

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'

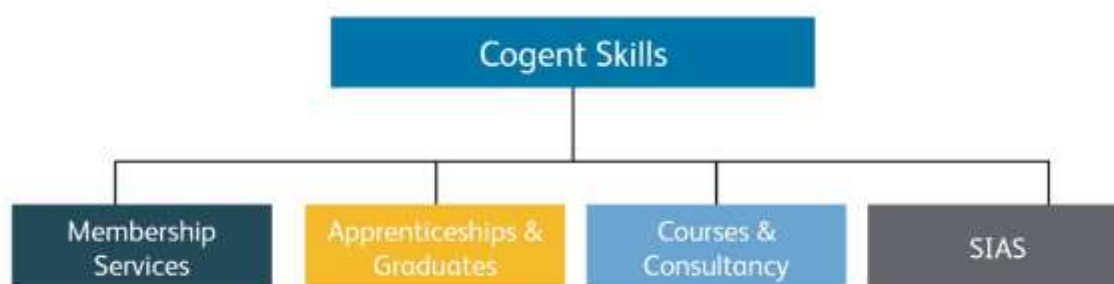
And we are here:

- 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

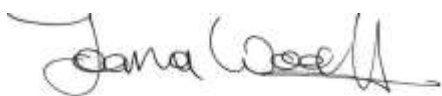
Balance Sheets as at 31 December 2021

		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:

	2021 Number	Group 2020 Number	2021 Number	Company 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.