £'000	Total 2021 £'000
(Deficit)/surplus for the financial year before taxation	(48)	52	2	42	7	55	319
(Deficit)/surplus for the financial year at standard tax rate in the UK of 19% (2021: 19%)	(9)	10	-	8	1	10	61
Effects of:							
Losses (utilised)	-	(10)	-	(8)	(1)	(19)	(57)
Losses not utilised	9	-	-	-	-	9	-
R&D Tax credit	-	-	-	-	-	-	(56)
Current tax for the year	-	-	-	-	-	-	(52)

Factors affecting future tax charges

The rate of UK corporation tax will increase to 25% from April 2023.

The assets and liabilities of the subsidiaries at 31 December 2022 were:

	Cogent SSC Limited £'000	NSAN £'000	CST £'000	CSS £'000	SIAS £'000	Total £'000
Fixed assets	12	7	14	6	7	46
Current assets	867	1,519	368	896	578	4,228
Creditors: amounts falling due within one year	(73)	(918)	(484)	(839)	(265)	(2,579)
Creditors: amounts falling after more than one year	-	-	-	-	(132)	(132)
Net assets/(liabilities)	806	608	(102)	63	188	1,563

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

3 Charitable activities

	2022 £'000	2021 £'000
Project income	406	378
Membership fees	1,088	1,114
End assessments	2,046	2,000
Course & consultancy sales	901	898
ATA – fee income	1,032	1,049
ATA – recharge of employment costs	4,159	4,685
Apprenticeship delivery	717	660
Other income	846	586
	11,195	11,370

4 Other income

	2022 £'000	2021 £'000
CJRS grant	-	107

5 Investment income

	2022 £'000	2021 £'000
Bank deposit income	2	-

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

6 Analysis of expenditure

	Research, policy, Occupational standards and engaging with employers £'000	Governance costs £'000	Cogent SSC £'000	Cogent (Telford) Limited £'000	National Skills Academy for Nuclear Limited £'000	Cogent Skills Training Limited £'000	Cogent Skills Services Limited £'000	Science Industry Assessment Service Limited £'000	Intercompany Elimination £'000	Total 2022 £'000
Cost directly allocated to activities										
Salaries and other staff costs	708	-	435	-	597	-	4,160	-	-	5,900
Specific projects	174	-	191	-	381	281	87	518	(112)	1,520
Other costs	62	-	139	-	-	-	-	-	-	201
	944	-	765	-	978	281	4,247	518	(112)	7,621
Support costs										
Salaries and other staff costs	44	-	-	-	280	493	676	631	613	2,737
Marketing and communications	9	-	-	-	20	3	11	20	-	63
Premises costs	30	-	-	-	10	24	19	22	-	105
Other costs	144	14	-	-	166	101	338	674	(931)	506
Loss on disposal of fixed assets	-	-	-	-	-	-	-	-	-	-
	227	14	-	-	476	621	1,044	1,347	(318)	3,411
Total expenditure	1,171	14	765	-	1,454	902	5,291	1,865	(430)	11,032

The support costs have been allocated on a per capita basis.

Other costs in the table above include a taxation credit of £nil (2021: £52,000) which is disclosed separately for the purpose of the consolidated income and expenditure account on page 21.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

6 Analysis of expenditure (continued)

The comparative numbers for 2021 are:

	Research, policy, Occupational standards and engaging with employers £'000	Governance costs £'000	Cogent SSC £'000	Cogent (Telford) Limited £'000	National Skills Academy for Nuclear Limited £'000	Cogent Skills Training Limited £'000	Cogent Skills Services Limited £'000	Science Industry Assessment Service Limited £'000	Intercompany Elimination £'000	Total 2021 £'000
Cost directly allocated to activities										
Salaries and other staff costs	661	-	364	-	575	-	4,710	-	-	6,310
Specific projects	277	-	70	-	361	233	58	434	(487)	946
Other costs	77	-	12	-	-	-	-	-	-	89
	1,015	-	446	-	936	233	4,768	434	(487)	7,345
Support costs										
Salaries and other staff costs	6	-	7	1	262	561	592	495	632	2,556
Marketing and communications	14	-	20	-	8	2	1	1	-	46
Premises costs	57	-	77	-	10	79	63	22	-	308
Other costs	47	8	63	-	117	220	261	738	(633)	821
Loss on disposal of fixed assets	-	-	-	-	-	-	-	-	-	-
	124	8	167	1	397	862	917	1,256	(1)	3,731
Total expenditure	1,139	8	613	1	1,333	1,095	5,685	1,690	(488)	11,076

The support costs have been allocated on a per capita basis.

* Cogent (Telford) Limited was dissolved on 4 January 2021.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

7 Net incoming resources

	2022 £'000	2021 £'000
Net incoming resources is stated after charging:		
Amortisation of intangible fixed assets – owned	7	17
Depreciation of tangible fixed assets – owned	39	25
Auditors' remuneration: audit services	42	36
: other services	-	-
Operating lease rentals – other	71	135

8 Trustees' emoluments

Two trustees (2021: two) received aggregate emoluments of £243,144 (2021: £227,134) including pension contributions of £12,283 (2021: £11,885) during the year for their services as employees, in accordance with the articles of the charity. No trustees (2021: nil) have received reimbursement (2021: £nil) for travel and subsistence expenses. Professional indemnity insurance, which cost the charity £3,174 (2021: £3,031) is in place with a limit of £2 million.

9 Employee information

The monthly average number of persons employed by the group (including directors) during the year is analysed below:

	Group		Company	
	2022 Number	2021 Number	2022 Number	2021 Number
Administration	78	74	19	8

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

9 Employee information (continued)

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Employee costs in relation to the above employees				
Wages and salaries	3,447	3,260	975	409
Social security costs	362	331	100	40
Other pension costs	260	203	46	18
	4,069	3,794	1,121	467

The group pension costs and number of higher paid employees to whom retirement benefits are accruing under defined contribution and defined benefit schemes are shown in the table below.

Salaries and benefits	2022 Number	2021 Number
£60,000 - £70,000	6	6
£70,001 - £80,000	2	1
£80,001 - £90,000	1	-
£90,001 - £100,000	1	2
£100,001 - £110,000	2	-
£110,001 - £120,000	-	1
£120,001 - £130,000	1	1

Remuneration of key management personnel

The total remuneration, including employer's national insurance and pension contributions, of key management personnel of the group for the year was £771,504 (2021: £712,280). Key management personnel comprise of the executive directors and the senior management team.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

10 Intangible assets

Group	Computer software £'000	Total £'000
Cost		
At 1 January 2022	469	469
Additions	22	22
Disposals	-	-
At 31 December 2022	491	491
Accumulated depreciation		
At 1 January 2022	462	462
Charge for year	7	7
Disposals	-	-
At 31 December 2022	469	469
Net book value		
At 31 December 2022	22	22
At 31 December 2021	7	7

11 Tangible assets

Group	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost			
At 1 January 2022	77	260	337
Additions	63	38	101
Disposals	(10)	(42)	(52)
At 31 December 2022	130	256	386
Accumulated depreciation			
At 1 January 2022	69	225	294
Charge for year	11	28	39
Disposals	(7)	(42)	(49)
At 31 December 2022	73	211	284
Net book value			
At 31 December 2022	57	45	102
At 31 December 2021	8	35	43

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

12 Investments

Interests in subsidiary undertakings

Details of subsidiary undertakings held at £nil carrying value are as follows:

Name of company, company registration number and address of incorporation and operation	Description of shares held	Proportion of nominal value of issued shares	Principal activity
Cogent SSC Limited (SC129351) Blue Square House, 272 Bath Street, Glasgow Scotland, G2 4JR	Ordinary	100%	Education and training
National Skills Academy for Nuclear Limited (06423637) The Base, Dallam Lane, Warrington, England, WA2 7NG	Ordinary	100%*	Education and training
Cogent Skills Training Limited (06430341) First Floor, 720 Mandarin Court, Lakeside Drive, Centre Park, Warrington, Cheshire, England, WA1 1GG	Ordinary	100%*	Education and training
Cogent Skills Services Limited (07806185) First Floor, 720 Mandarin Court, Lakeside Drive, Centre Park, Warrington, Cheshire, England, WA1 1GG	Ordinary	100%*	Promotion of Technical Apprenticeships
Science Industry Assessment Service Limited (09396974) First Floor, 720 Mandarin Court, Lakeside Drive, Centre Park, Warrington, Cheshire, England, WA1 1GG	Ordinary	100%	Administration services

* These subsidiary undertakings are limited by guarantee and the company is the sole subscriber.

13 Debtors

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade debtors	1,846	1,693	168	38
Amounts owed by group undertakings	-	-	243	80
Other debtors	9	64	9	4
Prepayments and accrued income	372	368	142	45
	2,227	2,125	5	167

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

14 Creditors: amounts falling due within one year

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade creditors	347	377	120	114
Amounts owed to group undertakings	-	-	-	-
Taxation and social security	522	545	26	26
Bank Loan (see note 16)	48	48	-	-
Other creditors	16	250	-	-
Accruals	724	786	165	179
Deferred income	1,292	1,306	302	256
	2,949	3,312	613	575

Deferred income comprises contract income received in advance of contract outputs delivered.

	Group	Company
	£'000	£'000
Balance as at 1 January 2022	1,306	256
Amount released from previous years	(1,306)	(256)
Incoming resources deferred in year	1,292	302
Balance as at 31 December 2022	1,292	302

The group balance above includes £1,292,000 (2021: £1,306,000) of amounts falling due within one year and £nil (2021: £nil) of amounts falling due after more than one year.

15 Creditors: amounts falling due after more than one year

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Rent and dilapidations	-	-	-	-
Bank Loan	132	180	-	-
	132	180	-	-

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

16 Borrowings

During 2020 SIAS received a £240,000 bank loan through the Coronavirus Business Interruption Loan Scheme (CBILS) to help offset the impact on cash flows affected by the pandemic. SIAS accessed the bank loan in September 2020, interest is charged at 2.48% above the Bank of England base rate. The UK government guarantees 80% of the finance to the lender and pays interest and any fees for the first 12 months, after this SIAS is liable for all interest payments for the remaining five years of the loan. Repayment terms are such that SIAS will pay £52,000 per annum (capital plus interest) over a five year term.

17 Members' liability

Members' liability is limited by guarantee not exceeding £10 per member (7 members) (2021: 7 members).

18 Commitments

At 31 December 2022 the group had total commitments under non-cancellable operating leases expiring as follows:

	2022 Land and buildings £'000	2021 Land and buildings £'000	2022 Other £'000	2021 Other £'000
Within one year	8	-	-	-
Within two to five years	54	10	-	3
	62	10	-	3

The group has capital commitments of £nil as at 31 December 2022 (2021: £nil) of which the company's capital commitments are £nil (2021: £nil).

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

19 Pensions

Cogent SSC Limited participates in the ITB Pension Scheme, a multi-employer pension plan defined benefit scheme. The employers share the actuarial risks associated with all employees and former employees. The company is not legally responsible for the plan and does not have sufficient information to use defined benefit accounting.

From 1 April 2017 the remaining employees who participated in the defined benefit scheme were transferred into the defined contribution scheme for future service benefits. From 1 August 2021 Cogent SSC Limited employees participate in a separate defined contribution scheme outside of the ITB scheme.

During 2021 Cogent SSC Limited entered into a flexible apportionment arrangement with the ITB Pension Scheme where the parent company Cogent Skills Limited took over responsibility for all the liabilities in relation to the defined benefit scheme.

The latest triennial review of the scheme was at 31 March 2022. The fund has insured the majority of pensioner liabilities through a number of buy-in policies. The buy-ins have changed the fund's risk profile and funding position significantly since the 2016 valuation.

At the review date, the actuarial value of the assets of the scheme was £543.9 million and the value of liabilities was £519.1 million, leaving a surplus of £24.8 million representing a funding level of 105% (2019 104%). The next formal actuarial valuation is due at 31 March 2025. The solvency position is equivalent to a funding level of 95% (2019:87%).

The total pension cost for the group was £260,000 (2021: £203,000). This includes £15,000 (2021: £17,000) outstanding contribution at the balance sheet date. The contributions rate payable by the group was up to 8.35%.

CS, CSS, CST, SIAS and NSAN operate defined contribution pension schemes.

20 Unrestricted income funds

	Group	Company
	£'000	£'000
At 1 January 2022	1,567	199
Surplus for the financial year	165	110
At 31 December 2022	1,732	309

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

21 Reconciliation of movements in members' funds

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Surplus for the year	165	401	110	199
Opening members' funds	1,567	1,166	199	-
Closing members' funds	1,732	1,567	309	199

22 Related party transactions

During the year Cogent Skills Limited entered into no transactions with its subsidiaries (2021: none).

23 Net cash inflow from operating activities

Group	Note	2022 £'000	2021 £'000
Net income		165	349
Investment income	5	(2)	-
Depreciation and amortisation		46	40
Loss on disposal of fixed assets		2	-
Increase in debtors		(155)	(14)
Decrease in creditors		(410)	(48)
Taxation		53	51
Net cash (outflow)/inflow from operating activities		(301)	378

24 Analysis of net cash

Group	At 1 January 2022 £'000	Cash flow £'000	At 31 December 2022 £'000
Cash at bank and in hand	2,884	(922)	1,962
Money market deposits	-	500	500
	2,884	(422)	2,462

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

25 Analysis of net funds/(debt)

	At 1 January 2022 £'000	Cash flow £'000	At 31 December 2022 £'000
Group			
Cash at bank and in hand	2,884	(922)	1,962
Money market deposits	-	500	500
	2,884	(422)	2,462
Borrowings			
Loans falling due within one year	(48)	-	(48)
Loans falling due after more than one year	(180)	48	(132)
Total	2,656	(374)	2,282

26 Controlling party

The charity has 7 (2021: 7) members representing the science based industries covering industrial sciences (including petroleum refining and distribution, chemical manufacturing, and polymers), life sciences (including pharmaceuticals and medical technologies) and nuclear. The trustees do not consider there to be a controlling party on the basis that each of the members has equal voting rights. Cogent Skills Limited is the only company to consolidate these results.

27 Financial instruments

	Group	
	2022 £'000	2021 £'000
Financial assets		
Measured at amortised cost	4,271	4,584

	Group	
	2022 £'000	2021 £'000
Financial liabilities		
Measured at amortised cost	310	377

COGENT SKILLS LIMITED

England & Wales - Charity number 1166082

Accounts

Cogent Skills Limited
Annual Report and Financial Statements
for the year ended 31 December 2021

Company Registered number: 09361100

Charity Registration Number: 1166082

Cogent Skills Limited

Annual report and financial statements

for the year ended 31 December 2021

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Cogent Skills Limited

Strategic report for the year ended 31 December 2021

The trustees, who are also directors of the charitable company, present their strategic report on the Cogent Skills Limited group for the year ended 31 December 2021.

1. Review of business

Cogent Skills is committed to growing the nation's scientific talent base. Through our individual businesses, we aim to be the skills partner of choice for employers; working in partnership to raise the bar on skills, enabling employers in the science industries to compete, innovate and grow.

The impact of COVID-19 has once again meant this past year has not been without significant operational challenges. However, our response throughout has been to prioritise the safety and wellbeing of our colleagues and learners. By switching to remote and flexible working practices alongside the widespread adoption of collaborative technologies, we were able to maintain full operational continuity during the year. And in areas of the business most severely impacted, we took action to protect jobs, mitigating a proportion of our costs through take-up of Government furlough schemes.

These actions, combined with a relentless group-wide focus on delivering value to our customers saw a strong performance in 2021.

Our Membership Business Unit provides a strategic skills proposition to employers in both the science and nuclear sector. The Science Industry Partnership (SIP) includes some of the most recognised names in our industry working together to improve the outlook for skills. As an employer-led representative voice, extending our reach and influence requires strength in numbers. To that extent, we continued to develop and evolve our membership proposition, ensuring it remains relevant to employers across the science sector. During the second half of 2021 the Membership business unit was transferred to Cogent Skills Limited from Cogent SSC Limited.

The Nuclear Skills Strategy Group (NSSG) represents the breadth of the UK nuclear sector across both civil and defence. The publication of the UK Government's *Net Zero Strategy* and its emphasis on the role of new nuclear in achieving net-zero carbon emissions, means work to build a skills base capable of meeting the demands of the sector, is now more relevant than ever.

Other areas of the Cogent group responsible for delivering commercial services, continued to perform well. With a strong customer base across the science sector, our Apprenticeships and Graduates business unit saw the continued uptake of its range of specialist recruitment and delivery services. Whilst Courses and Consultancy provided invaluable regulatory compliance support to boardrooms and operational teams across the UK. Our apprentice end-point assessment (EPA) organisation (SIAS), maintained its strong performance, steadily building on a solid track record.

During 2021, we also commissioned work to help us ensure our own compelling value proposition, that underpins the individual Cogent offerings, remains consistent and coherent. Customer research from that exercise highlighted positive associations linked to Cogent including 'professionalism', 'expertise', and the 'approachability' of staff. As this work comes to fruition over the coming year, we look forward to revealing a slightly refreshed Cogent brand identity, positioned to more accurately reflect the modern and dynamic sectors we serve, whilst recognising all that is good about our people and our provision of expert skills services.

The results on page 18 show a net income of £401,000 (2020: £237,000) with total income of £11,477,000 (2020: £10,333,000).

Cogent Skills Limited

Strategic report for the year ended 31 December 2021 (continued)

2. Strategic objectives

Cogent Skills is a group of companies comprised of Cogent Skills, Cogent SSC, Cogent Skills Services, Cogent Skills Training, NSAN and SIAS. Collectively these companies' purpose is entirely focused on skills and supporting the skills needs and ambitions of individual employers and their employees. Cogent Skills is sector based, working with companies from across the Science Industries embracing Life Sciences, Industrial Sciences and Nuclear. Cogent Skills is owned by the leading Science Industry Trade Associations.

Cogent Skills Vision and Position

Our vision is for

'Safe, skilled and resourced globally competitive science & technology industries'

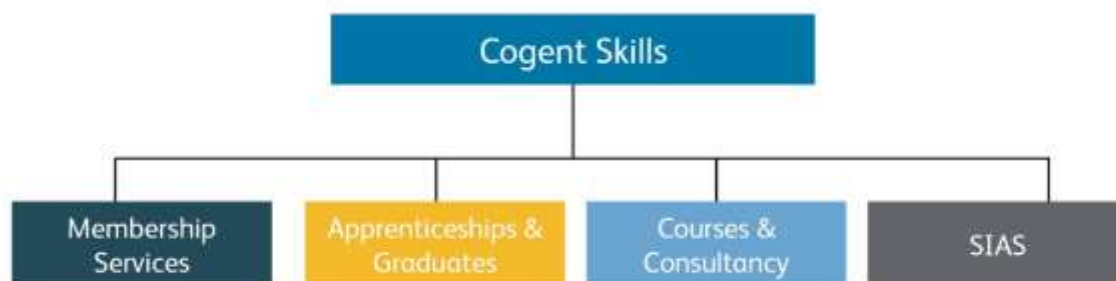
And we are here:

- for employers in science and technology
- to attract and develop a safe and skilled workforce
- by delivering specialist services, collaborative alliances, and government influence

An updated strategic plan covering 2022 onwards builds upon our existing capabilities and sets out several interconnected strategic objectives to drive our business forward. The theme of the plan is 'Future Ready' and describes the mission that Cogent Skills is on to ensure our offerings remain relevant and engaging for whatever the future holds for our customers and the sectors in which they operate.

Business Units

Cogent Skills operates through four Business Units each with a unique service offering. Our subsidiary, the National Skills Academy for Nuclear (NSAN) operates distinctly with its own Business Plan and Board. The Businesses seek to support each other, unlocking synergies where possible, to benefit our customers and improve bottom line performance.



Cogent Skills Limited encompasses the business unit of membership services and the central corporate team. Cogent SSC Limited is the apprenticeship delivery part of the apprenticeship and graduate business unit. Cogent Skills Services Limited is the ATA part of the apprenticeship and graduates business unit. Cogent Skills Training Limited consists of the courses and consultancy business unit. SIAS Limited is the end assessment business unit.

Cogent Skills Limited

Strategic report for the year ended 31 December 2021 (continued)

3. Development and performance

Membership Business Unit

Science Industry Partnership (SIP)

The SIP is a powerful membership alliance, offering employers the opportunity to collaborate on skills with one influential voice to Government - ensuring the science sector is heard and understood. The SIP played a lead role in developing the 2030 Skills Strategy – which addresses the sector’s skills requirement over the next decade.

In 2021, the SIP published its first report on Equality Diversity and Inclusion (ED&I) in the life sciences sector. The report highlights areas of best practice already underway and provides essential insight for employers keen to support the development of a fully inclusive culture. The data within the report also addressed the requirement for sector-specific ED&I research highlighted in the Life Sciences 2030 Skills Strategy.

The SIP continues to work to ensure the apprenticeship system accurately reflects the needs of employers, with the launch of a new Apprenticeship Strategy Group and National Apprenticeship Survey giving employers a platform and an influential voice to drive the skills agenda.

Our labour market intelligence provides sector-wide insight into the use of apprenticeships and their funding, with the latest figures revealing that although the science industry continues to embrace apprenticeships and technical education, more work is required to deliver the vision of apprenticeships for the sector.

SIP local groups in the North East, Cambridge, and Liverpool met throughout the year in a virtual setting and continue to offer employers a valuable opportunity to collaborate on skills in the communities in which they serve. That local footprint expanded with the addition of SIP West Midlands which focuses on the regional Health & Med Tech sectors. In partnership with The Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) the employer-led group will drive a local/collaborative approach to share best practice, address skills needs, and grow apprenticeship and graduate numbers in the region.

Looking ahead, success for SIP will see demonstrable growth in the membership base, ensuring it remains truly representative of the breadth and depth of employers that make up the UK science industries.

Nuclear Skills Strategy Group (NSSG)

As the Nuclear Industry skills lead, The NSSG brings together key stakeholders to address the sector’s skills challenges and provide one voice to Government.

This year saw the launch of the second phase of the nuclear skills landscape review, which looks at the role and objectives of organisations within the nuclear skills landscape. The outcomes of the review, when implemented will improve the overall effectiveness of the skills landscape clarifying the lines between the strategic and delivery functions.

To support efforts to attract young people into the sector and promote the range of career options on offer, the NSSG collaborated with Developing Experts during the year to provide curriculum support for teachers by creating a range of engaging classroom and careers resources catering specifically to the nuclear sector. This activity will formally launch in 2022 and potentially open up new opportunities and create a lasting impact on the lives of young people.

The NSSG played a key role in developing an innovative pilot programme on T Levels. Working with National College for Nuclear to pilot “virtual” T placements, which highlighted an alternative approach to site-based placements with a cohort of students at West Suffolk College. If successful, the approach would potentially offer an alternative method of skills provision and overcome some of the common barriers to physical placements in the sector.

The first quarter of the year, also saw the NSSG successfully deliver its first virtual skills festival. Delivered in partnership with Women in Nuclear (WiN UK) the multi-day event featured leading nuclear skills experts covering a wide variety of topics and provided employers with a unique opportunity to participate in a week of learning, inspiration, and discovery.

Cogent Skills Limited

Strategic report for the year ended 31 December 2021 (continued)

3. Development and performance (continued)

Standards

During 2021 SIP supported trailblazer activity for:

- Science Manufacturing Process Operator (Level 2)
- Science Manufacturing Technician (Level 3)
- Science Industry Maintenance Technician (Level 3)

Activity during the first half of the year as part of the route review trailblazer activity was focused on evidencing the need for the standards to be maintained and developing revised occupational standards to bring them in line with the current IfATE policy.

The Engineering and Manufacturing Route Review concluded in the autumn with the recommendations to maintain and update the Level 2 Science Manufacturing Process Operator and Level 3 Science Manufacturing Technician standards and as a result, ongoing work during the latter part of 2021 was to work on the new standards, as well as the recommendations from the route review. Due to the complexities of Science Manufacturing Technician, the trailblazer group has been split into subgroups and further work is currently being undertaken to determine what a new standard could look like.

The trailblazer for Science Manufacturing Process Operator is working on the final stages of the redesigned occupational standard and end-point assessment plan with a view to submitting them in March to IfATE's Route board for approval.

Science Industry Maintenance Technician did not get a recommendation to be maintained in its current format, work is taking place with key stakeholders but no current development work is taking place.

SIP has also extensively engaged employers with the Degree Apprenticeship Consultation that took place in the summer of 2021 and is currently working with the industry on the Level 5 Technician Scientist consultation and early work for the Laboratory Scientist review.

SIP is also working with industry on wider apprenticeship and technical education policy reforms including the FE Skills Bill, Qualification policy changes for BTECs and the introduction of T Levels for Science.

Apprenticeships and Graduates Business Unit

Cogent Skills apprenticeship and graduate services have been supporting science industry employers to attract, retain and develop the very best talent for over a decade.

The apprenticeship & graduate business unit consists of two distinct operations.

- Employer Services
- Apprenticeship Delivery

Employers Services providing the apprenticeship training agency (ATA) allowing us to employ apprentices along with under graduates or newly qualified graduates for placement within the science using industry with host employers. In addition, we also provide a managed service option for employers wishing to directly employ apprentice and a recruitment service that can be used with or without our other services. On occasion employers are not able to make an informed choice and require additional support to help them understand how apprenticeships or graduate placements could enhance their business, in that instance a consultancy offer may be appropriate.

Our services help employers in the industry to overcome employment barriers that could be in place due to head count restrictions that may or may not be linked to productivity, inflexible company structures that prevail across international companies or simply don't have the infrastructure or experience of employing apprentices or graduates directly. Employers can utilize our services to secure a supply of new talent on a short- or long-term basis and promote organic growth.

Research during the pandemic concluded that graduate recruitment in the chemicals & pharmaceuticals industry was down by 34.8% with apprenticeships slightly worse at 36.6% down. Our own experience was that applications for each role we advertised were 184% up on average providing our partner employers with choice and quality with 96% of vacancies filled.

Cogent Skills Limited

Strategic report for the year ended 31 December 2021 (continued)

3. Development and performance (continued)

Our Employer Services Customers during the year included companies involved in the following: nuclear equipment, powder processing, vaccines, pigments, coatings, medical devices, biotechnology, pharmaceuticals and polymers. 2021 and the further restrictions of the pandemic have caused many challenges that have been overcome with our adoption and utilisation of technology that includes our applicant tracking system, anytime any place video interviewing and our online case conferencing. We have maintained our quality while attracting the quantity of applicants required to meet our targets and maintain our customer satisfaction scores at 90% plus.

Apprenticeship Delivery through our ESFA registered training provider Cogent SSC, accredited by City & Guilds, Pearson, GQA and NCFE and offering three current apprenticeship standards across the life and industrial science industry, the newest part of the offer from the business unit. Much of our current business is within the manufacturing of chemicals, Petro-chemicals and pharmaceuticals with our laboratory technician apprenticeship crossing into research & development functions across employers within Biotechnology, Consumer Goods, Pharmaceuticals, Chemicals, Energy Oil & Gas, coatings, and Medical Devices.

Quality & Compliance have remained at the forefront, building on our Quality Improvement Plan (QIP) and enhancing our self-Assessment Report (SAR) to maintain compliance with the Education Skills Funding Agency (ESFA) and OFSTED. During 2021 we embarked on a learner transfer with the ESFA from Cogent Skills Training (CST) to Cogent SSC (CSSC) allowing us to close CST as a provider of apprenticeship. We received our first OFSTED monitoring visit for CSSC with a judgement of reasonable progress: *the provider's actions are already having a beneficial impact on learners, and improvements are sustainable and are based on the provider's thorough quality assurance procedures*. We also received the best possible ESFA audit result of a 0% error rate while improving all our provider matrix outcomes including 100% retention. This all puts the provider business in a very good position to grow in the coming years.

With the start of 2021 we saw a change to the leadership of our governance committee and the appointment of Terry Weston, CEO of the Engineering College, Merseyside, who also joined the main board providing educational and industry insight.

Focus during 2021 remained on the digitalization of learning content to maintain delivery thorough the pandemic along with regaining the off the job (OTJ) activity lost through COVID for our 92 live learners. The activity increased from a low of 71% in August 2020 to 81% by March 2021 through the determination of the teaching staff. Our focus moving forward will concentrate on the enhancement of curriculum and enrichment of our learner content while adding value to our offer.

Courses and Consultancy Business Unit

Despite the unexpected and continued effects of COVID-19 and additional lockdowns, the hard work completed by the team to convert the portfolio to be able to be delivered virtually landed well within the sector.

As a result of this and refreshed marketing from the new marketing manager, employers took up programmes of both Process Safety and Competence Consultancy throughout the year. In particular, a large contract was secured with National Grid during 2021 for an in depth competency / change management project which underpinned the consultancy delivery for the year, whilst engaging with new customers meant that the budget for core course delivery was exceeded.

Our delivery capacity was expanded with the recruitment of new specialist associates who have added new depth to the offer. This offer was launched in May 2021 and will be built upon in 2022.

We have continued to support our customers with a flexible approach to delivery, utilising our associate network to protect existing margins and adapting to differing delivery requests and formats. We were pleased with the continuing success of our consultancy projects with many customers asking for more support going into 2022 including another large contract with National Grid.

We continue with a prudent approach to cost control, adoption of alternative technology and flexible working to enable business operations to continue and protect revenue streams.

Cogent Skills Limited

Strategic report for the year ended 31 December 2021 (continued)

3. Development and performance (continued)

As we enter 2022 with a healthy order book and positive signs that the public health crisis is easing, we remain cautiously optimistic for growth.

Science Industry Assessment Service

SIAS provides End-Point Assessment (EPA) services for the technical Science and Engineering industries working with a range of Employer and Provider partners, and other stakeholders, across the apprenticeship sector.

Despite the on-going impact to the domestic education market due to the pandemic during 2021, the sectors served have exhibited good resilience, and with the SIAS team closely following all relevant guidelines, the business stayed fully operational throughout the year.

A strong performance and healthy pipeline, fuelled by several new contracts and a strengthening of existing partnerships, saw the number of End Point Assessments (EPA's) delivered during the year grow to 519, and new registrations to 618. The business also celebrated a significant milestone as it delivered its 1000th end point assessment in January of 2022.

2021 also saw SIAS expand its product portfolio further and be approved to deliver EPA services for an additional four new standards and have developed a strong product roadmap to support achieving business goals in 2022 and beyond.

In a further boost, SIAS, after a robust and rigorous application process carried out across 2021, was able to successfully achieve full Ofqual recognition effective from January 2022, this positive development is not only a testament to SIAS's commitment to quality and on-going continuous improvement, but also provides added confidence to employers, apprentices, and training providers in the reliability and long-term stability of the SIAS offering.

A new Governance Committee chaired by Ms Olivia Bussey was also set up in 2021 to further strengthen SIAS in regards to external compliance responsibilities as well as facilitating a stronger internal Governance framework.

The recent recruitment of an ambitious new senior management team, with strong commercial, compliance and operations backgrounds, and the planned implementation of an EPA System in 2022, has, and will, further enhance the business and provide a strong foundation for continued growth.

National Skills Academy for Nuclear

NSAN (National Skills Academy for Nuclear) is a subsidiary within the Cogent Group and well established as the collective and collaborative skills forum for the nuclear industry. Led by employers, from both civil and defence, NSAN provides valuable, cost-effective and practical skills solutions.

During the year, NSAN delivered the UK Nuclear Skills Awards. Held online for the first time, the event brought together nearly 300 professionals from across the nuclear industry to celebrate the success and high achievement of individuals in a number of award categories, including Apprentice, Graduate, STEM, Subject Matter Expert, and Equality, Inclusion, and Diversity.

Cogent in the Devolved Administrations

As noted in the Standards section, during 2021 Cogent worked with a number of employers and interested organisations on the review, development and translation of qualification products as part of their Standards and Frameworks contract across all the Devolved Administrations - Scotland, Wales, England and Northern Ireland.

Cogent also completed the following projects:

1. Review of the Bulk Liquid Operations National Occupational Standards
2. Translation into Welsh of the Nuclear Decommissioning National Occupational Standards
3. Approval of the new Modern Apprenticeship in Quality Operations in the Science Industries at SCQF level 6
4. Approval of the new SVQ in Bioprocessing Operations in the Science Industries SCQF Level 7 will form part of the current Modern Apprenticeship in Life Science and Related Science Industries

Cogent Skills Limited

Strategic report for the year ended 31 December 2021 (continued)

3. Development and performance (continued)

Cogent People

We believe our long-term success is down to the talent and commitment of our people right across the Cogent business. We continue to engage colleagues with a raft of informal initiatives designed to create a sense of fun and energy. Throughout the year we offered opportunities including chocolate tasting, gift hampers, and health and wellbeing challenges.

More formally, our ASPIRE scheme is open to all Cogent employees and continues to provide recognition and reward for members of staff who go ‘above and beyond’ for our customers. We continue to hold quarterly Communication Days, bringing team members together virtually or face to face for updates and discussions about business performance.

Looking Ahead

Our Strategic Plan sets the direction of travel for Cogent for the period 2022- 2024 and beyond. It builds on previous success but represents a slight shift, as we respond to changes in the external environment and key skills trends. A sustainable return ensures delivery of the charitable objectives of the business with the goal of redirecting commercial income to facilitate charitable good causes aligned to the interests of our customers, our people, and the industries we serve.

The adoption of a balanced scorecard approach balances financial measures with performance measures and objectives related to all other parts of the organisation.



4. Principal risks and uncertainties

The trustees consider the principal risks and uncertainties to be related to financial risk and these are discussed on page 13 in the Trustees’ report.

Cogent Skills Limited

Strategic report for the year ended 31 December 2021 (continued)

5. Financial review

The group's performance during 2021 reflected a strong year in a challenging environment. We utilised government support through the Coronavirus Job Retention Scheme (CJRS) totalling £107,000 (2020: £312,000), of which £25,000 (2020: £91,000) was on behalf of other employers within our apprenticeship training agency (ATA) business. This support was utilised in the business areas that were most affected by pandemic. We anticipate the effects of the pandemic primarily through the lower starts in 2020 and 2021 to have an impact on the results for 2022.

The results for the year show a net income of £401,000 (2020: £237,000). Total income increased by 11 per cent to £11,477,000 (2020: £10,333,000) and total expenditure increased by 10 per cent to £11,075,000 (2020: £10,096,000). As at 31 December 2021, the unrestricted reserves of the group amounted to £1,567,000 (2020: £1,166,000).

Cogent Skills Limited made a surplus of £199,000 (2020: £nil). This includes Gift Aid of £300,000 (2020: £nil). During the second half of 2021 the Membership and Corporate business units were transferred to Cogent Skills Limited from Cogent SSC Limited.

Cogent SSC Limited made a deficit of £169,000 (2020: £179,000). Income was lower at £1,047,000 (2020: £1,316,000) mainly due to the Membership & Corporate business units being transferred to Cogent Skills Limited during the year.

Cogent Skills Services Limited (CSS) had a good year with a surplus of £137,000 (2020: £108,000) as this company now consists solely of the apprenticeship training agency (ATA) business.

Cogent Skills Training Limited (CST) made a surplus of £47,000 (2020: £36,000) which was supported by a good year for consultancy income which was boosted by a large contract win with National Grid. During the second half of 2021 the apprenticeship delivery business unit was transferred from CST to Cogent SSC Limited.

NSAN, the nuclear academy, made a surplus of £170,000 (2020: £124,000) on income 24% higher of £1,503,000 (2020: £1,212,000). The surplus includes a R&D tax credit of £55,000 (2020: £56,000).

The Science Industry Assessment Service Limited (SIAS) made a surplus of £17,000 (2020: £148,000). Gift Aid of £300,000 (2020: £nil) is included in the results. SIAS had a strong performance from an expanding product portfolio.

The group's accounting policies are set out in note 1 to the financial statements. These policies are consistent with the accounting policies applied in previous years.

Reserves policy

As at 31 December 2021, the unrestricted reserves of the group amounted to £1,567,000 (2020: £1,166,000). The target level of reserves of the charitable group is £1,600,000 representing a minimum six months operating costs and ensuring that sufficient funds are available to sustain the group. The reserves policy is reviewed annually.

Cogent aim to make surpluses over time to help preserve the viability of the charity and provide confidence to those providing funding that the charity is prudently controlled. At present, the trustees conclude that they have sufficient reserves to continue the activities of the charity at the current level. Taking into account the future activities and the current economic environment the trustees expect to reach the targeted level of reserves within five years.

Going concern

Forecasts have been prepared through until December 2024 which take account of the current environment and possible future developments. The cash balances and available facilities are sufficient to remove any concerns over liquidity and the going concern basis of preparation of the accounts.

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Cogent Skills Limited

Strategic report for the year ended 31 December 2021 (continued)

5. Financial Review (continued)

Income generation

Cogent's main sources of revenue are products and services delivered in the UK, employer contributions and project funding from government and other agencies. The principal funding sources were funding from the ESFA, external grant income and subscription income from employers.

Expenditure

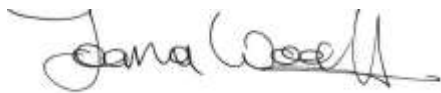
The main expenditure for the charitable group continues to be remuneration costs amounting to 34 per cent (2020:33) of total expenditure.

Key performance indicators ("KPIs")

Monthly management reports are produced, providing information on the key performance indicators of the business. These are reviewed at monthly team meetings and at Directors' meetings. This facilitates the assessment and mitigation of risks and determines the future direction and activities required to meet targets. The KPIs on which the Group focuses are:

- Net surplus
- Cash balances
- Income streams

Approved by the board of trustees and signed on its behalf by:



J Woolf
Trustee

28 June 2022

Cogent Skills Limited

Trustees' report for the year ended 31 December 2021

The trustees present their report and the audited consolidated financial statements for the year ended 31 December 2021. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

1. Reference and administrative details

The charity, Cogent Skills Limited is registered with Companies House with Company registration number 09361100 and charity registration number 1166082 with the Charity Commission for England and Wales.

The directors of the charitable company are its trustees for the purpose of charity law. The trustees and officers serving during the year and up to the date of signing the financial statements were:

Chairman

J Woolf

Trustees

K Gorge

T Burke

S Elliott

S Earp

N Gardiner

K Woods-Ruddick

J Fosh

T Weston appointed 28 January 2021

C Reed appointed 19 April 2021

E Collins appointed 16 August 2021

M Barber appointed 14 January 2022

J Howe appointed 28 April 2022

Other trustees who served during the financial year:

E Smith resigned 8 April 2021

S Stewart resigned 8 April 2021

C Parr resigned 14 January 2022

S Jones resigned 14 January 2022

Principal Office

First Floor, 720

Mandarin Court

Lakeside Drive

Centre Park

Warrington

WA1 1GG

Registered Office

First Floor, 720

Mandarin Court

Lakeside Drive

Centre Park

Warrington

WA1 1GG

Chartered Accountants & Statutory Auditors

RSM UK Audit LLP

3 Hardman Street

Manchester

M3 3HF

Cogent Skills Limited

Trustees' report for the year ended 31 December 2021 (continued)

1. Reference and administrative details (continued)

Solicitors

GLP Solicitors
4th Floor
8 Haymarket Street
Bury
BL9 0AR

Bankers

Bank of Scotland
31 High Street
Montrose
DD10 8LT

Cogent Skills Limited

Trustees' report for the year ended 31 December 2021 (continued)

2. Structure, governance and management

Governing document

Cogent Skills Limited (Cogent) is a company limited by guarantee with charitable status, registered with the Charity Commission for England and Wales. Cogent is governed by its Memorandum and Articles of Association to allow for its current governance arrangements. There are currently 7 members (2020:7), each of whom agrees to contribute £10 in the event of the charity winding up.

Governance

The board and executive are committed to executing business in a transparent, fair and ethical way. We have embraced the Code of Good Governance for Charities and use this to ensure compliance, accountability and continuous improvement as well as the ethical standards set out in the 7 Nolan Principles.

Activities

Cogent Skills Limited is on the register of charities in England and Wales with a number of charitable objectives around the educational, training and development needs of employers and employees in the science based industries.

Cogent Skills plan to promote and organise co-operation between employers, employees, schools, providers, local authorities and other skills partners around training and education.

Cogent Skills is sector-based working with companies from across the science industries embracing life sciences, industrial sciences and nuclear. Cogent Skills has particular expertise in STEM and industry regulation with respect to skills and competence.

Cogent Skills Vision is for 'Safe, skilled and resourced globally competitive science & technology industries'

Cogent Skills strategic objectives are:

- To have a pipeline of young people with the capability, drive and ambition to build a globally competitive science based industry in the UK; and
- To support the development of the existing workforce to acquire the skills needed to adopt new technologies and innovate new products and services.

The Cogent Group comprises Cogent Skills Limited, Cogent SSC Limited, Cogent Skills Services Limited (CSS), Cogent Skills Training Limited (CST), Science Industry Assessment Service Limited (SIAS) and National Skills Academy for Nuclear Limited (NSAN).

Cogent Skills Limited, Cogent SSC, CSS and SIAS work together to support the Science Industries under the new leadership of the Science Industry Partnership (SIP).

Cogent Skills Training Limited promotes and provides vocational education training and re-training to improve the skills of the science-based workforce and to promote the development of industry, commerce and enterprise of all forms primarily for the benefit of the science-based industries.

NSAN works independently and is the nuclear industry's leading, not for profit, membership organisation for the sourcing and provision of skills solutions.

The approach is evidence-based and employer-led, with the ambition to boost sector innovation, growth, and competitiveness through skills. Cogent Group solutions are adopted by every size of organisation, from SMEs through to global companies.

Appointment of trustees

As set out in the Articles of Association, the trustees are appointed by the members through the nominations committee. The nominations committee is made up of up to five trustees. It considers the requirement for specialist skills and appropriate representation when recommending trustees to the board. Each owner member of Cogent has the right to nominate trustees to the board such that each owner member will have no more than one representative trustee.

Cogent Skills Limited

Trustees' report for the year ended 31 December 2021 (continued)

2. Structure, governance and management (continued)

Training and induction for trustees

All trustees receive an induction pack on joining the Board which includes the Memorandum and Articles of Association, the Cogent business plan and annual report. Training for trustees takes place to brief them on their legal obligations under charity and company law.

Organisation

The Board of Trustees administers the charity. The Board meets quarterly and there are sub-committees covering nominations, finance and audit and remunerations, which meet as and when required. A Chief Executive Officer is appointed by the Board to manage the day to day operations of the charity. To facilitate effective operations, the Chief Executive Officer has delegated authority, within the terms of delegation approved by the trustees, for operational matters including finance and employment.

Key management personnel remuneration policy

Benchmarking exercises are conducted throughout the year for key personnel which involves reviewing other organisations within similar industries and within the charities and public sectors. The executive directors review the remuneration of key personnel and the remunerations committee reviews the remuneration of the executive directors. The remunerations committee also reviews bonus payments and the annual cost of living change for board approval.

Internal control

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The trustees review the strategic plan and annual budget and approve the same. They consider the financial results on a regular basis including variances from budgets. The audit committee meets at least twice a year under its terms of reference.

Related parties

The charity has five wholly-owned subsidiaries – Cogent SSC Limited, National Skills Academy for Nuclear Limited (NSAN), Cogent Skills Training Limited (CST), Cogent Skills Services Limited (CSS) and Science Industry Assessment Service Limited (SIAS).

Public benefit requirement

The charity trustees have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Commission.

Financial risk management

The following statements summarise the charity's policy in managing identified forms of financial risk:

Price risk: The charity negotiates income to finance the charity's activities and incorporates this information into its business plans and budgets. Incremental increases to salaries are communicated to staff during the formal annual review of salaries. Prices of materials and services purchased are subject to contract with suppliers, based on current market prices.

Credit risk: Credit risk on amounts owed to the charity by its customers is low, as the majority of debtors are the government, large established employers and government funded providers.

Liquidity risk: The charity has no long term borrowing. The charity will make use of its overdraft facility if required.

Interest rate cash flow risk: The charity is able to place surplus funds on short term deposit with the group's bankers.

Cogent Skills Limited

Trustees' report for the year ended 31 December 2021 (continued)

3. Plans for future periods

We will continue establishing Cogent Skills as a membership organisation, Cogent Skills Training as a growing commercial skills training provider, Cogent Skills Services as an outsourced Apprenticeship and Internship service, Cogent SSC as an outsourced apprenticeship training provider, SIAS as the end assessment organisation of choice and NSAN as the chosen skills solutions provider for nuclear companies.

Commercial Sustainability Objectives:

- Build our commercial businesses through the delivery of a highly regarded value proposition to Science Industry companies.
- A growing and vibrant membership base providing sector skills leadership through SIP & NSSG.
- Employers across the Science Industries and their employees are our customers

Our strategic work is undertaken within the parent company Cogent Skills Limited and is largely delivered through an employer led agenda of collaborative forums with a financial membership model. It remains the Trustees' intention to grow the main offers and services delivered through the business units and subsidiary companies with the aim of contributing a surplus to the charity to subsidise the costs of the strategic activity.

As the membership services activities of the business were transferred to Cogent Skills Limited during the second half of 2021 Cogent SSC Limited is now focussed on growing its apprenticeship delivery business. Following on from this restructuring it is the Trustee's intention to transfer Cogent Skills Training Limited to become a direct subsidiary of the parent Cogent Skills Limited and to remove Cogent SSC Limited from the Scottish Charity Register during 2022.

Cogent (Telford) Limited was dissolved on 4 January 2022.

4. Statement of disclosure of information to auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditors are unaware, and
- the trustees, having made enquires of fellow directors and the group's auditors that they ought to have individually undertaken, have each taken all the steps necessary as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418(1) of the Companies Act 2006.

5. Trustees' indemnities

As permitted by the Articles of Association, the Trustees have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Trustees' and Officers' liability insurance in respect of itself and its Trustees.

Cogent Skills Limited

Trustees' report for the year ended 31 December 2021 (continued)

6. Statement of trustees' responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, these trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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 proper accounting records that 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. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

7. Independent Auditors

The auditors, RSM UK Audit LLP, have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an AGM.

The Report of the Trustees and the Strategic Report were approved by the Board of Trustees on 28 June 2022.

On behalf of the Board



J Woolf
Trustee

Cogent Skills Limited

Independent auditors' report to the members and trustees of Cogent Skills Limited

Report on the financial statements

Our opinion

We have audited the financial statements of Cogent Skills Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Summary Income and Expenditure Account, the Consolidated and Company Balance Sheets, and the Consolidated Cash Flow Statement 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Cogent Skills Limited

Independent auditors' report to the members and trustees of Cogent Skills Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report and the Strategic 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 Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report or the Strategic Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 Statement of Trustees' responsibilities set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

Cogent Skills Limited

Independent auditors' report to the members and trustees of Cogent Skills Limited (continued)

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document and tax legislation.

We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to ESFA funding guidance, Ofsted requirements and the Apprenticeship Training Agency Framework. Compliance with these requirements is required to remain on certain HM Government registers. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

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

Use of our report

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

RSM UK Audit LLP

Dale Thorpe (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

Date: 30/06/22

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Cogent Skills Limited

Consolidated Statement of Financial Activities for the year ended 31 December 2021

	Note	2021 £'000	2020 (as restated) £'000
Income and endowments from:			
Charitable activities	5	11,370	10,019
Other income	3	107	312
Investment income	4	-	2
Total income		11,477	10,333
Expenditure on:			
Charitable activities	6	11,068	10,083
		11,068	10,083
Governance costs	6	8	13
Total expenditure	6	11,076	10,096
Net income		401	237
Fund balances brought forward at 1 January		1,166	929
Fund balances carried forward at 31 December		1,567	1,166

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The trustees consider all the fund balances as being unrestricted.

Cogent Skills Limited

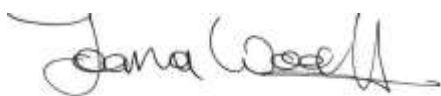
Balance Sheets as at 31 December 2021

		Group		Company	
	Note	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Fixed assets					
Intangible assets	10	7	23	2	-
Tangible assets	11	43	43	13	-
Investments	12	-	-	140	140
Total fixed assets		50	66	155	140
Current assets					
Debtors	13	2,125	2,110	167	-
Money Market Deposit	24	-	600	-	-
Cash at bank and in hand		2,884	1,930	452	5
Total current assets		5,009	4,640	619	5
Creditors: amounts falling due within one year	14	(3,312)	(3,298)	(575)	(145)
Net current assets/ (liabilities)		1,697	1,342	44	(140)
Total assets less current liabilities		1,747	1,408	199	-
Creditors: amounts falling due after one year	15	(180)	(242)	-	-
Net assets		1,567	1,166	199	-
The funds of the Charity					
Unrestricted income funds	20	1,567	1,166	199	-
Total charity funds	21	1,567	1,166	199	-

The movement in the net funds of the group attributable to the parent charitable company was £199,000 (2020: £nil). The residual net movement of £202,000 (2020: £237,000) is attributable to subsidiary undertakings.

The financial statements on pages 18 to 41 were approved by the Board of Trustees on 28 June 2022 and were signed on its behalf by

:



J Woolf
Trustee
Company Registered Number 09361100
Charity Registration Number 1166082

Cogent Skills Limited

Consolidated income and expenditure account for the year ended 31 December 2021

Continuing operations	Note	2021 £'000	2020 (as restated) £'000
Income			
Charitable income	5	11,370	10,019
Other income	3	107	312
Total income		11,477	10,331
Expenditure			
Charitable expenditure	6	11,128	10,146
Total expenditure		11,128	10,146
Surplus for the financial year before interest and taxation		349	185
Interest receivable	4	-	2
Surplus for the financial year before taxation		349	187
Taxation on Surplus	2	52	50
Surplus for the financial year		401	237

The consolidated income and expenditure account is derived from the Consolidated Statement of Financial Activities.

Cogent Skills Limited

Consolidated cash flow statement for the year ended 31 December 2021

	Note	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Net cash inflow from operating activities	24		378		1,121
Return on investments and servicing of finance					
Interest received		-		2	
Net cash inflow from returns on investments and servicing of finance			-		2
Capital expenditure and financial investment					
Purchase of intangible fixed assets		-		-	
Purchase of tangible fixed assets		(24)		(24)	
Net money market deposits	25	600		(150)	
Net cash inflow/ (outflow) for capital expenditure and financial investment			576		(174)
Net increase in cash and cash equivalents			954		949
Cash and cash equivalents at the beginning of the year			1,930		981
Cash and cash equivalents at the end of the year	25		2,884		1,930

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2021

1 Principal accounting policies

The financial statements have been prepared under the historic cost convention, on a going concern and accruals basis, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities and preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2016) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements, is set out below.

Consolidation

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis. A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All Intra-group transactions are eliminated on consolidation. The accounting policies are uniform throughout the group with the exception of the capitalisation policy detailed on page 24.

As permitted by section 408(3) of the Companies Act 2006, the parent company's individual income and expenditure account has not been included in these financial statements as a primary financial statement. The parent company's result for the financial year was £199,000 (2020: £nil).

Going concern

Forecasts have been prepared through until December 2024 which take account of the current environment and any possible future developments. The cash balances and available facilities are sufficient to remove any concerns over liquidity and the going concern basis of preparation of the accounts.

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Company status

The company is a company limited by guarantee with charitable status.

Fund accounting

All funds are classed as unrestricted funds which are available for use at the discretion of the members in furtherance of the general objectives of the company and which have not been designated for other purposes.

Incoming resources

All incoming resources are included in the SOFA when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy. Income includes grants receivable, investment income, membership fees and other commercial income which represents the invoiced value of goods and services supplied.

Income from donations and grants is included in incoming resources when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity or its subsidiary undertakings must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until pre-conditions for use have been met.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

1 Principal accounting policies (continued)

Deferred income

Income is deferred where funds are received in advance and the contract has only been partly completed at the balance sheet date. Income is released on a systematic basis in line with costs incurred.

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred.

- Costs of generating funds comprise those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.
- Cost of charitable activities comprises those costs incurred by the charity in the delivery of its aims and objectives. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and board meeting expenditure.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly whereas support costs are apportioned on a per capita basis.

Investments

Investments in subsidiary undertakings are included at cost except where provision is made against an identified impairment.

Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation. The cost of intangible fixed assets is their purchase cost or transfer value, together with any incidental expenses of acquisition. Amortisation is calculated so as to write off the cost of intangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned, as follows:

Software	3-4 years
----------	-----------

The expected useful lives of the assets are reassessed periodically in the light of experience. Capital grants are deferred and released in line with the amortisation policy for the grant funded assets purchased.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. The cost of tangible fixed assets is their purchase cost or transfer value, together with any incidental expenses of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned, as follows:

Plant and machinery	3-8 years
Grant funded assets	3-8 years
Fixtures and fittings	3-8 years
Computer equipment	3-4 years

The expected useful lives of the assets are reassessed periodically in the light of experience. Capital grants are deferred and released in line with the depreciation policy for the grant funded assets purchased.

Cogent Skills Limited operates a policy where items with a value below £500 are not capitalised whereas the consolidated subsidiary undertakings operate to a policy of where there is no minimum capitalisation value.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

1 Principal accounting policies (continued)

Impairment

The company reviews tangible fixed assets and investments for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recovered. If the carrying amounts are not expected to be recovered by discounted future cash flows, the assets are impaired and an impairment loss recorded in the SOFA.

Cash held on behalf of third parties

Cash is held on behalf of third parties where the charity is legally bound to pay this cash to a third party and has no responsibility for its ultimate application. In these circumstances the transaction is legally a transfer of resources from the principal to the specified third party and the principal retains legal responsibility for ensuring the charitable application of the funds. The group is simply acting as an intermediary and therefore does not recognise these funds on the balance sheet.

Money market deposit

Money market funds are term deposits of 12 months or less with well known UK banking institutions with high credit ratings.

Leases

All leases are operating leases and are charged to the SOFA / income and expenditure account on a straight line basis over the lease term.

Irrecoverable VAT

All expenditure is classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

Deferred taxation

The charity has been granted charitable status by the Inland Revenue and therefore is not liable for corporation tax. The charity's trading subsidiaries are liable for corporation tax.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Reduced disclosures

In accordance with FRS 102, the group has taken advantage of the exemptions from the following disclosure requirement in the individual financial statements of Cogent Skills Limited:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flows and related notes and disclosures.
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches; and details of hedges and hedging fair value changes recognised in profit or loss and in other comprehensive income.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

1 Principal accounting policies (continued)

Employee benefits

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined benefit and defined contribution pension plans.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Multi-employer pension plan

Cogent SSC Limited and Cogent (Telford) Limited participate in the ITB Pension Scheme, a multi-employer pension plan defined benefit scheme. The company is not legally responsible for the plan and does not have sufficient information to use defined benefit accounting. Where the plan is in deficit and where the entities have agreed with the plan to participate in a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the contributions payable under the agreement that relate to the deficit. Payments made to the Plan are offset against this creditor. Where there is a change in the value of the contributions to be paid to the Plan as a result of the deficit funding arrangement the change is recognised in the Statement of Financial Activities in the period in which the agreement is signed by both parties. The unwinding of the discount is recognised as a finance cost. Further pension details can be found in notes 16 and 19 to the financial statements.

From 1 April 2017 the remaining employees who participated in the defined benefit scheme were transferred into the defined contribution scheme for future service benefits. From 1 August 2022 Cogent SSC Limited employees participate in a separate defined contribution scheme outside of the ITB scheme.

During 2021 Cogent SSC Limited entered into a flexible apportionment arrangement with the ITB Pension Scheme where the parent company Cogent Skills Limited took over responsibility for all the liabilities in relation to the defined benefit scheme.

Defined contribution pension plan

Cogent Skills Limited, Cogent Skills Services Limited, Cogent Skills Training Limited and Science Industry Assessment Services Limited all participate in the defined contribution scheme of the ITB. The cost recognised in the SOFA is equal to the contributions payable for the year. The assets of the plan are held separately from the company in independently administered funds.

National Skills Academy for Nuclear Limited participate in a separate defined contribution pension scheme. The cost recognised in the SOFA is equal to the contributions payable for the year. The assets of the plan are held separately from the company in independently administered funds.

Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

Other loans are initially recognised at their transaction value and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

1 Principal accounting policies (continued)

Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The Trustees consider that there are no material sources of estimation uncertainty.

Critical areas of judgement

Debtor provision

A provision for bad and doubtful debts is established when there is objective evidence that the amounts due will not be collected in line with the usual fee collections.

Useful life of fixed assets

In making decisions regarding the depreciation of tangible fixed assets, management must estimate the useful life of these assets to the group. A change in estimate would result in a change in the depreciation charged to the statement of total comprehensive income in each year.

Coronavirus Job Retention Scheme (CJRS) income

The CJRS grant is receivable as compensation for staff costs incurred and for the purpose of giving immediate financial support to the organisation with no future related costs. It is recognised as income in the period in which it becomes receivable within 'Other trading activities' (note 3).

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

2 Commercial trading operations and investments in trading subsidiaries

The charity has six wholly owned trading subsidiaries Cogent SSC Limited, Cogent (Telford) Limited, National Skills Academy for Nuclear Limited (“NSAN”), Cogent Skills Training Limited (“CST”), Cogent Skills Services Limited (“CSS”) and Science Industry Assessment Service Limited (“SIAS”) which are incorporated in the UK.

Income and expenditure accounts for the year ended 31 December 2021

	Cogent Skills Limited £'000	Cogent SSC Limited £'000	Cogent Telford Limited £'000	NSAN £'000	CST £'000	CSS £'000	SIAS £'000	Inter Co Elim £'000	Total 2021 £'000
Income	743	1,047	1	1,503	1,142	5,822	1,707	(488)	11,477
Expenditure	(544)	(1,216)	(1)	(1,389)	(1,095)	(5,685)	(1,686)	488	(11,128)
Surplus/(deficit) for the financial year before interest and taxation	199	(169)	-	114	47	137	21	-	349
Interest receivable	-	-	-	-	-	-	-	-	-
Surplus/(deficit) for the financial year before taxation	199	(169)	-	114	47	137	21	-	349
Taxation on Surplus/(deficit)	-	-	-	56	-	-	(4)	-	52
Surplus/(deficit) for the financial year	199	(169)	-	170	47	137	17	-	401

Taxation on Surplus	2021 £'000	2020 £'000
Current tax:		
UK corporation tax on Surplus for the year	(52)	(50)
Deferred tax:		
Origination and reversal of timing differences	-	-
Taxation on Surplus	(52)	(50)

Cogent Skills Limited

Notes to the financial statements

for the year ended 31 December 2021 (continued)

2 Commercial trading operations and investments in trading subsidiaries (continued)

Income and expenditure accounts for the year ended 31 December 2020

	Cogent Skills Limited £'000	Cogent SSC Limited £'000	Cogent Telford Limited £'000	NSAN £'000	CST £'000	CSS £'000	SIAS £'000	Inter Co Elim £'000	Total 2020 £'000
Income	-	1,316	58	1,212	1,169	5,628	1,266	(318)	10,331
Expenditure	-	(1,495)	(58)	(1,145)	(1,133)	(5,520)	(1,113)	318	(10,146)
Surplus/(deficit) for the financial year before interest and taxation	-	(179)	-	67	36	108	153	-	185
Interest receivable	-	-	-	2	-	-	-	-	2
Surplus/(deficit) for the financial year before taxation	-	(179)	-	69	36	108	153	-	187
Taxation on Surplus/(deficit)	-	-	-	55	-	-	(5)	-	50
Surplus/(deficit) for the financial year	-	(179)	-	124	36	108	148	-	237

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

2 Commercial trading operations and investments in trading subsidiaries (continued)

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The tax assessed for the year is different to the standard effective rate of corporation tax in the UK for the year ended 31 December 2021 of 19% (2020: 19%). The differences are explained below:

	Cogent Telford Limited £'000	NSAN £'000	CST £'000	CSS £'000	SIAS £'000	Total 2021 £'000	Total 2020 £'000
Surplus for the financial year before taxation	-	114	47	137	21	319	366
Surplus for the financial year at standard tax rate in the UK of 19% (2020: 19%)	-	22	9	26	4	61	70
Effects of:							
Losses (utilised)	-	(22)	(9)	(26)	-	(57)	(65)
Losses not utilised	-	-	-	-	-	-	-
R&D Tax credit	-	(56)	-	-	-	(56)	(55)
Current tax for the year	-	(56)	-	-	4	(52)	(50)

Factors affecting future tax charges

The rate of UK corporation tax will remain at 19% from April 2022.

The assets and liabilities of the subsidiaries at 31 December 2021 were:

	Cogent SSC Limited £'000	Cogent Telford Limited £'000	NSAN £'000	CST £'000	CSS £'000	SIAS £'000	Total £'000
Fixed assets	9	-	7	6	8	3	33
Current assets	1,165	-	1,476	256	1,350	567	4,814
Creditors: amounts falling due within one year	(250)	-	(927)	(346)	(1,297)	(209)	(3,029)
Creditors: amounts falling after more than one year	(70)	-	-	(20)	(40)	(180)	(310)
Net assets/(liabilities)	854	-	556	(104)	21	181	1,508

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

3 Other income

	2021 £'000	2020 (as restated) £'000
CJRS grant	107	312

The directors believe it is more appropriate for the trading income relating to achieving the charity's objects to be classified as charitable income and have restated 2020 results accordingly.

4 Investment income

	2021 £'000	2020 £'000
Bank deposit income	-	2

5 Charitable activities

	2021 £'000	2020 (as restated) £'000
Project Income	378	256
Membership fees	1,114	1,116
End Assessments	2,000	1,529
Course & consultancy sales	898	585
ATA – Fee income	1,049	913
ATA – recharge of employment costs	4,685	4,409
Other income	1,246	1,211
	11,370	10,019

The directors believe it is more appropriate for the trading income relating to achieving the charity's objects to be classified as charitable income and have restated 2020 results accordingly.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

6 Analysis of expenditure

	Research, policy and engaging with employers £'000	Occupational standards, education and qualifications £'000	Governance costs £'000	Cogent (Telford) Limited £'000	National Skills Academy for Nuclear Limited £'000	Cogent Skills Training Limited £'000	Cogent Skills Services Limited £'000	Science Industry Assessment Service Limited £'000	Intercompany Elimination £'000	Total 2021 £'000
Cost directly allocated to activities										
Salaries and other staff costs	661	364	-	-	575	-	4,710	-	-	6,310
Specific projects	277	70	-	-	361	233	58	434	(487)	946
Other costs	77	12	-	-	-	-	-	-	-	89
	1,015	446	-	-	936	233	4,768	434	(487)	7,345
Support costs										
Salaries and other staff costs	6	7	-	1	262	561	592	495	632	2,556
Marketing and communications	14	20	-	-	8	2	1	1	-	46
Premises costs	57	77	-	-	10	79	63	22	-	308
Other costs	47	63	8	-	117	220	261	738	(633)	821
Loss on disposal of fixed assets	-	-	-	-	-	-	-	-	-	-
	124	167	8	1	397	862	917	1,256	(1)	3,731
Total expenditure	1,139	613	8	1	1,333	1,095	5,685	1,690	(488)	11,076

The support costs have been allocated on a per capita basis.

Other costs in the table above include a taxation credit of £52,000 (2020: £50,000) which is disclosed separately for the purpose of the consolidated income and expenditure account on page 21.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

6 Analysis of expenditure (continued)

The comparative numbers for 2020 are:

	Research, policy and engaging with employers £'000	Occupational standards, education and qualifications £'000	Governance costs £'000	Cogent (Telford) Limited £'000	National Skills Academy for Nuclear Limited £'000	Cogent Skills Training Limited £'000	Cogent Skills Services Limited £'000	Science Industry Assessment Service Limited £'000	Intercompany Elimination £'000	Total 2020 £'000
Cost directly allocated to activities										
Salaries and other staff costs	634	189	-	-	535	-	4,506	-	-	5,864
Specific projects	228	75	-	-	139	340	90	313	(260)	925
Other costs	36	-	-	-	-	-	-	-	-	36
	898	264	-	-	674	340	4,596	313	(260)	6,825
Support costs										
Salaries and other staff costs	76	75	-	58	250	528	722	305	472	2,486
Marketing and communications	1	1	-	-	2	3	1	4	-	12
Premises costs	16	16	-	-	36	74	37	22	-	201
Other costs	69	66	13	-	128	188	164	474	(530)	572
Loss on disposal of fixed assets	-	-	-	-	-	-	-	-	-	-
	162	158	13	58	416	793	924	805	(58)	3,271
Total expenditure	1,060	422	13	58	1,090	1,133	5,520	1,118	(318)	10,096

The support costs have been allocated on a per capita basis.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

7 Net incoming resources

	2021 £'000	2020 £'000
Net incoming resources is stated after charging:		
Amortisation of intangible fixed assets – owned	17	28
Depreciation of tangible fixed assets – owned	25	22
Auditors' remuneration: audit services	36	35
: other services	-	-
Operating lease rentals – other	135	135

8 Trustees' emoluments

Two trustees (2020: three) received aggregate emoluments of £227,134 (2020: £253,354) including pension contributions of £11,885 (2020: £12,401) during the year for their services as employees, in accordance with the articles of the charity. No trustees (2020: nil) have received reimbursement (2020: £nil) for travel and subsistence expenses. Professional indemnity insurance, which cost the charity £3,031 (2020: £3,023) is in place with a limit of £2 million.

9 Employee information

The monthly average number of persons employed by the group (including directors) during the year is analysed below:

	Group		Company	
	2021 Number	2020 Number	2021 Number	2020 Number
Administration	74	73	-	-

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

9 Employee information (continued)

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Employee costs in relation to the above employees				
Wages and salaries	3,260	3,010	-	-
Social security costs	331	308	-	-
Other pension costs	203	196	-	-
	3,794	3,514	-	-

The group pension costs and number of higher paid employees to whom retirement benefits are accruing under defined contribution and defined benefit schemes are shown in the table below.

Salaries and benefits	2021 Pension costs £'000	2021 Number	2020 Number
£60,000 - £70,000	31	6	5
£70,001 - £80,000	4	1	3
£80,001 - £90,000	-	-	2
£90,001 - £100,000	13	2	1
£100,001 - £110,000	-	-	1
£110,001 - £120,000	11	1	-
£120,001 - £130,000	7	1	1

Remuneration of key management personnel

The total remuneration, including employer's national insurance and pension contributions, of key management personnel of the group for the year was £712,280 (2020: £744,803). Key management personnel comprise of the executive directors and the senior management team.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

10 Intangible assets

Group	Computer software £'000	Total £'000
Cost		
At 1 January 2021	499	499
Additions	-	-
Disposals	(30)	(30)
At 31 December 2021	469	469
Accumulated depreciation		
At 1 January 2021	476	476
Charge for year	16	16
Disposals	(30)	(30)
At 31 December 2021	462	462
Net book value		
At 31 December 2021	7	7
At 31 December 2020	23	23

11 Tangible assets

Group	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost			
At 1 January 2021	75	238	313
Additions	2	22	24
Disposals	-	-	-
At 31 December 2021	77	260	337
Accumulated depreciation			
At 1 January 2021	67	203	270
Charge for year	2	22	24
Disposals	-	-	-
At 31 December 2021	69	225	294
Net book value			
At 31 December 2021	8	35	43
At 31 December 2020	8	35	43

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

12 Investments

Interests in subsidiary undertakings

Details of subsidiary undertakings held at £nil carrying value are as follows:

Name of company, company registration number and address of incorporation and operation	Description of shares held	Proportion of nominal value of issued shares	Principal activity
Cogent SSC Limited (SC129351) Blue Square House, 272 Bath Street, Glasgow Scotland, G2 4JR (Charity Number SC003435)	Ordinary	100%	Education and training
Cogent (Telford,) Limited (SC130214) ** Blue Square House, 272 Bath Street Glasgow, Scotland, G2 4JR	Ordinary	100%	Administration services
National Skills Academy for Nuclear Limited (06423637) The Base, Dallam Lane, Warrington, England, WA2 7NG	Ordinary	100%*	Education and training
Cogent Skills Training Limited (06430341) First Floor, 720 Mandarin Court, Lakeside Drive, Centre Park, Warrington, Cheshire, England, WA1 1GG	Ordinary	100%*	Education and training
Cogent Skills Services Limited (07806185) First Floor, 720 Mandarin Court, Lakeside Drive, Centre Park, Warrington, Cheshire, England, WA1 1GG	Ordinary	100%*	Promotion of Technical Apprenticeships
Science Industry Assessment Service Limited (09396974) First Floor, 720 Mandarin Court, Lakeside Drive, Centre Park, Warrington, Cheshire, England, WA1 1GG	Ordinary	100%	Administration services

* These subsidiary undertakings are limited by guarantee and the company is the sole subscriber.

** Cogent (Telford,) Limited was dissolved on 4 January 2022.

13 Debtors

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade debtors	1,693	1,724	38	-
Amounts owed by group undertakings	-	-	80	-
Other debtors	64	57	4	-
Prepayments and accrued income	368	329	45	-
	2,125	2,110	167	-

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

14 Creditors: amounts falling due within one year

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade creditors	377	229	114	-
Amounts owed to group undertakings	-	-	-	145
Taxation and social security	545	868	26	-
Bank Loan (see note 16)	48	15	-	-
Other creditors	250	19	-	-
Accruals	786	949	179	-
Deferred income	1,306	1,218	256	-
	3,312	3,298	575	145

Deferred income comprises contract income received in advance of contract outputs delivered.

	Group	Company
	£'000	£'000
Balance as at 1 January 2021	1,218	-
Amount released from previous years	(1,218)	-
Incoming resources deferred in year	1,306	-
Balance as at 31 December 2021	1,306	-

The group balance above includes £1,306,000 (2020: £1,218,000) of amounts falling due within one year and £nil (2020: £nil) of amounts falling due after more than one year.

15 Creditors: amounts falling due after one year

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Rent and dilapidations	-	17	-	-
Bank Loan	180	225	-	-
	180	242	-	-

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

16 Borrowings

During 2020 SIAS received a £240,000 bank loan through the Coronavirus Business Interruption Loan Scheme (CBILS) to help offset the impact on cash flows affected by the pandemic. SIAS accessed the bank loan in September 2020, interest is charged at 2.48% above the Bank of England base rate. The UK government guarantees 80% of the finance to the lender and pays interest and any fees for the first 12 months, after this SIAS is liable for all interest payments for the remaining five years of the loan. Repayment terms are such that SIAS will pay £52,000 per annum (capital plus interest) over a five year term.

17 Members' liability

Members' liability is limited by guarantee not exceeding £10 per member (7 members) (2020: 7 members).

18 Commitments

At 31 December 2021 the group had total commitments under non-cancellable operating leases expiring as follows:

	2021 Land and buildings £'000	2020 Land and buildings £'000	2021 Other £'000	2020 Other £'000
Within one year	-	32	-	-
Within two to five years	10	88	3	3
	10	120	3	3

The group has capital commitments of £nil as at 31 December 2021 (2020: £nil) of which the company's capital commitments are £nil (2020: £nil).

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

19 Pensions

Cogent SSC Limited and Cogent (Telford) Limited participate in the ITB Pension Scheme, a multi-employer pension plan defined benefit scheme. The employers share the actuarial risks associated with all employees and former employees. The company is not legally responsible for the plan and does not have sufficient information to use defined benefit accounting.

From 1 April 2017 the remaining employees who participated in the defined benefit scheme were transferred into the defined contribution scheme for future service benefits. From 1 August 2021 Cogent SSC Limited employees participate in a separate defined contribution scheme outside of the ITB scheme.

With the introduction of FRS102 the liability, being the present value of future contributions agreed under a deficit reduction plan, is now incorporated into the statutory accounts with the repayments under the recovery plan reducing our liability on the balance sheet as opposed to being expensed through the income and expenditure account. The Scheme's liabilities are revalued triennially and a revised deficit funding arrangement is agreed following the completion of this valuation. Changes to the provision as a result of a new agreement being made are charged to the Statement of financial activities and income and expenditure account when the agreement is signed by both parties.

The latest triennial review of the scheme was at 31 March 2019. Since the 2016 valuation, the fund has insured the majority of pensioner liabilities through a number of buy-in policies. The buy-ins have changed the fund's risk profile and funding position significantly since the 2016 valuation. As a result, there were a number of changes made to the 2016 funding principles and assumptions.

The pre and post retirement discount rate is gilt yield curve plus 0.15% with RPI implied by gilt yield curves. The nominal gilt yield curve is taken to be the annually compounded redemption yield using gilt yield curves published by the Bank of England as at the effective date of the valuation minus an allowance for an inflation risk premium (taken to be 0.25% a year given market conditions on the effective date of the valuation).

The expected return on the assets (excluding buy-in policies) was the redemption yield on gilts plus 0.5% as at 31 March 2020. It was also assumed pensions would increase in line with RPI with a limitation placed on the increase ranging from 2.5% - 5%.

At the review date, the actuarial value of the assets of the scheme was £507.2 million and the value of liabilities was £485.9 million, leaving a surplus of £21.3 million representing a funding level of 104% (2016: 101%). The next formal actuarial valuation is due at 31 March 2022. The solvency position is equivalent to a funding level of 87% (2016: 77%).

The deficit recovery plan in operation with the ITB pension fund trustees was completed during 2019.

The total pension cost for the group excluding the investment charge was £203,000 (2020: £194,000). This includes £17,000 (2020: £12,000) outstanding contribution at the balance sheet date. The contributions rate payable by the group was up to 8.35%.

CS, CSS, CST, SIAS and NSAN operate defined contribution pension schemes.

20 Unrestricted income funds

	Group	Company
	£'000	£'000
At 1 January 2021	1,166	-
Surplus for the financial year	401	-
At 31 December 2021	1,567	-

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

21 Reconciliation of movements in members' funds

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Surplus for the year	401	237	199	-
Opening members' funds	1,166	929	-	-
Closing members' funds	1,567	1,166	199	-

22 Related party transactions

During the year Cogent Skills Limited entered into no transactions with its subsidiaries (2020: none).

23 Net cash inflow from operating activities

Group	Note	2021 £'000	2020 £'000
Net income		349	187
Investment income	4	-	(2)
Depreciation and amortisation		40	50
(Increase)\ decrease in debtors		(14)	529
(Decrease)\ increase in creditors		(48)	357
Taxation		51	-
Net cash inflow from operating activities		378	1,121

24 Analysis of net cash

Group	At 1 January 2021 £'000	Cash flow £'000	At 31 December 2021 £'000
Cash at bank and in hand	1,930	954	2,884
Money market deposits	600	(600)	-
	2,530	354	2,884

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

25 Analysis of net debt

	At 1 January 2021 £'000	Cash flow £'000	At 31 December 2021 £'000
Group			
Cash at bank and in hand	1,930	954	2,884
Money market deposits	600	(600)	-
	2,530	354	2,884
Borrowings			
Loans falling due within one year	(15)	(33)	(48)
Loans falling due after more than one year	(225)	45	(180)
Total	2,290	366	2,656

26 Controlling party

The charity has 7 (2020: 7) members representing the science based industries covering industrial sciences (including petroleum refining and distribution, chemical manufacturing, and polymers), life sciences (including pharmaceuticals and medical technologies) and nuclear (see note 18). The trustees do not consider there to be a controlling party on the basis that each of the members has equal voting rights. Cogent Skills Limited is the only company to consolidate these results.

27 Financial instruments

	Group	
	2021 £'000	2020 £'000
Financial assets		
Measured at amortised cost	4,584	4,254

	Group	
	2021 £'000	2020 £'000
Financial liabilities		
Measured at amortised cost	377	229

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

28 Event after the balance sheet date

Cogent (Telford) Limited was dissolved on 4 January 2022. This was an orderly wind down in order to streamline the group administration functions. The administration services and staff of Cogent (Telford) Limited were transferred to Cogent Skills Limited on 1 May 2021.

COGENT SKILLS LIMITED

England & Wales - Charity number 1166082

Accounts

Cogent Skills Limited
Annual Report and Financial Statements
for the year ended 31 December 2020

Company Registered number: 09361100

Charity Registration Number: 1166082

Cogent Skills Limited

Annual report and financial statements for the year ended 31 December 2020

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Cogent Skills Limited

Strategic report for the year ended 31 December 2020

The trustees, who are also directors of the charitable company, present their strategic report on the Cogent Skills Limited group for the year ended 31 December 2020.

1. Review of business

Cogent Skills Limited occupies a unique position in the skills landscape. At the very heart of our business, and key to our success is our relationships with people who share our passion for skills. Together, we aim to be partner of choice, for employers in the science industries, helping them to grow the skills and secure the standards, supporting them through good, tough and uncertain times.

With a strong performance in 2019 and a robust start to 2020, Cogent Skills entered the COVID-19 crisis from a position of strength. Yet, despite the resilience within the sectors we serve, the economic uncertainty caused unprecedented levels of disruption to our everyday way of life and our business throughout much of the year.

Our first priority during this time was to take care of our people and our learners. We adapted quickly as the situation developed, following Government guidance, to protect the health and wellbeing of all concerned.

In areas of the business most severely impacted, we took action to protect as many jobs as possible, mitigating a significant proportion of our costs through take up of Government furlough schemes.

The pandemic has accelerated the digitalisation of many businesses, ours included. Our adoption of virtual classrooms, on-line assessments and video conferencing meant many areas of our business were able to keep operating, offering service continuity to our customers despite the disruption.

Our Membership Business Unit provides a strategic skills proposition to both science industry and nuclear employers. The Science Industry Partnership (SIP) includes some of the most recognised names in our sector, who have agreed to collaborate to improve the outlook for skills in our industry. As an employer-led representative voice, extending our reach and influence requires strength in numbers. To that extent, work on updating our SIP membership proposition so that we can continue to attract and retain new members, started in 2020 and will continue into the first half of 2021.

The Nuclear Skills Strategy Group (NSSG) represents all parts of the nuclear sector both civil and defence. This year saw the appointment of a New Chair and a range of high profile activities as the group continued to deliver on its Strategic Plan, and to work with Government for action on commitments made in the Nuclear Sector Deal.

The year was challenging for our Courses and Consultancy business, with the pandemic having a profound impact across the training industry as a whole. However, the switch to flexible and increasingly digital delivery methods, ensured high profile projects remained interruption free. Like our own business, our customers have adapted to a challenging trading environment, and the expectation that any lost revenue is subject to deferment rather than cancelled, fuels optimism for business unit growth in 2021.

During 2020, we also welcomed Justine Fosh as our new CEO, replacing Joanna Woolf who after fourteen years leading the group took over as Cogent Skills Chair. Building on that success, whilst adapting to the impact of the pandemic will be key to positioning the Group well for the future.

The results on page 18 show a net income of £237,000 (2019: £79,000) with total income of £10,333,000 (2019: £10,523,000).

COVID-19 update

Covid-19 had an impact on trading in 2020 particularly within our membership and training activities as government restrictions were extended. Income streams were mainly affected where site access restrictions were in place. During 2020, we utilised the government's job retention scheme to support employment numbers during these restrictions. It is recognised as income in the period in which it becomes receivable within 'Other trading activities' (note 3).

Whilst Covid-19 will continue to have an impact during 2021 as restrictions have been extended, we are seeing an increased determination from our customers to engage with us. We enter 2021 with positive signs that the public health crisis is easing and we remain cautiously optimistic for growth.

Cogent Skills Limited

Strategic report for the year ended 31 December 2020 (continued)

1. Review of business (continued)

We have taken actions to mitigate the impact of Covid-19 and continue to utilise the Government's job retention scheme in the businesses that require this support.

Coronavirus Business Interruption Loan Scheme (CBILs)

SIAS accessed the bank loan for £240,000 in September 2020, interest is charged at 2.48% above the Bank of England base rate. The UK government guarantees 80% of the finance to the lender and pays interest and any fees for the first 12 months, after this SIAS is liable for all interest payments for the remaining five years of the loan.

2. Strategic objectives

Cogent Skills is a group of companies comprised of Cogent Skills, Cogent SSC, Cogent Skills Services, Cogent Skills Training, NSAN and SIAS. Collectively these companies' purpose is entirely focused on skills and supporting the skills needs and ambitions of individual employers and their employees. Cogent Skills is sector based, working with companies from across the Science Industries embracing Life Sciences, Industrial Sciences and Nuclear. Cogent Skills is owned by the leading Science Industry Trade Associations.

Cogent Skills Mission

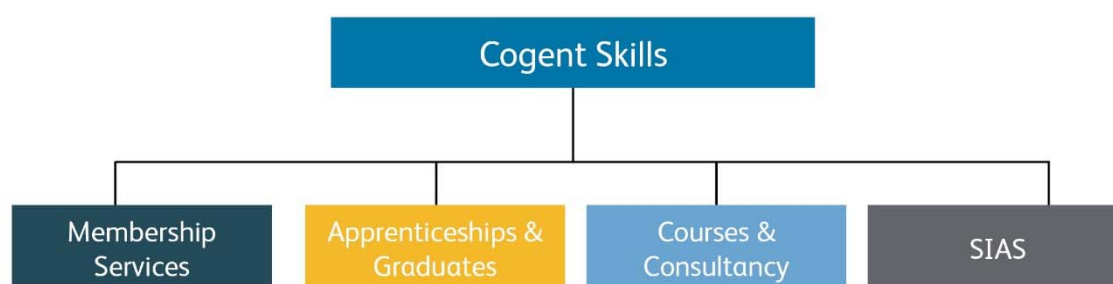
Our mission is to be: -

The Skills and Talent Partner for Science Industry Companies - Developing today's workforce, creating tomorrow's.

To support future growth and business simplification we have identified key strategic objectives focussed on improving the way in which we communicate with our customers, and how we leverage customer intelligence across our business. Through improved understanding of our audiences, we can better connect to the needs of our customers to deliver a coherent and consistent customer experience.

Business Units

Cogent Skills operates through four Business Units each with a unique service offering. Our subsidiary, the National Skills Academy for Nuclear (NSAN) operates distinctly with its own Business Plan and Board. The Businesses seek to support each other, unlocking synergies where possible, to benefit our customers and improve bottom line performance.



Cogent SSC Limited encompasses the business units of membership services and part of the apprenticeship delivery.

Cogent Skills Services Limited is the ATA part of the apprenticeship and graduates business unit.

Cogent Skills Training Limited consists of the apprenticeship delivery part of the apprenticeship and graduate business unit along with the courses and consultancy business unit.

SIAS Limited is the end assessment business unit.

Cogent Skills Limited

Strategic report for the year ended 31 December 2020 (continued)

3. Development and performance

Membership Business Unit

Science Industry Partnership (SIP)

The SIP provides one influential voice on skills to Government, ensuring the science sector is heard and understood. The SIP Futures group continues to lead on the 2030 Skills Strategy, coordinating the delivery of a number of ambitious, actions to contribute towards the ‘people’ pillar of the Life Sciences Industrial Strategy.

Despite the global pandemic and fiscal tightening, SIP membership remained buoyant, demonstrating positive levels of retention and growth, underpinned with the recruitment of six new members.

The SIP continues to work to ensure the apprenticeship system accurately reflects the needs of employers, with a National Apprenticeship Survey and the launch of a new Apprenticeship Strategy during the year.

SIP local groups in the North East, Cambridge and Liverpool met throughout the year in a virtual setting and continue to offer employers a valuable opportunity to collaborate on skills in the communities in which they serve. That local footprint is set to expand with the addition of SIP West Midlands in 2021 focussing on the Health Tech & Med Tech sectors. In partnership with The Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) the employer-led group will drive a local / collaborative approach to sharing best practice, addressing skills needs and growing apprenticeship and graduate numbers in the region.

Looking ahead, a key focus for SIP membership will be to develop a refreshed offer for industrial science companies and a research exercise to understand how we can better serve the needs of employers is underway.

Nuclear Skills Strategy Group (NSSG)

The NSSG welcomed Corhyn Parr as new chair, taking over from Fiona Rayment OBE. A senior leader for the Nuclear Decommissioning Authority (NDA), Corhyn is a passionate advocate for skills in the sector and brings a wealth of experience as the group continues to deliver on its Strategic Plan and to work with Government for action on commitments made in the Nuclear Sector Deal.

The impact of COVID-19 meant attention and resource were more difficult to access, putting additional pressure on the NSSG secretariat. However, through the adoption of smarter ways of working, we have continued to keep the programme on track. A traditionally busy industry events calendar shifted to virtual delivery, including the Nuclear Industry Association (NIA) conference, for which NSSG provided speakers and exhibition material. Planning is now underway for NSSG’s own virtual ‘skills-festival’ taking place in 2021.

The NSSG Skills Summit in March ran in partnership with the Young Generation Network (YGN) and was the last face-to-face event prior to lockdown. This workshop session gave industry leaders an opportunity to share best practice around skills development and learn from others outside of our sector. The output led to key actions aligned to the Nuclear Sector Deal.

The NSSG Strategic Plan, updated and launched in December preceded the publication of the Government’s Energy White Paper and ten-point plan. Aligned to this, a Green Energy Taskforce has been set up, with the NSSG positioned to deliver against this going forward. This gives greater certainty about future of additional large-scale nuclear plants, smaller modular reactors, and advance technology developments including fusion.

A new strategic partnership between the NSSG and Women in Nuclear (WiN) represents an innovative approach to tackling workplace diversity. Publication of a Gender Roadmap sets out the key commitments required from industry to meet the ambitious target of a 40% nuclear sector female workforce by 2030.

An ongoing programme of webinars, driven by the needs of our members, offered skills insights and thought leadership on diverse issues around apprenticeships, and endpoint assessments. Meanwhile, the NSSG apprenticeship survey collected robust data samples from across industry with findings expected in the first half of 2021.

The NSSG’s Next Generation Nuclear Working Group is now utilising funding secured in 2019 to develop a virtual work experience curriculum for feeding into the T level programme, with a pilot phase set for 2021.

Cogent Skills Limited

Strategic report for the year ended 31 December 2020 (continued)

3. Development and performance (continued)

Also in pipeline is a project for greater nuclear visibility on the school curriculum through provision of quality online teaching and careers materials.

Standards

The SIP continues to facilitate and support the development of new apprenticeship standards to help drive the sector forward. Throughout 2020, the SIP has supported the revision of the following:

- Level 3 Laboratory Technician – approved and published
- Level 3 Science Industry Maintenance Technician
- Level 3 Science Manufacturing Technician
- Level 2 Science Manufacturing Process Operative

With the IfATE Engineering and Manufacturing route review postponed due to COVID-19 and outcomes of the consultation due in Autumn 21, the review groups are continuing to work on the revision of the three engineering standards to ensure each standard is relevant and fit for purpose.

National Occupational Standards (NOS) projects in the devolved nations continued to make good progress with several NOS suites translated into Welsh and a review of Northern Irish Apprenticeship Frameworks (Scientific Technologies and Polymer Operator/Technician). Cogent was also successful in winning the following Standards and Frameworks Contracts for 2020/2021:

- Review the Nuclear Decommissioning National Occupational Standards
- Review of the SCQF Level 6 Scottish Vocational Qualification in Process Industries Operations
- Develop 2 new Scottish Vocational Qualification to support the Life and Chemical Science Industries
- Develop 2 new Modern Apprenticeships to support the Life and Chemical Science Industries
- Translate the Facilities Management National Occupational Standards into Welsh

Apprenticeships and Graduates Business Unit

Trusted by some of the world's leading science companies, our apprenticeship and graduate business unit has been supporting employers to attract, retain and develop the very best talent since 2012.

Ensuring regulatory alignment sits at the centre of our operations remains a key focus, as we continue to embed a culture of compliance across the division with ongoing support from our Governance Committee.

Early in the year, Ofsted recognised the improvements to the quality of our provision, safeguarding and management systems, allowing the lifting of ESFA sanctions on Cogent Skills Training Ltd. Throughout the COVID-19 pandemic, we took significant steps to ensure continuity for our learners, resulting in positive feedback from employers following a further inspection in October.

Ongoing adoption of learner-focussed technology improved business resilience, allowing for continuity of service to apprentices through our virtual learning environment (VLE). The ability of virtual classrooms to impart expert knowledge and on-line assessments in an engaging user-friendly format won praise from Ofsted, employers and learners. To supplement remote delivery and to encourage tactile learning, physical resources, such as test kits were issued direct to learners.

A shift to video interviewing enabled the business to fill vacancies for ATA apprenticeship, graduate placement and apprenticeship delivery offers, and despite travel restrictions, uncertainty and confidence across Europe – 84% of advertised opportunities were filled despite difficult operating conditions.

We continue to deliver apprenticeships to our core industries at levels 2 and 3 for Science Manufacturing Process Operator, Science Manufacturing Technician and Laboratory Technician while delivering out to completion a small number of business administration and management apprenticeships.

The public health pandemic did however create difficult and unprecedented trading conditions. Apprenticeship learner starts, through our registered training provider Cogent SSC missed target by 50% (42 learners) and our Apprenticeship training agency starts, operated through Cogent Skills Services missed target by 30% (44 learners). Our graduate placement service delivered against target for number of starts whilst cost savings and contract extensions improved bottom line performance.

Cogent Skills Limited

Strategic report for the year ended 31 December 2020 (continued)

3. Development and performance (continued)

With continued pandemic led uncertainty factored into 2021 forecasts, the expectation of recovery and growth the following year remains. Re-development of our Laboratory Technician offer, the need to expand laboratory space and changes under the IfATE review of the science manufacturing technician standard are further drivers of change.

We will be launching a new delivery offer in April with a pilot group of employers who see great potential in the Process Leader level 4 to upskill their current workforce. We will further enhance our Governance Group with the inclusion of a learner voice, and continue to work towards a grade 2 Ofsted through our internal quality improvement plan while developing our staff and technology to offer the best possible support to our learners, placement students, ATA employees and our customers.

Courses and Consultancy Business Unit

Whilst a strong pipeline at the start of 2020 gave room for optimism, COVID-19 and subsequent lockdowns saw the continued postponement of courses and new consultancy projects.

As employers turned their focus to running sites safely with reduced staff, it became difficult to contact and engage in conversations about training. This reduced delivery capability throughout the year resulted in the loss of five months operational trading due to pandemic related restrictions.

To mitigate the impact, training delivery transferred to virtual channels, with staff upskilled on alternative digital platforms and new processes introduced to suit remote delivery. A series of web based networking events enabled us to engage more than 60 industry decision makers during the year.

We responded to the needs of our customers with a more flexible approach to delivery, utilising our associate network to protect existing margins.

Despite the disruption, delivery of 32 web-based courses and face-to-face training continued in situations where it was safe to operate. Delayed consultancy projects started coming back on line in Q4, and in particular, we were pleased to contract with National Grid for a large-scale project running through to December 2021.

A prudent approach to cost control, adoption of alternative technology and use of the temporary furlough scheme enabled business operations to continue and protect revenue streams.

As we enter 2021 with a healthy order book and positive signs that the public health crisis is easing, we remain cautiously optimistic for growth.

Science Industry Assessment Service

Despite the global pandemic impacting registrations, a combination of flexible delivery methods, an increase in the number of End Point Assessments (EPA's) to 381, and a strong pipeline ensured the SIAS business remained resilient. During a year which saw the 500th EPA delivered, the team also applied to deliver four new EPA's including Lean Manufacturing Operative, Engineering Operative, Maintenance and Operations Engineering Technician (MOET) and Research Scientist. Other significant developments in 2020 included a successful IfATE desk audit and an application for Ofqual recognition.

National Skills Academy for Nuclear

NSAN (National Skills Academy for Nuclear) is a subsidiary within the Cogent Group and well established as the collective and collaborative skills forum for the nuclear industry. Led by employers, from both civil and defence, NSAN provides valuable, cost-effective and practical skills solutions.

In addition to face-to-face support delivered by NSAN's team of regional Relationship Managers, the launch of a new digital membership platform enhances the member experience providing users with direct access to the latest industry insight.

During the year, NSAN also delivered the nuclear industry's twelfth annual UK Nuclear Skills Awards. Hosted by TV's Dallas Campbell, the event brought the nuclear industry together to celebrate the success and high achievement of individuals across a number of award categories, including Apprentice, Graduate, STEM, Subject Matter Expert and Equality, Inclusion and Diversity.

Cogent Skills Limited

Strategic report for the year ended 31 December 2020 (continued)

3. Development and performance (continued)

Cogent in the Devolved Administrations

As noted in the Standards section, during 2020 Cogent worked with a number of employers and interested organisations on the review, development and translation of qualification products as part of their Standards and Frameworks contract across all the Devolved Administrations - Scotland, Wales, England and Northern Ireland.

Cogent People

We recognise the tremendous commitment our employees make in serving our customers, and their enthusiasm to delivering outstanding work underpins operational delivery across the Cogent business.

The ASPIRE recognition scheme is for all Cogent employees and continues to provide recognition and reward for members of staff who go 'above and beyond' for our customers. We continue to hold quarterly Communication Days, now in a virtual setting, to bring all team members together for updates and discussions about business performance.

Looking Ahead

The Cogent Skills Business Plan outlines our approach to 2023, identifying several key growth opportunities. A sustainable return ensures delivery of the charitable objectives of the business with the goal to utilise commercial income to facilitate charitable good causes aligned to the interests of our customers and our people.

The adoption of a balanced score card approach balances financial measures with performance measures and objectives related to all other parts of the organisation.



4. Principal risks and uncertainties

The trustees consider the principal risks and uncertainties to be related to financial risk and these are discussed on page 12 in the Trustees' report.

Cogent Skills Limited

Strategic report for the year ended 31 December 2020 (continued)

5. Financial review

The group's performance during 2020 reflected a reasonable year in a challenging environment. We utilised government support through the Coronavirus Job Retention Scheme (CJRS) totalling £312,000, of which £91,000 was on behalf of other employers within our apprenticeship training agency (ATA) business. The results for the year show a net income of £237,000 (2019: £79,000). Total income decreased by 2 per cent to £10,333,000 (2019: £10,523,000) and total expenditure decreased by 3 per cent to £10,096,000 (2019: £10,444,000).

Cogent Skills Limited has not yet started trading.

Cogent SSC Limited made a deficit of £179,000 (2019: surplus of £114,000). Income was lower at £1,316,000 (2019: £2,372,000) mainly due to the SIAS business unit being transferred to SIAS Limited. Our membership income was similar to last year and we have budgeted for a resumption of growth during 2021.

Cogent Skills Services Limited (CSS) had a good year with a surplus of £108,000 (2019: £180,000) as this company now consists of just the apprenticeship training agency (ATA) business.

Cogent Skills Training Limited (CST) made a surplus of £36,000 (2019: deficit of £208,000). Total overheads were reduced through tight cost control and utilisation of staff within other areas of the group. CST also utilised £78,000 of CJRS support. The courses business had a challenging year during 2020 but ended the year on a positive note with a large contract win with National Grid.

NSAN, the nuclear academy, made a surplus of £124,000 (2019: deficit of £9,000) on income 14% higher of £1,212,000 (2019: £1,064,000). The surplus includes a R&D tax credit of £55,000 (2019: nil).

The Science Industry Assessment Service Limited (SIAS) made a surplus of £148,000 (2019: £2,000). SIAS is now on the register of assessment organisations and on 1 January 2020 the end point assessment operations were transferred from Cogent SSC Limited to Science Industry Assessment Service Limited (SIAS).

The group's accounting policies are set out in note 1 to the financial statements. These policies are consistent with the accounting policies applied in previous years.

Reserves policy

As at 31 December 2020, the unrestricted reserves of the group amounted to £1,166,000 (2019: £929,000). The target level of reserves of the charity is £1,600,000 representing a minimum six months operating costs and ensuring that sufficient funds are available to sustain the group. The reserves policy is reviewed annually.

Cogent aim to make surpluses over time to help preserve the viability of the charity and provide confidence to those providing funding that the charity is prudently controlled. At present, the trustees conclude that they have sufficient reserves to continue the activities of the charity at the current level. Taking into account the future activities, the impact of the Ofsted monitoring report and the economic uncertainty around Covid-19, the trustees expect to reach the targeted level of reserves within five years.

Going concern

Forecasts have been prepared through until December 2022 which take account of the impact of the current coronavirus pandemic, possible future developments and further disruption. Despite the continuing uncertainties surrounding the social distancing measures required for some of our activities and any further disruption caused by Government guidelines, the cash balances and available facilities are sufficient to remove any concerns over liquidity and the going concern basis of preparation of the accounts.

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Income generation

Cogent's main sources of revenue are products and services delivered in the UK, employer contributions, project funding from government and other agencies.

Cogent Skills Limited

Strategic report for the year ended 31 December 2020 (continued)

5. Financial Review (continued)

Expenditure

The main expenditure continues to be remuneration costs amounting to 33 per cent (2019:33) of total expenditure.

Key performance indicators (“KPIs”)

Monthly management reports are produced, providing information on the key performance indicators of the business. These are reviewed at monthly team meetings and at Directors’ meetings. This facilitates the assessment and mitigation of risks and determines the future direction and activities required to meet targets. The KPIs on which the Group focuses are:

- Net surplus
- Cash balances
- Income streams

Approved by the board of trustees and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'J Woolf', with a long horizontal flourish extending to the right.

J Woolf
Trustee

22 June 2021

Cogent Skills Limited

Trustees' report for the year ended 31 December 2020

The trustees present their report and the audited consolidated financial statements for the year ended 31 December 2020. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

1. Reference and administrative details

The charity, Cogent Skills Limited is registered with Companies House with Company registration number 09361100 and charity registration number 1166082 with the Charity Commission for England and Wales.

The directors of the charitable company are its trustees for the purpose of charity law. The trustees and officers serving during the year and up to the date of signing the financial statements were:

Chairman

J Woolf

Trustees

K Gorge

T Burke

S Elliott

S Earp

N Gardiner

C Parr

S Jones

K Woods-Ruddick

J Fosh appointed 4 May 2020

T Weston appointed 28 January 2021

C Reed appointed 19 April 2021

Other trustees who served during the financial year:

J Haigh resigned 14 April 2020

M Kenrick resigned 14 April 2020

E Smith resigned 8 April 2021

S Stewart resigned 8 April 2021

Principal Office

Unit 5

Mandarin Court

Centre Park

Warrington

WA1 1GG

Registered Office

Unit 5

Mandarin Court

Centre Park

Warrington

WA1 1GG

Chartered Accountants & Statutory Auditors

RSM UK Audit LLP

3 Hardman Street

Manchester

M3 3HF

Cogent Skills Limited

Trustees' report for the year ended 31 December 2020 (continued)

1. Reference and administrative details (continued)

Solicitors

GLP Solicitors
85 Chapel Street
Manchester
M3 5DF

Bankers

Bank of Scotland
31 High Street
Montrose
DD10 8LT

Cogent Skills Limited

Trustees' report for the year ended 31 December 2020 (continued)

2. Structure, governance and management

Governing document

Cogent Skills Limited (Cogent) is a company limited by guarantee with charitable status, registered with the Charity Commission for England and Wales. Cogent is governed by its Memorandum and Articles of Association to allow for its current governance arrangements. There are currently 7 members (2019:7), each of whom agrees to contribute £10 in the event of the charity winding up.

Activities

Cogent Skills Limited is on the register of charities in England and Wales with a number of charitable objectives around the educational, training and development needs of employers and employees in the science based industries. The company has not traded in the year but is expected to commence trading during 2021.

Cogent Skills plan to promote and organise co-operation between employers, employees, schools, providers, local authorities and other skills partners around training and education.

Cogent Skills is sector-based working with companies from across the science industries embracing life sciences, industrial sciences and nuclear. Cogent Skills has particular expertise in STEM and industry regulation with respect to skills and competence.

Cogent Skills Mission is to be – The skills and talent partner for science industry companies, developing today's workforce, creating tomorrow's.

Cogent Skills strategic objectives are:

- To have a pipeline of young people with the capability, drive and ambition to build a globally competitive science based industry in the UK; and
- To support the development of the existing workforce to acquire the skills needed to adopt new technologies and innovate new products and services.

The Cogent Group comprises Cogent Skills Limited, Cogent SSC Limited, Cogent Skills Services Limited (CSS), Cogent Skills Training Limited (CST), Science Industry Assessment Service Limited (SIAS), Cogent (Telford) Limited and National Skills Academy for Nuclear Limited (NSAN).

Cogent Skills Limited, Cogent SSC, CSS and SIAS work together to support the Science Industries under the new leadership of the Science Industry Partnership (SIP).

Cogent Skills Training Limited promotes and provides vocational education training and re-training to improve the skills of the science-based workforce and to promote the development of industry, commerce and enterprise of all forms primarily for the benefit of the science-based industries.

NSAN works independently and is the nuclear industry's leading, not for profit, membership organisation for the sourcing and provision of skills solutions.

The approach is evidence-based and employer-led, with the ambition to boost sector innovation, growth, and competitiveness through skills. Cogent Group solutions are adopted by every size of organisation, from SMEs through to global companies.

Appointment of trustees

As set out in the Articles of Association, the trustees are appointed by the members through the nominations committee. The nominations committee is made up of up to five trustees. It considers the requirement for specialist skills and appropriate representation when recommending trustees to the board. Each owner member of Cogent has the right to nominate trustees to the board such that each owner member will have no more than one representative trustee.

Cogent Skills Limited

Trustees' report for the year ended 31 December 2020 (continued)

2. Structure, governance and management (continued)

Training and induction for trustees

All trustees receive an induction pack on joining the Board which includes the Memorandum and Articles of Association, the Cogent business plan and annual report. Training for trustees takes place to brief them on their legal obligations under charity and company law.

Organisation

The Board of Trustees administers the charity. The Board meets quarterly and there are sub-committees covering nominations, finance and audit and remunerations, which meet as and when required. A Chief Executive Officer is appointed by the Board to manage the day to day operations of the charity. To facilitate effective operations, the Chief Executive Officer has delegated authority, within the terms of delegation approved by the trustees, for operational matters including finance and employment.

Key management personnel remuneration policy

Benchmarking exercises are conducted throughout the year for key personnel which involves reviewing other organisations within similar industries and within the charities and public sectors. The executive directors review the remuneration of key personnel and the remunerations committee reviews the remuneration of the executive directors. The remunerations committee also reviews bonus payments and the annual cost of living change for board approval.

Internal control

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The trustees review the strategic plan and annual budget and approve the same. They consider the financial results on a regular basis including variances from budgets. The audit committee meets at least twice a year under its terms of reference.

Related parties

The charity has six wholly-owned subsidiaries – Cogent SSC Limited, Cogent (Telford) Limited, National Skills Academy for Nuclear Limited (NSAN), Cogent Skills Training Limited (CST), Cogent Skills Services Limited (CSS) and Science Industry Assessment Service Limited (SIAS).

Public benefit requirement

The charity trustees have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Commission.

Financial risk management

The following statements summarise the charity's policy in managing identified forms of financial risk:

Price risk: The charity negotiates grants to finance the charity's activities and incorporates this information into its business plans and budgets. Incremental increases to salaries are communicated to staff during the formal annual review of salaries. Prices of materials and services purchased are subject to contract with suppliers, based on current market prices.

Credit risk: Credit risk on amounts owed to the charity by its customers is low, as the majority of debtors are the government, large established employers and government funded providers.

Liquidity risk: The charity has no long term borrowing. The charity will make use of its overdraft facility if required.

Interest rate cash flow risk: The charity is able to place surplus funds on short term deposit with the group's bankers.

Cogent Skills Limited

Trustees' report for the year ended 31 December 2020 (continued)

3. Plans for future periods

We will continue establishing Cogent Skills as a membership organisation, Cogent Skills Training as a growing commercial skills training provider, Cogent Skills Services as an outsourced Apprenticeship and Internship service, SIAS as the end assessment organisation of choice and NSAN as the chosen skills solutions provider for nuclear companies.

Commercial Sustainability Objectives:

- Build our commercial businesses through the delivery of a highly regarded value proposition to Science Industry companies.
- A growing and vibrant membership base providing sector skills leadership through SIP & NSSG.
- Employers across the Science Industries and their employees are our customers

We have set ourselves a growth budget for 2023 with:

- 50 key customers at our heart
- £0.7m Membership Income
- 500 Apprentices and Placements in managed service or training
- Over 1,000 Apprentices end assessed with SIAS
- £1.2m from Course Sales and workforce development
- £1.3m NSAN business with a developing membership base

Whilst there are some uncertainties, the directors do not currently believe that the impact of Covid-19 will have a significant effect on the achievement of these plans.

It remains the Trustees' intention to transfer the membership services and corporate function activities of Cogent SSC Limited into Cogent Skills Limited during 2021.

4. Statement of disclosure of information to auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditors are unaware, and
- the trustees, having made enquires of fellow directors and the group's auditors that they ought to have individually undertaken, have each taken all the steps necessary as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418(1) of the Companies Act 2006.

5. Trustees' indemnities

As permitted by the Articles of Association, the Trustees have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Trustees' and Officers' liability insurance in respect of itself and its Trustees.

Cogent Skills Limited

Trustees' report for the year ended 31 December 2020 (continued)

6. Statement of trustees' responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, these trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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 proper accounting records that 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. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

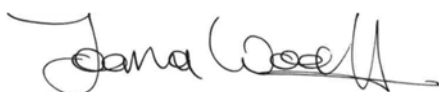
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

7. Independent Auditors

The auditors, RSM UK Audit LLP, have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an AGM.

The Report of the Trustees and the Strategic Report were approved by the Board of Trustees on 22 June 2021.

On behalf of the Board



J Woolf
Trustee

Cogent Skills Limited

Independent auditors' report to the members and trustees of Cogent Skills Limited

Report on the financial statements

Our opinion

We have audited the financial statements of Cogent Skills Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated Summary Income and Expenditure Account, the Consolidated and Company Balance Sheets, and the Consolidated Cash Flow Statement 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Cogent Skills Limited

Independent auditors' report to the members and trustees of Cogent Skills Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report and the Strategic 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 Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report or the Strategic Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 Statement of Trustees' responsibilities set out on page 14, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

Cogent Skills Limited

Independent auditors' report to the members and trustees of Cogent Skills Limited (continued)

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document, tax legislation, ESFA funding guidance, Ofsted requirements and the Apprenticeship Training Agency Framework.

We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to ESFA funding guidance, Ofsted requirements and the Apprenticeship Training Agency Framework. Compliance with these requirements is required to remain on certain HM Government registers. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

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

Use of our report

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



Dale Thorpe (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

Date: 25 June 2021

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Cogent Skills Limited

Consolidated Statement of Financial Activities for the year ended 31 December 2020

	Note	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Income and endowments from:					
Charitable activities	5		3,053		2,955
Other trading activities	3		7,278		7,564
Investment income	4		2		4
Total income			10,333		10,523
Expenditure on:					
Raising funds: costs of goods sold and other costs	6		7,483		8,186
<i>Charitable activities:</i>					
Research, policy and engaging with employers	6	1,060		816	
Occupational standards, education and qualifications	6	1,540		1,414	
			10,083		10,416
Governance costs	6		13		28
Total expenditure	6		10,096		10,444
Net income			237		79
Fund balances brought forward at 1 January			929		850
Fund balances carried forward at 31 December			1,166		929

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The trustees consider all the fund balances as being unrestricted.

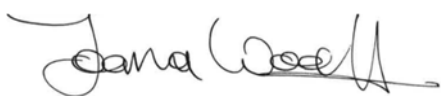
Cogent Skills Limited

Balance Sheets as at 31 December 2020

		Group		Company	
	Note	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Fixed assets					
Intangible assets	10	23	51	-	-
Tangible assets	11	43	41	-	-
Investments	12	-	-	140	140
Total fixed assets		66	92	140	140
Current assets					
Debtors	13	2,110	2,589	-	18
Money Market Deposit	25	600	450	-	-
Cash at bank and in hand		1,930	981	5	5
Total current assets		4,640	4,020	5	23
Creditors: amounts falling due within one year	14	(3,298)	(3,151)	(145)	(163)
Net current assets/ (liabilities)		1,342	869	(140)	(140)
Total assets less current liabilities		1,408	961	-	-
Creditors: amounts falling due after one year	15	(242)	(32)	-	-
Defined benefit pension scheme liability	17 & 20	-	-	-	-
Net assets		1,166	929	-	-
The funds of the Charity					
Unrestricted income funds	20	1,166	929	-	-
Total charity funds	21	1,166	929	-	-

The movement in the net funds of the group attributable to the parent charitable company was £nil (2019: £nil). The residual net movement of £237,000 (2019: £79,000) is attributable to subsidiary undertakings.

The financial statements on pages 18 to 41 were approved by the Board of trustees on 22 June 2021 and were signed on its behalf by:



J Woolf
Trustee
Company Registered Number 09361100
Charity Registration Number 1166082

Cogent Skills Limited

Consolidated income and expenditure account for the year ended 31 December 2020

Continuing operations	Note	2020 £'000	2019 £'000
Income			
Charitable income	5	3,053	2,955
Non-charitable trading activities income	3	7,278	7,564
Total income		10,331	10,519
Expenditure			
Charitable expenditure	6	2,613	2,258
Non-charitable trading activities expenditure	6	7,533	8,187
Total expenditure		10,146	10,445
Surplus for the financial year before interest and taxation		185	74
Interest receivable	4	2	4
Surplus for the financial year before taxation		187	78
Taxation on Surplus	2	50	1
Surplus for the financial year		237	79

The consolidated income and expenditure account is derived from the Consolidated Statement of Financial Activities.

Cogent Skills Limited

Consolidated cash flow statement for the year ended 31 December 2020

	Note	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Net cash inflow\ (outflow) from operating activities	24		1,121		(584)
Return on investments and servicing of finance					
Interest received		2		4	
Net cash inflow from returns on investments and servicing of finance			2		4
Capital expenditure and financial investment					
Purchase of intangible fixed assets		-		(34)	
Purchase of tangible fixed assets		(24)		(32)	
Net money market deposits	25	(150)		50	
Net cash (outflow) for capital expenditure and financial investment			(174)		(16)
Net decrease in cash and cash equivalents			949		(596)
Cash and cash equivalents at the beginning of the year			981		1,577
Cash and cash equivalents at the end of the year	25		1,930		981

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2020

1 Principal accounting policies

The financial statements have been prepared under the historic cost convention, on a going concern and accruals basis, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities and preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2016) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements, is set out below.

Consolidation

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis. A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All Intra-group transactions are eliminated on consolidation. The accounting policies are uniform throughout the group with the exception of the capitalisation policy detailed on page 23.

As permitted by section 408(3) of the Companies Act 2006, the parent company's individual income and expenditure account has not been included in these financial statements as a primary financial statement. The parent company's result for the financial year was £nil (2019: £nil).

Going concern

Forecasts have been prepared through until December 2022 which take account of the impact of the current coronavirus pandemic, possible future developments and further disruption. Despite the continuing uncertainties surrounding the social distancing measures required for some of our activities and any further disruption caused by Government guidelines, the cash balances and available facilities are sufficient to remove any concerns over liquidity and the going concern basis of preparation of the accounts.

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Company status

The company is a company limited by guarantee with charitable status.

Fund accounting

All funds are classed as unrestricted funds which are available for use at the discretion of the members in furtherance of the general objectives of the company and which have not been designated for other purposes.

Incoming resources

All incoming resources are included in the SOFA when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy. Income includes grants receivable, investment income, membership fees and other commercial income which represents the invoiced value of goods and services supplied.

Income from donations and grants is included in incoming resources when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity or its subsidiary undertakings must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until pre-conditions for use have been met.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

1 Principal accounting policies (continued)

Deferred income

Income is deferred where funds are received in advance and the contract has only been partly completed at the balance sheet date. Income is released on a systematic basis in line with costs incurred.

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred.

- Costs of generating funds comprise those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.
- Cost of charitable activities comprises those costs incurred by the charity in the delivery of its aims and objectives. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and board meeting expenditure.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly whereas support costs are apportioned on a per capita basis.

Investments

Investments in subsidiary undertakings are included at cost except where provision is made against an identified impairment.

Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation. The cost of intangible fixed assets is their purchase cost or transfer value, together with any incidental expenses of acquisition. Amortisation is calculated so as to write off the cost of intangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned, as follows:

Software	3-4 years
----------	-----------

The expected useful lives of the assets are reassessed periodically in the light of experience. Capital grants are deferred and released in line with the amortisation policy for the grant funded assets purchased.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. The cost of tangible fixed assets is their purchase cost or transfer value, together with any incidental expenses of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned, as follows:

Plant and machinery	3-8 years
Grant funded assets	3-8 years
Fixtures and fittings	3-8 years
Computer equipment	3-4 years

The expected useful lives of the assets are reassessed periodically in the light of experience. Capital grants are deferred and released in line with the depreciation policy for the grant funded assets purchased.

Cogent Skills Limited operates a policy where items with a value below £500 are not capitalised whereas the consolidated subsidiary undertakings operate to a policy of where there is no minimum capitalisation value.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

1 Principal accounting policies (continued)

Impairment

The company reviews tangible fixed assets and investments for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recovered. If the carrying amounts are not expected to be recovered by discounted future cash flows, the assets are impaired and an impairment loss recorded in the SOFA.

Cash held on behalf of third parties

Cash is held on behalf of third parties where the charity is legally bound to pay this cash to a third party and has no responsibility for its ultimate application. In these circumstances the transaction is legally a transfer of resources from the principal to the specified third party and the principal retains legal responsibility for ensuring the charitable application of the funds. The group is simply acting as an intermediary and therefore does not recognise these funds on the balance sheet.

Money market deposit

Money market funds are term deposits of 12 months or less with well known UK banking institutions with high credit ratings.

Leases

All leases are operating leases and are charged to the SOFA / income and expenditure account on a straight line basis over the lease term.

Irrecoverable VAT

All expenditure is classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

Deferred taxation

The charity has been granted charitable status by the Inland Revenue and therefore is not liable for corporation tax. The charity's trading subsidiaries are liable for corporation tax.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Reduced disclosures

In accordance with FRS 102, the group has taken advantage of the exemptions from the following disclosure requirement in the individual financial statements of Cogent Skills Limited:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flows and related notes and disclosures.
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches; and details of hedges and hedging fair value changes recognised in profit or loss and in other comprehensive income.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

1 Principal accounting policies (continued)

Employee benefits

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined benefit and defined contribution pension plans.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Multi-employer pension plan

Cogent SSC Limited and Cogent (Telford) Limited participate in the ITB Pension Scheme, a multi-employer pension plan defined benefit scheme. The company is not legally responsible for the plan and does not have sufficient information to use defined benefit accounting. Where the plan is in deficit and where the entities have agreed with the plan to participate in a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the contributions payable under the agreement that relate to the deficit. Payments made to the Plan are offset against this creditor. Where there is a change in the value of the contributions to be paid to the Plan as a result of the deficit funding arrangement the change is recognised in the Statement of Financial Activities in the period in which the agreement is signed by both parties. The unwinding of the discount is recognised as a finance cost. Further pension details can be found in notes 16 and 19 to the financial statements.

From 1 April 2017 the remaining employees who participated in the defined benefit scheme were transferred into the defined contribution scheme for future service benefits.

Defined contribution pension plan

Cogent Skills Services Limited, Cogent Skills Training Limited and Science Industry Assessment Services Limited all participate in the defined contribution scheme of the ITB. The cost recognised in the SOFA is equal to the contributions payable for the year. The assets of the plan are held separately from the company in independently administered funds.

National Skills Academy for Nuclear Limited participate in a separate defined contribution pension scheme. The cost recognised in the SOFA is equal to the contributions payable for the year. The assets of the plan are held separately from the company in independently administered funds.

Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

Other loans are initially recognised at their transaction value and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The Trustees consider that there are no material sources of estimation uncertainty.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

1 Principal accounting policies (continued)

Critical areas of judgement

Debtor provision

A provision for bad and doubtful debts is established when there is objective evidence that the amounts due will not be collected in line with the usual fee collections.

Useful life of fixed assets

In making decisions regarding the depreciation of tangible fixed assets, management must estimate the useful life of these assets to the group. A change in estimate would result in a change in the depreciation charged to the statement of total comprehensive income in each year.

Coronavirus Job Retention Scheme (CJRS) income

The CJRS grant is receivable as compensation for staff costs incurred and for the purpose of giving immediate financial support to the organisation with no future related costs. It is recognised as income in the period in which it becomes receivable within 'Other trading activities' (note 3).

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

2 Commercial trading operations and investments in trading subsidiaries

The charity has six wholly owned trading subsidiaries Cogent SSC Limited, Cogent (Telford) Limited, National Skills Academy for Nuclear Limited (“NSAN”), Cogent Skills Training Limited (“CST”), Cogent Skills Services Limited (“CSS”) and Science Industry Assessment Service Limited (“SIAS”) which are incorporated in the UK.

Income and expenditure accounts

	Cogent Skills Limited £'000	Cogent SSC Limited £'000	Cogent Telford Limited £'000	NSAN £'000	CST £'000	CSS £'000	SIAS £'000	Inter Co Elim £'000	Total 2020 £'000
Income	-	1,316	58	1,212	1,169	5,628	1,266	(318)	10,331
Expenditure	-	(1,495)	(58)	(1,145)	(1,133)	(5,520)	(1,113)	318	(10,146)
Surplus/(deficit) for the financial year before interest and taxation	-	(179)	-	67	36	108	153	-	185
Interest receivable	-	-	-	2	-	-	-	-	2
Surplus/(deficit) for the financial year before taxation	-	(179)	-	69	36	108	153	-	187
Taxation on Surplus/(deficit)	-	-	-	55	-	-	(5)	-	50
Surplus/(deficit) for the financial year	-	(179)	-	124	36	108	148	-	237

Taxation on Surplus/(deficit)	2020 £'000	2019 £'000
Current tax:		
UK corporation tax on Surplus/(deficit) for the year	(50)	(1)
Deferred tax:		
Origination and reversal of timing differences	-	-
Taxation on Surplus/(deficit)	(50)	(1)

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

2 Commercial trading operations and investments in trading subsidiaries (continued)

Income and expenditure accounts

	Cogent Skills Limited £'000	Cogent SSC Limited £'000	Cogent Telford Limited £'000	NSAN £'000	CST £'000	CSS £'000	SIAS £'000	Inter Co Elim £'000	Total 2019 £'000
Income	-	2,371	53	1,061	1,770	5,565	88	(389)	10,519
Expenditure	-	(2,258)	(53)	(1,073)	(1,979)	(5,385)	(86)	389	(10,445)
Surplus/(deficit) for the financial year before interest and taxation	-	113	-	(12)	(209)	180	2	-	74
Interest receivable	-	1	-	3	-	-	-	-	4
Surplus/(deficit) for the financial year before taxation	-	114	-	(9)	(209)	180	2	-	78
Taxation on Surplus/(deficit)	-	-	-	-	1	-	-	-	1
Surplus/(deficit) for the financial year	-	114	-	(9)	(208)	180	2	-	79

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

2 Commercial trading operations and investments in trading subsidiaries (continued)

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The tax assessed for the year is different to the standard effective rate of corporation tax in the UK for the year ended 31 December 2020 of 19% (2019: 19%). The differences are explained below:

	Cogent Telford Limited £'000	NSAN £'000	CST £'000	CSS £'000	SIAS £'000	Total 2020 £'000	Total 2019 £'000
Surplus/(deficit) for the financial year before taxation	-	69	36	108	153	366	(36)
Surplus/(deficit) for the financial year at standard tax rate in the UK of 19% (2019: 19%)	-	13	7	21	29	70	(8)
Effects of:							
Losses (utilised)	-	(13)	(7)	(21)	(24)	(65)	(34)
Losses not utilised	-	-	-	-	-	-	41
R&D Tax credit	-	(55)	-	-	-	-	-
Current tax for the year	-	(55)	-	-	5	(50)	(1)

Factors affecting future tax charges

The rate of UK corporation tax will remain at 19% from April 2021.

The assets and liabilities of the subsidiaries at 31 December 2020 were:

	Cogent SSC Limited £'000	Cogent Telford Limited £'000	NSAN £'000	CST £'000	CSS £'000	SIAS £'000	Total £'000
Fixed assets	27	-	9	14	12	4	66
Current assets	1,979	1	1,228	456	1,356	501	5,521
Creditors: amounts falling due within one year	(968)	(234)	(851)	(209)	(1,484)	(116)	(3,862)
Creditors: amounts falling after more than one year	(15)	-	-	(411)	-	(225)	(651)
Net (liabilities) / assets	1,023	(233)	386	(150)	(116)	164	1,074

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

3 Other trading activities

	2020 £'000	2019 £'000
Course & consultancy sales	585	733
ATA – Fee income	913	904
ATA – recharge of employment costs	4,409	4,413
CJRS grant	312	-
Other sales	1,059	1,514
	7,278	7,564

4 Investment income

	2020 £'000	2019 £'000
Bank deposit income	2	4

5 Charitable activities

	2020 £'000	2019 £'000
Government and other grants	256	552
Membership fees	1,116	1,245
End Assessments	1,257	1,140
Other income	424	18
	3,053	2,955

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

6 Analysis of expenditure

	Research, policy and engaging with employers £'000	Occupational standards, education and qualifications £'000	Governance costs £'000	Cogent (Telford) Limited £'000	National Skills Academy for Nuclear Limited £'000	Cogent Skills Training Limited £'000	Cogent Skills Services Limited £'000	Science Industry Assessment Service Limited £'000	Intercompany Elimination £'000	Total 2020 £'000
Cost directly allocated to activities										
Salaries and other staff costs	634	189	-	-	535	-	4,506	-	-	5,864
Specific projects	228	75	-	-	139	340	90	313	(260)	925
Other costs	36	-	-	-	-	-	-	-	-	36
	898	264	-	-	674	340	4,596	313	(260)	6,825
Support costs										
Salaries and other staff costs	76	75	-	58	250	528	722	305	472	2,486
Marketing and communications	1	1	-	-	2	3	1	4	-	12
Premises costs	16	16	-	-	36	74	37	22	-	201
Other costs	69	66	13	-	127	188	164	474	(530)	572
Loss on disposal of fixed assets	-	-	-	-	-	-	-	-	-	-
	162	158	13	58	416	793	924	805	(58)	3,271
Total expenditure	1,060	422	13	58	1,090	1,133	5,520	1,118	(318)	10,096

The support costs have been allocated on a per capita basis.

Other costs in the table above include a taxation credit of £50,000 (2019: £1,000) which is disclosed separately for the purpose of the consolidated income and expenditure account on page 20.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

6 Analysis of expenditure (continued)

The comparative numbers for 2019 are:

	Research, policy and engaging with employers £'000	Occupational standards, education and qualifications £'000	Governance costs £'000	Cogent (Telford) Limited £'000	National Skills Academy for Nuclear Limited £'000	Cogent Skills Training Limited £'000	Cogent Skills Services Limited £'000	Science Industry Assessment Service Limited £'000	Intercompany Elimination £'000	Total 2019 £'000
Cost directly allocated to activities										
Salaries and other staff costs	264	704	-	-	528	-	4,414	86	(86)	5,913
Specific projects	297	267	-	-	84	786	134	-	(250)	1,318
Other costs	29	58	-	-	-	-	-	-	-	87
	593	1,029	-	-	612	786	4,548	86	(336)	7,318
Support costs										
Salaries and other staff costs	156	271	-	53	268	852	651	-	(53)	2,198
Marketing and communications	1	1	-	-	8	11	7	-	-	28
Premises costs	24	41	-	-	42	75	37	-	-	219
Other costs	42	72	28	-	143	254	142	-	-	681
Loss on disposal of fixed assets	-	-	-	-	-	-	-	-	-	-
	223	385	28	53	461	1,192	837	-	(53)	3,126
Total expenditure	816	1,414	28	53	1,073	1,978	5,385	86	(389)	10,444

The support costs have been allocated on a per capita basis.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

7 Net incoming resources

	2020 £'000	2019 £'000
Net incoming resources is stated after charging:		
Amortisation of intangible fixed assets – owned	28	26
Depreciation of tangible fixed assets – owned	22	20
Auditors' remuneration: audit services	35	26
: other services	-	4
Operating lease rentals – plant and machinery	-	-
Operating lease rentals – other	135	135

8 Trustees' emoluments

Three trustees (2019: two) received aggregate emoluments of £253,354 (2019: £271,726) including pension contributions of £12,401 (2019: £13,479) during the year for their services as employees, in accordance with the articles of the charity. No trustees (2019: nil) have received reimbursement (2019: £nil) for travel and subsistence expenses. Professional indemnity insurance, which cost the charity £3,023 (2019: £4,798) is in place with a limit of £2 million.

9 Employee information

The monthly average number of persons employed by the group (including directors) during the year is analysed below:

	2020 Number	Group 2019 Number	2020 Number	Company 2019 Number
Administration	73	72	-	-

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

9 Employee information (continued)

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Employee costs in relation to the above employees				
Wages and salaries	3,010	2,982	-	-
Social security costs	308	303	-	-
Other pension costs	196	194	-	-
	3,514	3,479	-	-

The group pension costs and number of higher paid employees to whom retirement benefits are accruing under defined contribution and defined benefit schemes are shown in the table below.

Salaries and benefits	2020 Pension costs £'000	2020 Number	2019 Number
£60,000 - £70,000	27	5	4
£70,001 - £80,000	17	3	1
£80,001 - £90,000	11	2	1
£90,001 - £100,000	5	1	1
£100,001 - £110,000	10	1	1
£170,001 - £180,000	-	-	1

Remuneration of key management personnel

The total remuneration, including employer's national insurance and pension contributions, of key management personnel of the group for the year was £744,803 (2019: £730,151). Key management personnel comprise of the executive directors and the senior management team.

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

10 Intangible assets

Group	Computer software £'000	Total £'000
Cost		
At 1 January 2020	499	499
Additions	-	-
Disposals	-	-
At 31 December 2020	499	499
Accumulated depreciation		
At 1 January 2020	448	448
Charge for year	28	28
Disposals	-	-
At 31 December 2020	476	476
Net book value		
At 31 December 2020	23	23
At 31 December 2019	51	51

11 Tangible assets

Group	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost			
At 1 January 2020	101	254	355
Additions	5	19	24
Disposals	(31)	(35)	(66)
At 31 December 2020	75	238	313
Accumulated depreciation			
At 1 January 2020	96	218	314
Charge for year	2	20	22
Disposals	(31)	(35)	(66)
At 31 December 2020	67	203	270
Net book value			
At 31 December 2020	8	35	43
At 31 December 2019	5	36	41

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

12 Investments

Interests in subsidiary undertakings

Details of subsidiary undertakings held at £nil carrying value are as follows:

Name of company, company registration number and address of incorporation and operation	Description of shares held	Proportion of nominal value of issued shares	Principal activity
Cogent SSC Limited (SC129351) Blue Square House, 272 Bath Street, Glasgow Scotland, G2 4JR (Charity Number SC003435)	Ordinary	100%	Education and training
Cogent (Telford,) Limited (SC130214) Blue Square House, 272 Bath Street Glasgow, Scotland, G2 4JR	Ordinary	100%	Administration services
National Skills Academy for Nuclear Limited (06423637) The Base, Dallam Lane, Warrington, England, WA2 7NG	Ordinary	100%*	Education and training
Cogent Skills Training Limited (06430341) Unit 5, Mandarin Court, Centre Park, Warrington, Cheshire, England, WA1 1GG	Ordinary	100%*	Education and training
Cogent Skills Services Limited (07806185) Unit 5, Mandarin Court, Centre Park, Warrington, Cheshire, England, WA1 1GG	Ordinary	100%*	Promotion of Technical Apprenticeships
Science Industry Assessment Service Limited (09396974) Unit 5, Mandarin Court, Centre Park, Warrington, Cheshire, England, WA1 1GG	Ordinary	100%	Administration services

*These subsidiary undertakings are limited by guarantee and the company is the sole subscriber.

13 Debtors

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade debtors	1,724	1,973	-	-
Other debtors	57	20	-	-
Prepayments and accrued income	329	596	-	18
	2,110	2,589	-	18

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

14 Creditors: amounts falling due within one year

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade creditors	229	393	-	-
Amounts owed to group undertakings	-	-	145	145
Taxation and social security	868	495	-	-
Bank Loan	15	-	-	-
Other creditors	19	154	-	-
Accruals	949	1,233	-	18
Deferred income	1,218	876	-	-
	3,298	3,151	145	163

Deferred income comprises contract income received in advance of contract outputs delivered.

	Group	Company
	£'000	£'000
Balance as at 1 January 2020	876	-
Amount released from previous years	(876)	-
Incoming resources deferred in year	1,218	-
Balance as at 31 December 2020	1,218	-

The group balance above includes £1,218,000 (2019: £876,000) of amounts falling due within one year and £nil (2019: £nil) of amounts falling due after more than one year.

15 Creditors: amounts falling due after one year

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Rent and dilapidations	17	32	-	-
Bank Loan	225	-	-	-
	242	32	-	-

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

16 Borrowings

During the year SIAS received a £240,000 loan through the Coronavirus Business Interruption Loan Scheme (CBILS) to help offset the impact on cash flows affected by the pandemic. SIAS accessed the bank loan in September 2020, interest is charged at 2.48% above the Bank of England base rate. The UK government guarantees 80% of the finance to the lender and pays interest and any fees for the first 12 months, after this SIAS is liable for all interest payments for the remaining five years of the loan.

17 Post employee benefits

The movements in the liability during the year were as follows:

Group	2020 £'000	2019 £'000
At 1 January	-	248
Utilised during the year	-	(182)
Movement in the liability recognised in the Statement of Financial Activities	-	(66)
At 31 December 2020	-	-

Refer to note 20 for further information.

18 Members' liability

Members' liability is limited by guarantee not exceeding £10 per member (7 members) (2019: 7 members).

19 Commitments

At 31 December 2020 the group had total commitments under non-cancellable operating leases expiring as follows:

	2020 Land and buildings £'000	2019 Land and buildings £'000	2020 Other £'000	2019 Other £'000
Within one year	32	32	-	-
Within two to five years	88	88	3	3
	120	120	3	3

The group has capital commitments of £nil as at 31 December 2020 (2019: £nil) of which the company's capital commitments are £nil (2019: £nil).

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

20 Pensions

Cogent SSC Limited and Cogent (Telford) Limited participate in the ITB Pension Scheme, a multi-employer pension plan defined benefit scheme. The employers share the actuarial risks associated with all employees and former employees. The company is not legally responsible for the plan and does not have sufficient information to use defined benefit accounting.

With the introduction of FRS102 the liability, being the present value of future contributions agreed under a deficit reduction plan, is now incorporated into the statutory accounts with the repayments under the recovery plan reducing our liability on the balance sheet as opposed to being expensed through the income and expenditure account. The Scheme's liabilities are revalued triennially and a revised deficit funding arrangement is agreed following the completion of this valuation. Changes to the provision as a result of a new agreement being made are charged to the Statement of financial activities and income and expenditure account when the agreement is signed by both parties.

The latest triennial review of the scheme was at 31 March 2019. Since the 2016 valuation, the fund has insured the majority of pensioner liabilities through a number of buy-in policies. The buy-ins have changed the fund's risk profile and funding position significantly since the 2016 valuation. As a result, there were a number of changes made to the 2016 funding principles and assumptions.

The pre and post retirement discount rate is gilt yield curve plus 0.15% with RPI implied by gilt yield curves. The nominal gilt yield curve is taken to be the annually compounded redemption yield using gilt yield curves published by the Bank of England as at the effective date of the valuation minus an allowance for an inflation risk premium (taken to be 0.25% a year given market conditions on the effective date of the valuation).

The expected return on the assets (excluding buy-in policies) was the redemption yield on gilts plus 0.5% as at 31 March 2019. It was also assumed pensions would increase in line with RPI with a limitation placed on the increase ranging from 2.5% - 5%.

At the review date, the actuarial value of the assets of the scheme was £507.2 million and the value of liabilities was £485.9 million, leaving a surplus of £21.3 million representing a funding level of 104% (2016 101%). The next formal actuarial valuation is due at 31 March 2022. The solvency position is equivalent to a funding level of 87% (2016:77%).

The deficit recovery plan in operation with the ITB pension fund trustees was completed during 2019 and the 2020 financial statements include pension deficit recovery payments of £nil (2019: £182,000), an investment charge of £nil (2019: £20,000) and a pension revaluation surplus of £nil (2019: £86,000).

The total pension cost for the group excluding the investment charge was £196,000 (2019: £194,000). This includes £18,000 (2019: £12,000) outstanding contribution at the balance sheet date. The contributions rate payable by the group was up to 8.35%.

CSS, CST, SIAS and NSAN operate defined contribution pension schemes.

21 Unrestricted income funds

	Group	Company
	£'000	£'000
At 1 January 2020	929	-
Surplus for the financial year	237	-
At 31 December 2020	1,166	-

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

22 Reconciliation of movements in members' funds

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Surplus/(deficit) for the year	237	79	-	-
Opening members' funds	929	850	-	-
Closing members' funds	1,166	929	-	-

23 Related party transactions

During the year Cogent Skills Limited entered into no transactions with its subsidiaries (2019: none).

24 Net cash inflow\ (outflow) from operating activities

Group	Note	2020 £'000	2019 £'000
Net income		187	80
Investment income	4	(2)	(4)
Depreciation and amortisation		50	46
Decrease in debtors		529	134
Increase\ (decrease) in creditors		357	(839)
Taxation		-	(1)
Net cash inflow\ (outflow) from operating activities		1,121	(584)

25 Analysis of net cash

Group	At 1 January 2020 £'000	Cash flow £'000	At 31 December 2020 £'000
Cash at bank and in hand	981	949	1,930
Money market deposits	450	150	600
	1,431	1,099	2,530

Cogent Skills Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

26 Analysis of net debt

	At 1 January 2020 £'000	Cash flow £'000	At 31 December 2020 £'000
Group			
Cash at bank and in hand	981	949	1,930
Money market deposits	450	150	600
	1,431	1,099	2,530
Borrowings			
Loans falling due within one year	-	(15)	(15)
Loans falling due after more than one year	-	(225)	(225)
Total	1,431	859	2,290

27 Controlling party

The charity has 7 (2019: 7) members representing the science based industries covering industrial sciences (including petroleum refining and distribution, chemical manufacturing, and polymers), life sciences (including pharmaceuticals and medical technologies) and nuclear (see note 18). The trustees do not consider there to be a controlling party on the basis that each of the members has equal voting rights. Cogent Skills Limited is the only company to consolidate these results.

28 Financial instruments

	Group	
	2020 £'000	2019 £'000
Financial assets		
Measured at amortised cost	4,254	3,404

	Group	
	2020 £'000	2019 £'000
Financial liabilities		
Measured at amortised cost	229	393