

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

**Company Registered number: 09361100**

**Charity Registration Number: 1166082**

# Cogent Skills Limited

## Annual report and financial statements

### for the year ended 31 December 2022

## Contents

Strategic report for the year ended 31 December 2022.....	1
Trustees' report for the year ended 31 December 2022.....	10
Independent Auditors' report to the members and trustees of Cogent Skills Limited .....	16
Consolidated Statement of Financial Activities for the year ended 31 December 2022.....	19
Balance sheets as at 31 December 2022 .....	20
Consolidated income and expenditure account for the year ended 31 December 2022.....	21
Consolidated cash flow statement for the year ended 31 December 2022.....	22
Notes to the financial statements for the year ended 31 December 2022 .....	23

# Cogent Skills Limited

## Strategic report for the year ended 31 December 2022

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

### 1. Review of business

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

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

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

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

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

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

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

### 2. Strategic objectives

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

# Cogent Skills Limited

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

### Cogent Skills Vision and Mission

Our Group Vision:

“Skills, to better our World”

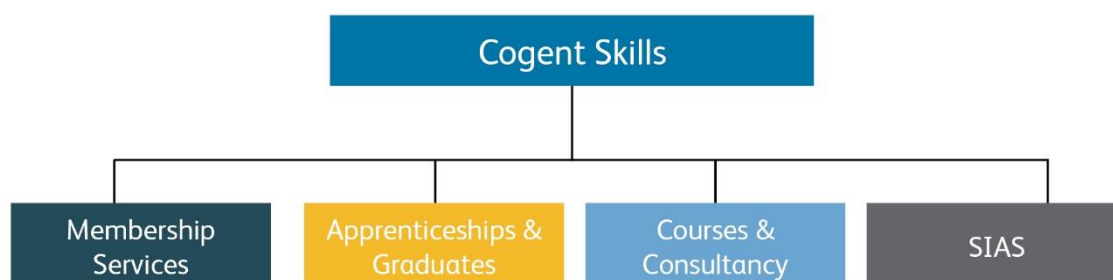
Our Group Mission:

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

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

### Business Units

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



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

# **Cogent Skills Limited**

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

### **3. Development and performance**

#### **Membership Business Unit**

##### **Science Industry Partnership (SIP)**

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

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

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

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

##### **Nuclear Skills Strategy Group (NSSG)**

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

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

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

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

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

# Cogent Skills Limited

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

### 3. Development and performance (continued)

#### Standards

During 2022 SIP supported trailblazer activity for:

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

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

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

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

#### **Apprenticeships and Graduates Business Unit**

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

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

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

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

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

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

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

# **Cogent Skills Limited**

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

### **3. Development and performance (continued)**

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

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

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

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

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

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

#### **Courses and Consultancy Business Unit**

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

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

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

# **Cogent Skills Limited**

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

### **3. Development and performance (continued)**

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

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

#### **Science Industry Assessment Service**

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

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

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

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

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

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

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

#### **National Skills Academy for Nuclear**

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

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



# Cogent Skills Limited

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

### 3. Development and performance (continued)

#### Cogent in the Devolved Administrations

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

Cogent has been working on the following projects:

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

#### Cogent People

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

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

#### Looking Ahead

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

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



# **Cogent Skills Limited**

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

### **4. Principal risks and uncertainties**

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

### **5. Financial review**

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

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

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

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

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

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

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

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

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

#### **Reserves policy**

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

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

#### **Going concern**

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

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

# **Cogent Skills Limited**

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

### **5. Financial Review (continued)**

#### **Income generation**

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

#### **Expenditure**

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

#### **Key performance indicators ("KPIs")**

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

- Net surplus
- Cash balances
- Income streams

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



J Woolf  
Trustee

21/09/23

# **Cogent Skills Limited**

## **Trustees' report for the year ended 31 December 2022**

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

### **1. Reference and administrative details**

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

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

#### **Chairman**

J Woolf

#### **Trustees**

J Fosh

K Gorge

S Elliott

S Earp

N Gardiner

K Woods-Ruddick

C Reed appointed 19 April 2022

E Collins appointed 16 August 2022

J Howe appointed 28 April 2022

E De Jong appointed 1 September 2022

S Harris appointed 28 March 2023

K Mingay appointed 28 March 2023

S Ferns appointed 1 June 2023

Other trustees who served during the financial year:

C Parr resigned 14 January 2022

S Jones resigned 14 January 2022

T Burke resigned 28 March 2023

M Barber appointed 14 January 2022 and resigned 17 October 2022

T Weston appointed 28 January 2022 and resigned 22 July 2022

#### **Principal Office**

First Floor, 720

Mandarin Court

Lakeside Drive

Centre Park

Warrington

WA1 1GG

#### **Registered Office**

First Floor, 720

Mandarin Court

Lakeside Drive

Centre Park

Warrington

WA1 1GG

# **Cogent Skills Limited**

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

### **1. Reference and administrative details (continued)**

#### **Chartered Accountants & Statutory Auditors**

RSM UK Audit LLP

3 Hardman Street

Manchester,

M3 3HF

#### **Solicitors**

GLP Solicitors

4<sup>th</sup> Floor

8 Haymarket Street

Bury

BL9 0AR

#### **Bankers**

Bank of Scotland

31 High Street

Montrose

DD10 8LT

# **Cogent Skills Limited**

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

### **2. Structure, governance and management**

#### **Governing document**

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

#### **Governance**

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

#### **Activities**

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

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

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

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

Cogent Skills strategic objectives are:

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

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

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

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

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

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

#### **Appointment of trustees**

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

# Cogent Skills Limited

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

### 2. Structure, governance and management (continued)

#### Training and induction for trustees

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

#### Organisation

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

#### Key management personnel remuneration policy

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

#### Internal control

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

#### Related parties

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

#### Public benefit requirement

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

#### Financial risk management

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

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

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

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

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

# **Cogent Skills Limited**

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

### **3. Plans for future periods**

We will continue establishing Cogent Skills as a membership organisation, Cogent Skills Training as a growing commercial skills training provider, Cogent Skills Services as an outsourced Apprenticeship and Internship service, Cogent SSC as an outsourced apprenticeship training provider, SIAS as the end assessment organisation of choice and NSAN as the chosen skills solutions provider for nuclear companies.

Commercial Sustainability Objectives:

- Build our commercial businesses through the delivery of a highly regarded value proposition to Science Industry companies.
- A growing and vibrant membership base providing sector skills leadership through SIP & NSSG.
- Employers across the Science Industries and their employees are our customers

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

As the membership services activities of the business were transferred to Cogent Skills Limited during the second half of 2021 Cogent SSC Limited is now focussed on growing its apprenticeship delivery business. Following on from this restructuring, Cogent Skills Training Limited become a direct subsidiary of the parent Cogent Skills Limited during 2022 and Cogent SSC Limited was removed from the Scottish Charity Register on 6 April 2023.

Cogent (Telford) Limited was dissolved on 4 January 2021.

### **4. Statement of disclosure of information to auditors**

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

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

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

### **5. Trustees' indemnities**

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



# **Cogent Skills Limited**

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

### **6. Statement of trustees' responsibilities**

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, these trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

### **7. Independent Auditors**

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

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

**On behalf of the Board**



J Woolf  
Trustee

21/09/23

# **Cogent Skills Limited**

## **Independent auditors' report to the members and trustees of Cogent Skills Limited**

### **Report on the financial statements**

#### **Our opinion**

We have audited the financial statements of Cogent Skills Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Summary Income and Expenditure Account, the Consolidated and Company Balance Sheets, and the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

#### **Basis for opinion**

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

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

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

# **Cogent Skills Limited**

## **Independent auditors' report to the members and trustees of Cogent Skills Limited (continued)**

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report and the Strategic Report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

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

### **Responsibilities of trustees**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

# **Cogent Skills Limited**

## **Independent auditors' report to the members and trustees of Cogent Skills Limited (continued)**

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

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

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

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

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

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

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

### **Use of our report**

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

*Dale Thorpe*

Dale Thorpe (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
3 Hardman Street  
Manchester  
M3 3HF

Date: 22/09/23

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# Cogent Skills Limited

## Consolidated Statement of Financial Activities for the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
<b>Income and endowments from:</b>			
Charitable activities	3	11,195	11,370
Other income	4	-	107
Investment income	5	2	-
<b>Total income</b>		<b>11,197</b>	<b>11,477</b>
<b>Expenditure on:</b>			
Charitable activities	6	11,032	11,076
<b>Total expenditure</b>	6	<b>11,032</b>	<b>11,076</b>
<b>Net income</b>		<b>165</b>	<b>401</b>
Fund balances brought forward at 1 January		1,567	1,166
<b>Fund balances carried forward at 31 December</b>		<b>1,732</b>	<b>1,567</b>

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

The trustees consider all the fund balances as being unrestricted.

# Cogent Skills Limited

## Balance Sheets as at 31 December 2022

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2022 £'000</b>	<b>2021 £'000</b>	<b>2022 £'000</b>	<b>2021 £'000</b>
<b>Fixed assets</b>					
Intangible assets	10	22	7	22	2
Tangible assets	11	102	43	55	13
Investments	12	-	-	140	140
<b>Total fixed assets</b>		<b>124</b>	<b>50</b>	<b>217</b>	<b>155</b>
<b>Current assets</b>					
Debtors	13	2,227	2,125	562	167
Money Market Deposit	24	500	-	-	-
Cash at bank and in hand		1,962	2,884	143	452
<b>Total current assets</b>		<b>4,689</b>	<b>5,009</b>	<b>705</b>	<b>619</b>
<b>Creditors: amounts falling due within one year</b>	14	<b>(2,949)</b>	<b>(3,312)</b>	<b>(613)</b>	<b>(575)</b>
<b>Net current assets</b>		<b>1,740</b>	<b>1,697</b>	<b>92</b>	<b>44</b>
<b>Total assets less current liabilities</b>		<b>1,864</b>	<b>1,747</b>	<b>309</b>	<b>199</b>
<b>Creditors: amounts falling due after more than one year</b>	15	<b>(132)</b>	<b>(180)</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>		<b>1,732</b>	<b>1,567</b>	<b>309</b>	<b>199</b>
<b>The funds of the Charity</b>					
Unrestricted income funds	20	1,732	1,567	309	199
<b>Total charity funds</b>	21	<b>1,732</b>	<b>1,567</b>	<b>309</b>	<b>199</b>

The movement in the net funds of the group attributable to the parent charitable company was £110,000 (2021: £199,000). The residual net movement of £55,000 (2021: £202,000) is attributable to subsidiary undertakings.

The financial statements on pages 19 to 42 were approved by the Board of Trustees and were signed on its behalf by:

*joanna woolf*

**J Woolf**  
**Trustee**

**Date:** 21/09/23

**Company Registered Number 09361100**  
**Charity Registration Number 1166082**

# Cogent Skills Limited

## Consolidated income and expenditure account for the year ended 31 December 2022

Continuing operations	Note	2022 £'000	2021 £'000
<b>Income</b>			
Charitable income	3	11,195	11,370
Other income	4	-	107
<b>Total income</b>		<b>11,195</b>	<b>11,477</b>
<b>Expenditure</b>			
Charitable expenditure	6	11,032	11,128
<b>Total expenditure</b>		<b>11,032</b>	<b>11,128</b>
Surplus for the financial year before interest and taxation		163	349
Interest receivable	5	2	-
Surplus for the financial year before taxation		165	349
Taxation on Surplus	2	-	52
<b>Surplus for the financial year</b>		<b>165</b>	<b>401</b>

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

# Cogent Skills Limited

## Consolidated cash flow statement for the year ended 31 December 2022

	Note	2022 £'000	2022 £'000	2021 £'000	2021 £'000
<b>Net cash (outflow)/ inflow from operating activities</b>	23		(301)		378
<b>Return on investments and servicing of finance</b>					
Interest received		2		-	
Net cash inflow from returns on investments and servicing of finance			2		-
<b>Capital expenditure and financial investment</b>					
Purchase of intangible fixed assets		(22)		-	
Purchase of tangible fixed assets		(101)		(24)	
Net money market deposits	25	(500)		600	
Net cash (outflow)/inflow for capital expenditure and financial investment			(621)		576
<b>Net (decrease)/increase in cash and cash equivalents</b>			(922)		954
<b>Cash and cash equivalents at the beginning of the year</b>			<b>2,884</b>		<b>1,930</b>
<b>Cash and cash equivalents at the end of the year</b>	25		<b>1,962</b>		<b>2,884</b>



# **Cogent Skills Limited**

## **Notes to the financial statements for the year ended 31 December 2022**

### **1 Principal accounting policies**

The financial statements have been prepared under the historic cost convention, on a going concern and accruals basis, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities and preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

#### **Consolidation**

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis. A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All Intra-group transactions are eliminated on consolidation. The accounting policies are uniform throughout the group with the exception of the capitalisation policy detailed on page 24.

As permitted by section 408(3) of the Companies Act 2006, the parent company's individual income and expenditure account has not been included in these financial statements as a primary financial statement. The parent company's result for the financial year was £110,000 (2021: £199,000).

#### **Going concern**

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

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

#### **Company status**

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

#### **Fund accounting**

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

#### **Incoming resources**

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

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

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

# **Cogent Skills Limited**

## **Notes to the financial statements for the year ended 31 December 2022 (continued)**

### **1 Principal accounting policies (continued)**

#### **Deferred income**

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

#### **Provisions**

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

#### **Expenditure**

Expenditure is recognised on an accruals basis as a liability is incurred.

- Costs of generating funds comprise those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.
- Cost of charitable activities comprises those costs incurred by the charity in the delivery of its aims and objectives. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and board meeting expenditure.

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

#### **Investments**

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

#### **Intangible fixed assets**

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

Software	3-4 years
----------	-----------

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

#### **Tangible fixed assets**

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

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

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

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

# **Cogent Skills Limited**

## **Notes to the financial statements for the year ended 31 December 2022 (continued)**

### **1 Principal accounting policies (continued)**

#### **Impairment**

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

#### **Cash held on behalf of third parties**

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

#### **Money market deposit**

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

#### **Leases**

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

#### **Irrecoverable VAT**

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

#### **Deferred taxation**

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

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

#### **Reduced disclosures**

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

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

# **Cogent Skills Limited**

## **Notes to the financial statements for the year ended 31 December 2022 (continued)**

### **1 Principal accounting policies (continued)**

#### **Employee benefits**

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

##### *Short term benefits*

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

##### *Multi-employer pension plan*

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

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

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

##### *Defined contribution pension plan*

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

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

#### **Financial instruments**

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

Trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

Other loans are initially recognised at their transaction value and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks.

#### **Critical accounting estimates and areas of judgement**

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

# **Cogent Skills Limited**

## **Notes to the financial statements for the year ended 31 December 2022 (continued)**

### **1 Principal accounting policies (continued)**

#### **Critical accounting estimates and assumptions**

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

#### **Critical areas of judgement**

##### *Debtor provision*

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

##### *Useful life of fixed assets*

In making decisions regarding the depreciation of tangible fixed assets, management must estimate the useful life of these assets to the group. A change in estimate would result in a change in the depreciation charged to the statement of total comprehensive income in each year.

#### **Coronavirus Job Retention Scheme (CJRS) income**

The CJRS grant is receivable as compensation for staff costs incurred and for the purpose of giving immediate financial support to the organisation with no future related costs. It is recognised as income in the period in which it becomes receivable within 'Other income' (note 4).

# Cogent Skills Limited

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 2 Commercial trading operations and investments in trading subsidiaries

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

#### Income and expenditure accounts for the year ended 31 December 2022

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

<b>Taxation on Surplus</b>	<b>2022 £'000</b>	<b>2021 £'000</b>
Current tax:		
UK corporation tax on Surplus for the year	-	(52)
Deferred tax:		
Origination and reversal of timing differences	-	-
<b>Taxation on Surplus</b>	<b>-</b>	<b>(52)</b>

# Cogent Skills Limited

## Notes to the financial statements

for the year ended 31 December 2022 (continued)

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

Income and expenditure accounts for the year ended 31 December 2021

	Cogent Skills Limited £'000	Cogent SSC Limited £'000	Cogent Telford Limited £'000	NSAN £'000	CST £'000	CSS £'000	SIAS £'000	Inter Co Elim £'000	Total 2021 £'000
Income	743	1,047	1	1,503	1,142	5,822	1,707	(488)	<b>11,477</b>
Expenditure	(544)	(1,216)	(1)	(1,389)	(1,095)	(5,685)	(1,686)	488	<b>(11,128)</b>
<b>Surplus/(deficit) for the financial year before interest and taxation</b>	<b>199</b>	<b>(169)</b>	<b>-</b>	<b>114</b>	<b>47</b>	<b>137</b>	<b>21</b>	<b>-</b>	<b>349</b>
Interest receivable	-	-	-	-	-	-	-	-	-
<b>Surplus/(deficit) for the financial year before taxation</b>	<b>199</b>	<b>(169)</b>	<b>-</b>	<b>114</b>	<b>47</b>	<b>137</b>	<b>21</b>	<b>-</b>	<b>349</b>
Taxation on Surplus/(deficit)	-	-	-	56	-	-	(4)	-	<b>52</b>
<b>Surplus/(deficit) for the financial year</b>	<b>199</b>	<b>(169)</b>	<b>-</b>	<b>170</b>	<b>47</b>	<b>137</b>	<b>17</b>	<b>-</b>	<b>401</b>

\* Cogent (Telford) Limited was dissolved on 4 January 2021.

# Cogent Skills Limited

## Notes to the financial statements for the year ended 31 December 2022 (continued)

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

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

The tax assessed for the year is different to the standard effective rate of corporation tax in the UK for the year ended 31 December 2022 of 19% (2021: 19%). The differences are explained below:

	<b>Cogent SSC Limited £'000</b>	<b>NSAN £'000</b>	<b>CST £'000</b>	<b>CSS £'000</b>	<b>SIAS £'000</b>	<b>Total 2022 £'000</b>	<b>Total 2021 £'000</b>
<b>(Deficit)/surplus for the financial year before taxation</b>	(48)	52	2	42	7	<b>55</b>	319
(Deficit)/surplus for the financial year at standard tax rate in the UK of 19% (2021: 19%)	(9)	10	-	8	1	<b>10</b>	61
Effects of:							
Losses (utilised)	-	(10)	-	(8)	(1)	<b>(19)</b>	(57)
Losses not utilised	9	-	-	-	-	<b>9</b>	-
R&D Tax credit	-	-	-	-	-	-	(56)
<b>Current tax for the year</b>	-	-	-	-	-	-	(52)

#### Factors affecting future tax charges

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

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

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



# Cogent Skills Limited

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 3 Charitable activities

	2022 £'000	2021 £'000
Project income	406	378
Membership fees	1,088	1,114
End assessments	2,046	2,000
Course & consultancy sales	901	898
ATA – fee income	1,032	1,049
ATA – recharge of employment costs	4,159	4,685
Apprenticeship delivery	717	660
Other income	846	586
	11,195	11,370

### 4 Other income

	2022 £'000	2021 £'000
CJRS grant	-	107

### 5 Investment income

	2022 £'000	2021 £'000
Bank deposit income	2	-

# Cogent Skills Limited

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 6 Analysis of expenditure

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

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

Other costs in the table above include a taxation credit of £nil (2021: £52,000) which is disclosed separately for the purpose of the consolidated income and expenditure account on page 21.

# Cogent Skills Limited

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 6 Analysis of expenditure (continued)

The comparative numbers for 2021 are:

	Research, policy, Occupational standards and engaging with employers £'000	Governance costs £'000	Cogent SSC £'000	Cogent (Telford) Limited £'000	National Skills Academy for Nuclear Limited £'000	Cogent Skills Training Limited £'000	Cogent Skills Services Limited £'000	Science Industry Assessment Service Limited £'000	Intercompany Elimination £'000	Total 2021 £'000
<b>Cost directly allocated to activities</b>										
Salaries and other staff costs	661	-	364	-	575	-	4,710	-	-	<b>6,310</b>
Specific projects	277	-	70	-	361	233	58	434	(487)	<b>946</b>
Other costs	77	-	12	-	-	-	-	-	-	<b>89</b>
	<b>1,015</b>	<b>-</b>	<b>446</b>	<b>-</b>	<b>936</b>	<b>233</b>	<b>4,768</b>	<b>434</b>	<b>(487)</b>	<b>7,345</b>
<b>Support costs</b>										
Salaries and other staff costs	6	-	7	1	262	561	592	495	632	<b>2,556</b>
Marketing and communications	14	-	20	-	8	2	1	1	-	<b>46</b>
Premises costs	57	-	77	-	10	79	63	22	-	<b>308</b>
Other costs	47	8	63	-	117	220	261	738	(633)	<b>821</b>
Loss on disposal of fixed assets	-	-	-	-	-	-	-	-	-	<b>-</b>
	<b>124</b>	<b>8</b>	<b>167</b>	<b>1</b>	<b>397</b>	<b>862</b>	<b>917</b>	<b>1,256</b>	<b>(1)</b>	<b>3,731</b>
<b>Total expenditure</b>	<b>1,139</b>	<b>8</b>	<b>613</b>	<b>1</b>	<b>1,333</b>	<b>1,095</b>	<b>5,685</b>	<b>1,690</b>	<b>(488)</b>	<b>11,076</b>

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

\* Cogent (Telford) Limited was dissolved on 4 January 2021.

# Cogent Skills Limited

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 7 Net incoming resources

	2022 £'000	2021 £'000
Net incoming resources is stated after charging:		
Amortisation of intangible fixed assets – owned	7	17
Depreciation of tangible fixed assets – owned	39	25
Auditors' remuneration: audit services	42	36
: other services	-	-
Operating lease rentals – other	71	135

### 8 Trustees' emoluments

Two trustees (2021: two) received aggregate emoluments of £243,144 (2021: £227,134) including pension contributions of £12,283 (2021: £11,885) during the year for their services as employees, in accordance with the articles of the charity. No trustees (2021: nil) have received reimbursement (2021: £nil) for travel and subsistence expenses. Professional indemnity insurance, which cost the charity £3,174 (2021: £3,031) is in place with a limit of £2 million.

### 9 Employee information

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

	Group		Company	
	2022 Number	2021 Number	2022 Number	2021 Number
Administration	78	74	19	8

# Cogent Skills Limited

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 9 Employee information (continued)

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
<b>Employee costs in relation to the above employees</b>				
Wages and salaries	<b>3,447</b>	3,260	<b>975</b>	409
Social security costs	<b>362</b>	331	<b>100</b>	40
Other pension costs	<b>260</b>	203	<b>46</b>	18
	<b>4,069</b>	3,794	<b>1,121</b>	467

The group pension costs and number of higher paid employees to whom retirement benefits are accruing under defined contribution and defined benefit schemes are shown in the table below.

<b>Salaries and benefits</b>	<b>2022</b>	2021
	<b>Number</b>	Number
£60,000 - £70,000	<b>6</b>	6
£70,001 - £80,000	<b>2</b>	1
£80,001 - £90,000	<b>1</b>	-
£90,001 - £100,000	<b>1</b>	2
£100,001 - £110,000	<b>2</b>	-
£110,001 - £120,000	<b>-</b>	1
£120,001 - £130,000	<b>1</b>	1

#### Remuneration of key management personnel

The total remuneration, including employer's national insurance and pension contributions, of key management personnel of the group for the year was £771,504 (2021: £712,280). Key management personnel comprise of the executive directors and the senior management team.

# Cogent Skills Limited

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 10 Intangible assets

Group	Computer software £'000	Total £'000
<b>Cost</b>		
At 1 January 2022	469	469
Additions	22	22
Disposals	-	-
<b>At 31 December 2022</b>	<b>491</b>	<b>491</b>
<b>Accumulated depreciation</b>		
At 1 January 2022	462	462
Charge for year	7	7
Disposals	-	-
<b>At 31 December 2022</b>	<b>469</b>	<b>469</b>
<b>Net book value</b>		
<b>At 31 December 2022</b>	<b>22</b>	<b>22</b>
At 31 December 2021	7	7

### 11 Tangible assets

Group	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
<b>Cost</b>			
At 1 January 2022	77	260	337
Additions	63	38	101
Disposals	(10)	(42)	(52)
<b>At 31 December 2022</b>	<b>130</b>	<b>256</b>	<b>386</b>
<b>Accumulated depreciation</b>			
At 1 January 2022	69	225	294
Charge for year	11	28	39
Disposals	(7)	(42)	(49)
<b>At 31 December 2022</b>	<b>73</b>	<b>211</b>	<b>284</b>
<b>Net book value</b>			
<b>At 31 December 2022</b>	<b>57</b>	<b>45</b>	<b>102</b>
At 31 December 2021	8	35	43

# Cogent Skills Limited

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 12 Investments

#### Interests in subsidiary undertakings

Details of subsidiary undertakings held at £nil carrying value are as follows:

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

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

### 13 Debtors

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade debtors	1,846	1,693	168	38
Amounts owed by group undertakings	-	-	243	80
Other debtors	9	64	9	4
Prepayments and accrued income	372	368	142	45
	2,227	2,125	5	167

# Cogent Skills Limited

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 14 Creditors: amounts falling due within one year

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade creditors	347	377	120	114
Amounts owed to group undertakings	-	-	-	-
Taxation and social security	522	545	26	26
Bank Loan (see note 16)	48	48	-	-
Other creditors	16	250	-	-
Accruals	724	786	165	179
Deferred income	1,292	1,306	302	256
	<b>2,949</b>	<b>3,312</b>	<b>613</b>	<b>575</b>

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

	Group	Company
	£'000	£'000
Balance as at 1 January 2022	1,306	256
Amount released from previous years	(1,306)	(256)
Incoming resources deferred in year	1,292	302
<b>Balance as at 31 December 2022</b>	<b>1,292</b>	<b>302</b>

The group balance above includes £1,292,000 (2021: £1,306,000) of amounts falling due within one year and £nil (2021: £nil) of amounts falling due after more than one year.

### 15 Creditors: amounts falling due after more than one year

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Rent and dilapidations	-	-	-	-
Bank Loan	132	180	-	-
	<b>132</b>	<b>180</b>	<b>-</b>	<b>-</b>



# Cogent Skills Limited

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 16 Borrowings

During 2020 SIAS received a £240,000 bank loan through the Coronavirus Business Interruption Loan Scheme (CBILS) to help offset the impact on cash flows affected by the pandemic. SIAS accessed the bank loan in September 2020, interest is charged at 2.48% above the Bank of England base rate. The UK government guarantees 80% of the finance to the lender and pays interest and any fees for the first 12 months, after this SIAS is liable for all interest payments for the remaining five years of the loan. Repayment terms are such that SIAS will pay £52,000 per annum (capital plus interest) over a five year term.

### 17 Members' liability

Members' liability is limited by guarantee not exceeding £10 per member (7 members) (2021: 7 members).

### 18 Commitments

At 31 December 2022 the group had total commitments under non-cancellable operating leases expiring as follows:

	<b>2022 Land and buildings £'000</b>	<b>2021 Land and buildings £'000</b>	<b>2022 Other £'000</b>	<b>2021 Other £'000</b>
Within one year	<b>8</b>	-	-	-
Within two to five years	<b>54</b>	10	-	3
	<b>62</b>	10	-	3

The group has capital commitments of £nil as at 31 December 2022 (2021: £nil) of which the company's capital commitments are £nil (2021: £nil).

# Cogent Skills Limited

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 19 Pensions

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

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

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

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

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

The total pension cost for the group was £260,000 (2021: £203,000). This includes £15,000 (2021: £17,000) outstanding contribution at the balance sheet date. The contributions rate payable by the group was up to 8.35%.

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

### 20 Unrestricted income funds

	<b>Group</b>	<b>Company</b>
	<b>£'000</b>	<b>£'000</b>
At 1 January 2022	1,567	199
Surplus for the financial year	165	110
<b>At 31 December 2022</b>	<b>1,732</b>	<b>309</b>

# Cogent Skills Limited

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 21 Reconciliation of movements in members' funds

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Surplus for the year	165	401	110	199
Opening members' funds	1,567	1,166	199	-
Closing members' funds	1,732	1,567	309	199

### 22 Related party transactions

During the year Cogent Skills Limited entered into no transactions with its subsidiaries (2021: none).

### 23 Net cash inflow from operating activities

Group	Note	2022 £'000	2021 £'000
Net income		165	349
Investment income	5	(2)	-
Depreciation and amortisation		46	40
Loss on disposal of fixed assets		2	-
Increase in debtors		(155)	(14)
Decrease in creditors		(410)	(48)
Taxation		53	51
Net cash (outflow)/inflow from operating activities		(301)	378

### 24 Analysis of net cash

Group	At 1 January 2022 £'000	Cash flow £'000	At 31 December 2022 £'000
Cash at bank and in hand	2,884	(922)	1,962
Money market deposits	-	500	500
	2,884	(422)	2,462

# Cogent Skills Limited

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 25 Analysis of net funds/(debt)

	At 1 January 2022 £'000	Cash flow £'000	At 31 December 2022 £'000
<b>Group</b>			
Cash at bank and in hand	2,884	(922)	<b>1,962</b>
Money market deposits	-	500	<b>500</b>
	<b>2,884</b>	<b>(422)</b>	<b>2,462</b>
<b>Borrowings</b>			
Loans falling due within one year	(48)	-	(48)
Loans falling due after more than one year	(180)	48	(132)
<b>Total</b>	<b>2,656</b>	<b>(374)</b>	<b>2,282</b>

### 26 Controlling party

The charity has 7 (2021: 7) members representing the science based industries covering industrial sciences (including petroleum refining and distribution, chemical manufacturing, and polymers), life sciences (including pharmaceuticals and medical technologies) and nuclear. The trustees do not consider there to be a controlling party on the basis that each of the members has equal voting rights. Cogent Skills Limited is the only company to consolidate these results.

### 27 Financial instruments

	<b>Group</b>	
	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
<b>Financial assets</b>		
Measured at amortised cost	<b>4,271</b>	4,584

	<b>Group</b>	
	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
<b>Financial liabilities</b>		
Measured at amortised cost	<b>310</b>	377