

VOCATIONAL TRAINING CHARITABLE TRUST

England & Wales · Charity number 295192

Details

Other names	V T C T, VTCT
Status	Registered
Legal form	Charitable company
Company number	02050044
Registered	1986-09-30
Register	View on the Charity Commission register

Contact

Address	V T C T Aspire House 10 Annealing Close Eastleigh SO50 9PX
Phone	02380684500
Email	customersupport@vtctskills.org.uk
Website	www.vtctskills.org.uk

Activities

Objects: 4.1 The charity's objects ('Objects'), being for public benefit, are the advancement of education by:a. assessment of training and skills for accreditation;b. setting standards of training and skills as an awarding and assessment organisation;c. engaging in the delivery of training and skills as an awarding and assessment organisation;d. the promotion of skills and knowledge for vocational and technical employment;e. advancing digital research and educational techniques;f. providing professional educational development opportunities, including the improvement of teaching skills for education providers;g. the promotion, awarding and assessment of the English Language, including English Speakers of Other Languages; andh. providing professional membership services for students and qualified individuals.4.2 Nothing in the articles shall authorise an application of the property of the charity for purposes which are not charitable in accordance with section 7 of the Charities and Trustee Investment (Scotland) Act 2005 and/or section 2 of the Charities Act (Northern Ireland) 2008.

Activities: Vocational Training Charitable Trust, T/A VTCT Skills, is a market-leading specialist vocational and technical Awarding Organisation offering a comprehensive range of qualifications, assessments and services in 17 sectors, including Hairdressing, Beauty, Logistics and Early Years. Working closely with employers and training providers, our ranges are backed by industry and trusted around the world.

Classification

- **How:** Provides Services, Sponsors Or Undertakes Research
- **What:** Education/training
- **Who:** Children/young People, The General Public/mankind

Geography

- Australia
- Botswana
- Canada
- China
- Denmark
- Greece
- Guernsey
- Hong Kong
- Hungary
- India
- Indonesia
- Ireland
- Isle Of Man
- Italy
- Japan
- Jersey
- Kenya
- Latvia
- Lithuania
- Macau
- Malaysia
- Malta
- Mauritania
- Mauritius
- Netherlands
- New Zealand
- Nigeria
- Norway
- Oman
- Qatar
- Romania
- Singapore
- South Africa
- South Korea

- Spain
- Sweden
- Taiwan
- Thailand
- United Arab Emirates
- United States
- Vietnam
- Zambia
- Zimbabwe
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£13,397,317	£13,747,047	£14,160,168	250
2024-07-31	£12,863,495	£14,134,446	£14,213,798	257
2023-07-31	£11,661,678	£13,227,802	£14,862,434	212
2022-07-31	£11,143,898	£10,638,954	£16,692,942	165
2021-07-31	£9,606,217	£8,765,691	£16,857,531	126

Trustees

Name	Role	Appointed
Jennifer Sworder	Chair	2013-11-29
Andrew Paul Mondon		2021-05-23
Daniel James Carlin		2022-01-05
Debbie Joanne Houghton		2022-08-25
Hellen Ruth Ward		2024-05-28
Ian Andrew Salter		2024-06-17
Jayne Anne Lewis-Orr		2019-02-07
John Mark Winkley		2022-07-27
Katherine Louise Quinn		2021-06-01
Lysa Robin Schwartz		2022-07-21
MARK DACEY		2025-10-29
Stephanie-Fay Richardson		2018-10-21

VOCATIONAL TRAINING CHARITABLE TRUST

England & Wales - Charity number 295192

Accounts



Foreword

VTCT Skills has been empowering individuals and transforming industries for over 60 years. Our commitment to providing quality vocational training has enabled thousands of learners to achieve their career goals and make a positive impact on the world.

At VTCT Skills, our mission is simple yet powerful: transforming lives through skills. Over the past year, we've taken bold steps to redefine what vocational excellence looks like—expanding our reach, deepening our impact, and sharpening our focus on the sectors and learners who need us most.



**Jenny Swarder,
Chair of the Board of Trustees**



**Alan Woods OBE,
Chief Executive**

This report marks a pivotal moment in our journey. It reflects a year of strategic growth, innovation, and collaboration. From launching new qualifications and End-point Assessments to expanding our international footprint in countries like India, Vietnam, and Malaysia, we've empowered over 100,000 learners across nearly 3,000 training locations worldwide.

We continue to make significant strides in sectors such as Early Years, where growth and engagement have accelerated, and Logistics, where we've laid the groundwork for future solutions through deep consultation with industry. Our Hairdressing and Barbering Collective and Skills Advisory Boards have become catalysts for change—bringing together educators, employers, and learners to shape the future of training. The launch of a new injectables qualification in Beauty Aesthetics, offers a credible alternative to fast-track training and setting a new benchmark for safety and professionalism in the sector.

Internally, we've embraced transformation too. The implementation of new systems has revolutionised our customer relationship management, enabling smarter, data-driven decisions and enhancing the experience for our partners and learners. Our Excellence Awards returned; bigger and more meaningful than ever, celebrating the real-world impact of vocational education across the UK.

As we look ahead, our strategy is clear:

- Become the undisputed market leader in Hair and Beauty
- Prioritise Early Years and broaden our sector footprint
- Expand our market reach through commercial strategic partnerships

We are investing in innovation, refining our portfolio, and launching professional qualification registers to ensure our offer remains relevant, inclusive, and future-ready. Our commitment to quality, agility, and collaboration will continue to guide us.

None of this would be possible without the exceptional people who make up VTCT Skills—our colleagues, customers, and partners. Your dedication fuels our progress and inspires our purpose.

Together, we are not just responding to change—we are leading it. Together, we will continue to transform lives through skills.

Jenny Sworder

Chair of the Board of Trustees

Alan Woods OBE

Chief Executive



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/// What we **stand for**

Our Purpose

**Transforming lives
through skills.**

Our Mission

**Setting a new standard
for technical and vocational
skills worldwide.**



Our Values

Collaboration

Work together for greater impact; don't do it alone.

Ease

Simplify complexity to identify the best route forward.

Energy

Inspire others with passion and warmth.

Expertise

Lead with confidence, using our heritage and experience.

Partnership

Be on the side of our customers and learners.



/// We ignite
passion
in our
learners

...by equipping them with the practical skills and confidence to realise their full potential in the world of work. Our focus goes beyond just training, we provide real-world learning experiences that prepare people for meaningful and fulfilling careers.



112,843
registrations



89,520
certifications



4,320
EPAs completed



We help
Training
Providers
**to think
bigger and
achieve more**



...by partnering with them to deliver exceptional learning experiences. By supporting curriculum development and staff empowerment, we collectively grow the next generation of industry professionals.

47
Countries



181
new training centres



2,536
training locations

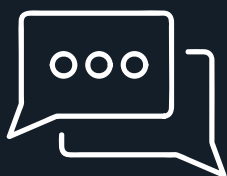
/// We power
progress
through
meaningful
connections

...with our stakeholders, driving success across the board. From employers to influential leaders, we work together to bridge the gap between education and employment whilst consistently championing skills.

We work with

150+

employers



948

registrations at Hairdressing and Barbering Collective live events



Skills Advisory Boards

in Early Years, Logistics, Hairdressing & Barbering, and Beauty

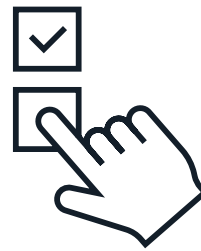
/// We craft
Qualifications
and **End-point
Assessments**

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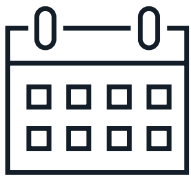
...that lead the way in skills development. By combining awarding and assessment expertise with industry insights, we deliver solutions that empower learners and drive business growth.



Top
10
EPAOs



18
Sectors



27

New EPAs and qualifications released during 2024-2025



32
Standards



572
Qualifications

/// Excellence Awards 2025





Our Excellence Awards returned in 2025, bigger and more meaningful than ever, showcasing the powerful impact of vocational education. As a key moment in the VTCT Skills calendar, these awards recognise the outstanding achievements of learners, educators, and organisations that embody the very best of vocational training.

What makes the Excellence Awards stand out is how they truly reflect our mission—transforming lives through skills.

These awards shine a light on the dedication and stories behind vocational education, giving industry leaders a real glimpse into the impact

that this sector has. By recognising every kind of success, we ensure that every journey, no matter how unique, is celebrated. These awards go beyond recognition—they're our opportunity to showcase the transformative power of skills. Through their inspiring stories, our learners, educators, and organisations demonstrate how vocational training acts as a catalyst for growth, driving positive change across industries and communities.

VTCT Skills Excellence Awards 2025

UK Winners



Apprentice of the Year
Kitty Katana,
Kleek Apprenticeships



College of the Year
Nelson & Colne College

VTCT Skills Excellence Awards 2025

UK Winners



Educator of the Year
Jane Wills,
Kleek Apprenticeships



Large Training Provider
of the Year
Partners 4 Training Ltd

VTCT Skills Excellence Awards 2025

UK Winners



**Small Training
Provider of the Year**
Hair at the Academy



Student of the Year
Jorja Barker,
Skegness TEC

VTCT Skills Excellence Awards 2025

UK Winners



Contribution to the Sector
Tina Ockerby,
Kleek Apprenticeships



Special Recognition Winner
Tracey Caddle,
SP Training



Our

strategy



We are entering a dynamic period of change in the skills landscape, facing shifting governments, shifting education and skills policies, the rising cost of living, and a growing reliance on AI. In short, this environment presents significant challenges.

However within this complex landscape, we see an opportunity for VTCT Skills to not just participate, but actively shape the future of skills training. To lead the way through these changes, we must be both agile and forward-thinking, evolving our strategic approach to meet the current challenges head-on.

Our bold new vision is to establish ourselves as a large, specialist skills organisation, extending our sector footprint and transforming the lives of even more learners. We're committed to ambitious growth, but equally focused on forging deep industry connections, long-lasting relationships, and strategic partnerships to ensure lasting impact. We are working hand-in-hand with our industries to power progress and deliver tangible value, ensuring we grow together and not in isolation.

Strategic Priorities

- 1.** Become the undisputed market leader in Hair and Beauty
- 2.** Wholeheartedly support a broader sector footprint, prioritising Early Years
- 3.** Expand our market reach through commercial strategic partnerships



New strategic priorities

Become the undisputed market leader in Hair and Beauty

How we will deliver:

Streamline our portfolio: Create a concise and user-friendly portfolio, making it easier for customers to navigate and select qualifications.

Create innovative qualifications for emerging skills: Innovate the sector, working in partnership with forward-thinking organisations to create qualifications for current and future skills needs.

Grow home nations' footprint: Focus on Wales, Scotland and Northern Ireland as significant opportunities for growth, developing long-standing partnerships with new and existing customers.

Implement an international shouldering strategy: Strategically target neighbouring countries with aligned skill sets and infrastructure, fostering international growth.

Launch professional qualification registers: Design and introduce a professional register for learners and practitioners holding regulated qualifications.

Showcase our commitment and leadership: Deliver a comprehensive programme of industry events for all stakeholders.



Broader sector footprint

Wholeheartedly support a broader sector footprint, prioritising Early Years

How we will deliver:

Prioritise Early Years: Make expansion into these sectors a core organisational priority, allocating resources and fostering a culture of growth.

Evolve our Early Years proposition and reputation: Build credibility and expertise by partnering with industry-leading organisations, actively engaging with employers and providers, and demonstrating the relevance and our understanding of the sector and value proposition.

Implement a market expansion strategy: Utilise existing networks and relationships to expand our reach and impact in Early Years, being focused and targeted in our approach.

Develop qualifications and broader support offer: Co-create qualifications with employers, developing our broader service offer, supporting supporting learners, new entrants, teaching and learning, and professional development.

Showcase our commitment and leadership:

Deliver a comprehensive programme of industry events for all stakeholders.

Review and prioritise opportunities across our sector footprint: Appraise skills markets across our broader sector footprint, prioritising Logistics and identifying opportunities for investment and expansion.



Expanding market reach

Expand our market reach through commercial strategic partnerships

How we will deliver:

Strengthen our partnerships with colleges:

We aim to establish long-term, collaborative relationships with colleges and facilitate consortia to develop and deliver bespoke qualifications that address regional and national skills requirements.

Drive international growth: Through partnerships with international organisations and targeted industry sectors, we will explore opportunities for overseas expansion, growing our global footprint.

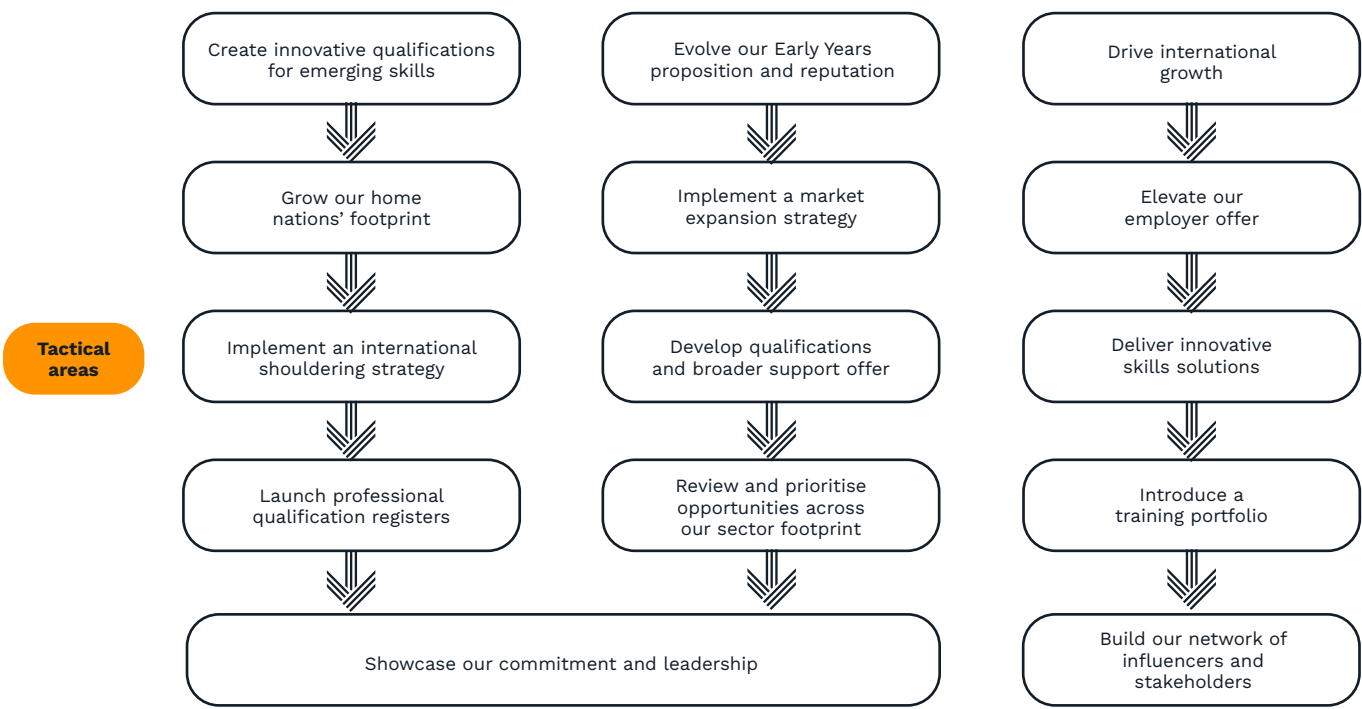
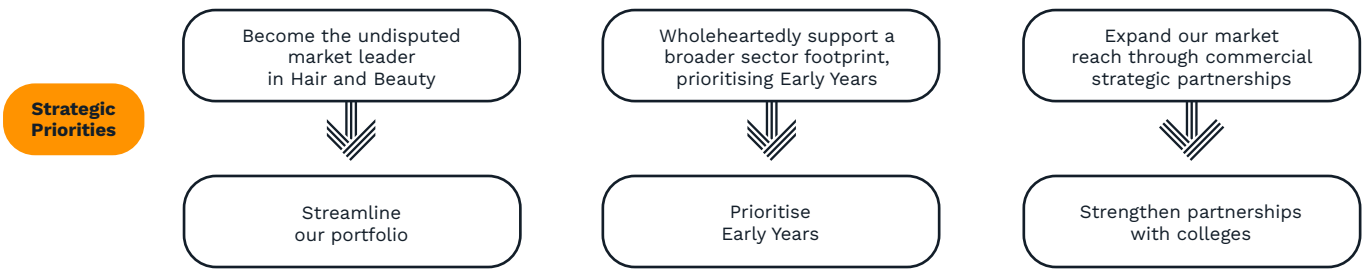
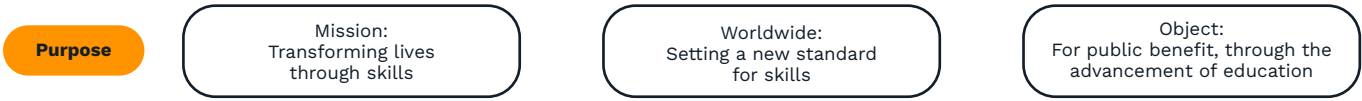
Elevate our employer offer: We will develop a comprehensive employer offer that empowers businesses to create a culture of learning and development using bespoke qualifications, external accreditation, and access to a valuable network of learners and professionals.

Deliver innovative skills solutions: Partnering with innovative technology companies, we will enhance our support offerings for customers and learners by investing in new teaching and learning methods, digital credentialing platforms, facilitating relationships between learners, colleges and employers, and providing professional development solutions.

Introduce a training portfolio: Partner with employers and training providers to introduce a range of training solutions, addressing the evolving needs of learners and practitioners.

Build our network of influencers and stakeholders: Build relationships to support our broader skills profile, including combined authorities, trade specialist organisations, government agencies and ministries, social media influencers, and other organisations.







Our

culture



Living our values

In May we held our annual staff conference – Our Future, together!

Over the last 12 months we have been on a change journey, bringing us together as one organisation, one brand, one team. We've navigated some significant shifts and as one chapter closes another exciting new one begins. The conference signalled that we are building on that strong foundation to enable us to make VTCT Skills the leading awarding organisation and technical education provider.

Our aims for the day were about being together, connecting, sharing and strengthening the bonds that make us a truly exceptional team. The day was centred around building on the momentum of our one organisation, one brand, one team ethos, deepening our understanding of this unified vision and having clarity on how each of us contributes to its success.

Critically, it's about looking forward, delivering our strategy, our commitment to invest to grow, and embedding the very values that define who we are:



Kate Cornhill,
Human Resources Director

Collaboration: We know that together, we achieve more, creating a greater impact than we ever could alone.

Ease: Simplifying complexity allows us to find the clearest and most effective path forward.

Energy: Our passion and warmth inspire and motivate those around us.

Expertise: Our heritage and experience equip us to lead with confidence and deliver exceptional outcomes.

Partnership: We are wholeheartedly committed to our customers and learners, placing their needs at the very forefront of everything we do.



Governance **and Audit**



Structure, governance and management

The Charity is committed to a continuous programme of governance review and improvement.

The Board of Trustees formally adopts the Charity Governance Code for Large Charities and, for each of the seven principles, applies the Code and ensure that the Vocational Training Charitable Trust policies are updated to reflect current practice.

VTCT Skills is a company limited by guarantee, incorporated in 1986 under the Companies Act 1985, and registered under the Charities Act 2011 on 30 September 1986. VTCT Skills registered with the Office of the Scottish Charity Regulator on 25 July 2019.

The company's Articles of Association were last updated on 13 July 2020.

All trustees give their time voluntarily and, save as disclosed below, receive no benefits from the Charity. Any expenses reclaimed from the Charity are set out in note 6 to the accounts.

Appointment of trustees

The Charity's Articles of Association limit the number of trustees to a maximum of 15. Due to ongoing reforms in the educational sector and the increasing complexity of VTCT Skills as an organisation, the trustees believe that maintaining an ideal number of 12 trustees allows the Board to reflect the diverse skill sets required. These skills are assessed annually to ensure the Board of Trustees is well-equipped to meet the organisation's needs.

In line with good practice, the Charity will continue to seek and appoint trustees with appropriate skills to enable strong governance. New trustees are recruited by open advertisement and search; promising candidates are interviewed by the Chair, Vice-Chair and Chief Executive with recommendations to the Board of Trustees.

Equity, diversity and inclusion

The Charity is committed to equality of opportunity, values diversity, and seeks individuals from a wide range of backgrounds who will bring a fresh perspective to the Board of Trustees.

The Charity actively reviews existing trustees' diversity, skills, and experience to ensure the Board of Trustees reflects the diversity of the learners they work with and welcomes applications from all community sections.

Trustee induction and training

New trustees undergo an induction period to brief them on their obligations under charity and company law, the content of the Articles of Association, the committee structure and decision-making process, the operational strategy, current issues, and the recent financial performance of the Charity.

During the induction, they meet key employees and other trustees. Trustees attend board workshops and appropriate external training events where these activities will facilitate the undertaking of their role. Examples of these training events include investment management and governance. New trustees also have a trustee 'buddy' from whom they can seek support, usually the Chair of the Committee they are assigned to.

Trustees and governance

Under the terms of the articles, trustees may be appointed for a maximum of three, three-year terms. The period of service as a trustee may be extended upon the appointment of a trustee as Chair of the Board of Trustees.

Related parties and relationships with other organisations

VTCT Skills has one wholly-owned subsidiary:

- 1) Education & Media Services Ltd, trading as iTEC

The share capital of Education & Media Services Ltd was acquired on 8 November 2016. Any transactions and management charges between VTCT Skills and Education & Media Services Ltd are supported by a Shared Services Agreement and are on an arm's length basis.

Remuneration policy for key management personnel

Key management personnel are remunerated based on an assessment of market rates applicable to the role. Salary benchmarking is undertaken using the Korn Ferry Hay salary data sets.

All key staff have had their roles independently reviewed by Korn Ferry Hay and are remunerated within the banded scales.

Statement of trustees' responsibilities

The trustees (who are also directors of Vocational Training Charitable Trust for the purposes of company law) are responsible for preparing the trustees' annual report, including the strategic 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 that give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue in operation

The trustees are responsible for keeping adequate 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information
- 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

Members of the charity guarantee to contribute an amount not exceeding £10 to the Charity's assets in the event of winding up. The total number of such guarantees on 31 July 2025 was 12 (2024: 12). The trustees are members of the Charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the Charity.





Administrative **information**



Trustees

Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Jenny Sworder	Chair of Trustees	
Katherine Quinn	Vice Chair of Trustees & Chair of Strategy Sub-Committee	
Andrew Mondon	Chair of Finance & Audit Committee	
Jayne Lewis-Orr	Chair of HR & Remuneration Committee	
John Winkley	Chair of Regulatory & Quality Committee	
Stephanie Richardson	Designated Safeguarding Trustee	
Daniel Carlin		
Lysa Schwartz		
Debbie Houghton		
Hellen Ward		
Richard Atkinson		
Ian Salter		

Committee attendance



Strategy Sub-Committee



Regulatory & Quality Committee



Finance & Audit Committee



HR & Rem. Committee



Joint FAC and HR & Rem. Co

Key Management Personnel

Alan Woods OBE	Chief Executive Officer
Ashley Barnes	Deputy Chief Executive Officer & Responsible/Accountable Officer
Daniel Tromans	Director of Qualifications and Standards (Appointed 2/12/24)
Fraser Ingham	UK & International Business Development Director
Martin Della	Chief Financial Officer & Data Protection Officer
Kate Cornhill	Human Resources Director
Collette Lux	Chief Commercial Officer (Resigned 29/5/25)
Luke Kennelly	Director of Marketing (Appointed 8/7/25)

Company number: 02050044
 Country of incorporation: United Kingdom
 Charity number: 295192
 Country of registration: England & Wales
 Charity number: SC049476
 Country of registration: Scotland

Registered office and operational address:
 Aspire House, Annealing Close, Eastleigh,
 Hampshire, SO50 9PX
 Investment managers: Evelyn Partners
 Lawyers: Blake Morgan
 Banks: NatWest and Nedbank

Financial Oversight

The Finance and Audit Committee (FAC) comprises four trustees, supported by five senior staff members. The purpose of the FAC is to review and provide independent oversight to the Board of Trustees of VTCT Skills on the adequacy and effectiveness of the company's financial reporting, asset management and risk management procedures, ensuring that the Charity's systems of internal controls and processes are appropriate and proportionate.

The FAC met four times in the Reporting Period of this report. The FAC reviewed financial performance against the approved budget and reforecast, reviewed and approved the annual budget for 2025/26, reviewed the risk register, and considered other areas of assurance, including the performance of the Charity's investment portfolio taking into account the market volatility we saw during the year.

The Charity's income continued to be impacted by funding reform. Looking forwards, income from qualification assessment also faces uncertainty from potential changes to the End-point Assessment Framework. Despite these challenges, the Charity has delivered a strong financial performance, delivering excellent customer service to our learners and employer centres, ensuring that it has the financial reserves to continue to do so into the future.

The Charity continued to invest in IT systems to ensure that systems are fit for the future and provide our customers with the best user experience possible. Thanks goes to everyone that has contributed to the FAC.



**Andrew Mondon,
Chair of Finance and
Audit Committee**

Financial Review

The Trustees are pleased to report another strong year for VTCT Skills. With further cost challenges facing our customers and the Charity itself, we are pleased to see another positive set of results. This continues the trajectory we reported last year with a further improvement from the £0.6m deficit reported in 23/24 to a £0.1m deficit for 24/25.

The 24/25 deficit is stated after accounting for £1.0m of amortisation (2024: £1.2m) relating to our acquisitions of Skillsfirst Holdings Ltd and The Skills Group, as well as capitalised software. This represents the final amortisation of the goodwill on The Skills Group acquisition whilst the amortisation of the goodwill from our Skillsfirst Holdings Ltd acquisition will run for a further 18 months.

Income from charitable activities grew again to £13.2m (4% up on 23/24, £12.7m) reflecting a strong year for our heritage sectors of Hairdressing, Beauty and Barbering, and consolidation of our qualification and apprenticeship assessment across a wide range of professional and industrial sectors, such as Early Years.

Total expenditure on charitable activities was £13.7m, 3% down on 23/24 (£14.1m) driven by strong control of our costs across the board to mitigate the external pressures from the National Insurance increase and other inflationary impacts. As reported last year, the Board of Trustees made the decision to no longer draw income from our investment portfolio and instead reinvest any gains back into the portfolio to generate future returns. Investment income generated by the portfolio (excluding capital growth) was £0.2m (2024: £0.2m). The closing cash balance was £1.8m, up £0.4m on the previous year (2024: £1.4m) reflecting the strong cash generation achieved from the result above.

The Charity has focused on managing costs and preparing the foundations for a sustainable future. We have continued to invest in our infrastructure and organisation to ensure we are able to pursue opportunities we have identified to deliver a positive experience for our learners and customers.



Investment Policy and Objectives

VTCT Skills operates a total return approach to its investment portfolios. Under the Articles of Association, VTCT Skills has the power to invest monies not immediately required to further its objects in or upon such investments as may be thought fit.

The Trustees delegate the investment management to external investment managers Evelyn Partners, whose performance is monitored by the Board of Trustees and the Finance and Audit Committee. The Investment mandate from the Trustees for Evelyn Partners guiding their approach to investment risk for the investment portfolio was revised this year to Balanced from the previous Cautious which means we are prepared to expose ourselves to additional managed financial risk in return for potentially increased financial returns. The aim is to improve overall returns from the portfolio to enable us to fund short-term opportunities if they arise without exposing the Charity to significant additional risk.



Fundraising Compliance

Under the fundraising reporting requirements for The Charities (Protection and Social Investment) Act 2016, VTCT Skills confirms that it does not engage in public fundraising and does not use professional fundraisers or commercial participators.

VTCT Skills has not received any complaints relating to the Act during the year.

Reserves Policy and Going Concern

The Charity and the Group had reserves totalling £13.1m (2024: £12.3m) and £14.2m (2024: £14.2m) respectively on 31 July 2025. Free Reserves for the Charity and the Group totalled £11.1m (2024: £9.0m) and £9.9m (2024: £10.1m), respectively. There were no Reserves held in restricted funds (2024: nil). The Trustees consider the level of reserves to be appropriate to support the ongoing activities of the Charity and the Group.

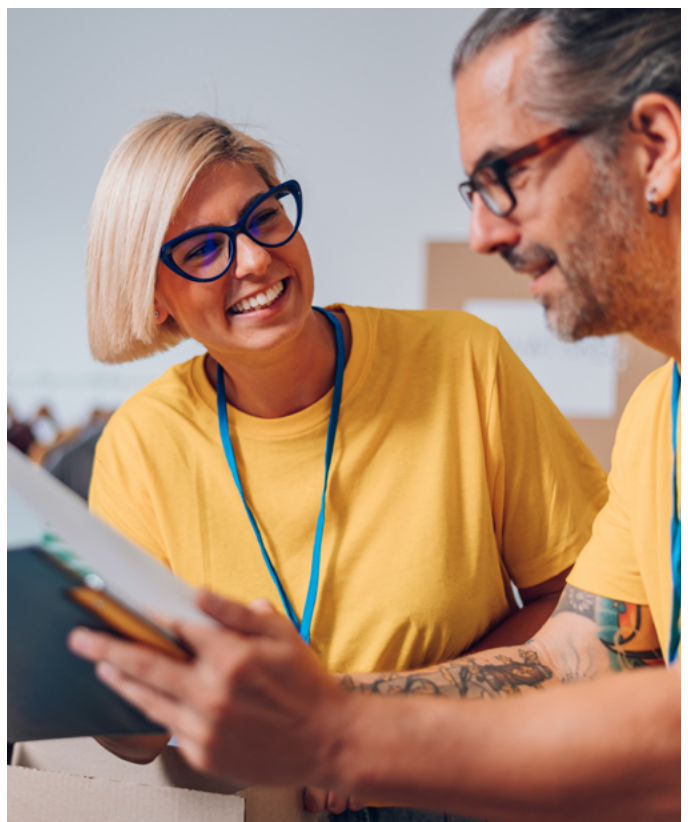
The VTCT Skills Reserves Policy targets a free reserves range of £8.3m to £14.3m. The reserves range is calculated to enable the Charity to mitigate the monetary impact of a significant disruption to charitable activities and to allow the Trustees to ensure funds are available for current and future commitments and obligations. The Trustees are pleased to report that the reserves level continues to sit within the range set out in the policy.

Furthermore, the Trustees acknowledge that VTCT Skills, for some of its income, indirectly relies on public funding as Further Education Colleges and private training providers are funded by governments and associated bodies.

VTCT Skills's income is thus partially reliant on this funding, which exposes VTCT Skills to government policy changes and any government spending changes. Ensuring reserves are kept in line with the reserves policy supports VTCT Skills to pursue its charitable object of the advancement of education both now and into the future.

Effective management and utilisation of these reserves enables VTCT Skills to protect the future by continuing to diversify its income sources through increasing private training provision, higher-level qualification development, apprenticeship assessment and international activity, both through organic growth and through partnership and acquisition.

The Trustees confirm that they conclude VTCT Skills is a going concern as appropriate for the 2024/25 statutory accounts.



Risk Management

Understanding our risks, and how we mitigate these, is a key component of delivering our strategy and maximising the impact on our beneficiaries.

VTCT Skills has a clear risk management framework that supports risk identification and management throughout the organisation, with departmental, functional and corporate risks monitored in real time. Similarly, our approach enables the assessment of new opportunities from a risk perspective, ensuring that we maintain financial sustainability whilst achieving our charitable objectives.

Our corporate risk register is monitored explicitly by the Finance and Audit Committee, with risk management also a critical feature of the Regulatory and Quality Committee, HR and Remuneration Committee and Board. Trustees formally review the Corporate Risk Register bi-annually. Various thematic audits are conducted each year, focusing on financial management, general systems and processes, and our compliance with qualification and assessment regulator Conditions and Principles.

The principal risks and uncertainties facing VTCT Skills and mitigations are summarised as follows:

- Despite a lower level of inflation than recent years, there continues to be a significant burden that colleges, schools and independent training providers face after several years of rising costs and continued economic uncertainty. We also acknowledge the impact this has on potential learners, especially those looking to fund their own training. VTCT Skills continues to review future pricing and the bundling of qualifications to support effective, blended teaching and learning and ensure that pricing does impact accessibility
- Cyber-attacks and data breaches are risks that all entities must take very seriously. While VTCT Skills has taken all the necessary measures regarding IT and cyber security, including the technologies used and our processing and management of data, these represent a genuine potential threat to VTCT Skills. We have once again achieved certification for Cyber Essentials Plus to demonstrate our continued commitment to cyber security, however we recognise that this does not remove the threat of attack. VTCT Skills is sharing best practices with other awarding organisations and working with a range of external experts to ensure we minimise the potential risk of any cyber threat while continuing to effectively manage and store our data in line with industry gold standards
- Uncertainty continues to surround the ongoing levels of funding for the skills sector and qualifications. The ongoing funding moratorium for qualifications that seek public funding in England, a defunding review of Level 2 and Level 3

qualifications over time and review of the independent EPA Assessment process fuel this uncertainty. The Government has made some changes already, however the ongoing reviews and change processes mean that we still do not have clarity about the future funding strategy. The potential devolution of funding to Combined Authorities adds a further layer to this. VTCT Skills will continue to signpost learners to alternative funded provision where applicable, while embracing new policies concerning the funding of newly developed qualifications

- VTCT Skills continues to operate globally with a large breadth of qualifications on offer, and these factors present an exceptionally low probability risk that VTCT Skills will fail to comply with its obligations to qualification and assessment

regulators worldwide. VTCT Skills prides itself on its commitment to compliance and quality assurance, underpinned by a rigorous quality management system and an effective departmental and corporate governance system.

Approved by the trustees on 04/12/2025 and signed on their behalf by

Jenny Sworder
Chair of the Board of Trustees



Audit report

Independent Auditor's Report to the Members of Vocational Training Charitable Trust

Opinion

We have audited the financial statements of Vocational Training Charitable Trust ('the charitable company') and its subsidiaries ('the group') for the year ended 31 July 2025 which comprise consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 July 2025 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, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended)

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report 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 strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- the parent company has not kept adequate accounting records; or
- the parent 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 trustees' responsibilities statement set out on page 32, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were:

- Charities Act 2011
- Companies Act 2006
- The Charities and Trustee Investment (Scotland) Act 2005 and related Regulations

We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the group and parent charity for fraud. The laws and regulations we considered in this context for the UK operations were Health and Safety, General Data Protection Regulations, Safeguarding and Food Standards. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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.

Janette Joyce
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
R+ Building
2 Blagrove Street
Reading
Berkshire
RG1 1AZ
Date 9 December 2025



Financial
Statements



Vocational Training Charitable Trust

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 July 2025

	Note	2025 Total £	2024 Total £
Income from:			
Charitable activities			
Qualification and assessment income and other educational income	2	13,233,479	12,678,774
Investments	3	163,838	184,721
Total income		13,397,317	12,863,495
Expenditure on:			
Charitable activities			
Qualification and assessment costs	4	13,697,288	14,087,032
Investment managers' fees		49,759	47,414
Total expenditure		13,747,047	14,134,446
Net expenditure before net gains on investments		(349,730)	(1,270,951)
Net gains/(losses) on investments		296,100	622,315
Net expenditure for the year and net movement in funds		(53,630)	(648,636)
Reconciliation of funds:			
Total funds brought forward		14,213,798	14,862,434
Total funds carried forward		14,160,168	14,213,798

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 20 to the financial statements. All income and expenditure is unrestricted.

Balance Sheet

As at 31 July 2025

		The Group		The Charity	
	Note	2025 £	2024 £	2025 £	2024 £
Fixed assets:					
Tangible assets	10	2,114,849	2,222,662	2,114,849	2,222,662
Intangible assets including goodwill	11	936,026	1,890,242	105,950	70,877
Investments	12	8,567,208	8,157,029	8,567,208	8,157,029
Investment in subsidiaries	13	-	-	1,019,509	1,019,509
		11,618,083	12,269,933	11,807,516	11,470,076
Current assets:					
Inventories		-	-	-	-
Debtors	15	1,911,691	1,631,633	1,774,693	1,622,885
Cash at bank and in hand		1,831,922	1,380,580	730,612	209,023
		3,743,613	3,012,213	2,505,305	1,831,908
Liabilities:					
Creditors: amounts falling due within one year	16	(1,201,528)	(1,068,348)	(1,250,771)	(1,034,158)
Net current assets		2,542,085	1,943,865	1,254,534	797,750
Total net assets		14,160,168	14,213,798	13,062,050	12,267,826
Funds:					
Unrestricted income funds:	18				
General funds		14,160,168	14,213,798	13,062,050	12,267,826
Total unrestricted funds		14,160,168	14,213,798	13,062,050	12,267,826
Total funds		14,160,168	14,213,798	13,062,050	12,267,826

Approved by the trustees on 04/12/2025 and signed on their behalf by

Jenny Sworder

Chair of the Board of Trustees

Andrew Mondon

Chair of Finance and Audit Committee

Consolidated statement of cashflow for the year ended 31 July 2025

Reconciliation of net expenditure to net cash flow from operating activities

	2025 £	2024 £
Net expenditure for the reporting period (as per the statement of financial activities)	(53,630)	(648,636)
Depreciation charges	142,873	146,335
Amortisation charges	1,030,206	1,152,226
(Gain)/Loss on investments	(296,100)	(622,315)
Dividends and interest from investments	(163,838)	(184,721)
(Gain)/Loss on the disposal of fixed assets	(220)	8,320
Decrease in inventories	-	-
(Increase)/decrease in debtors	(280,058)	183,032
Increase/(decrease) in creditors	133,180	(25,407)
Net cash provided by operating activities	512,413	8,834

	2025 £	2024 £
Cash flows from operating activities		
Net cash used by used by operating activities	512,413	8,834
Cash flows from investing activities:		
Dividends and interest from investments	163,838	184,721
Proceeds from the sale of fixed assets	220	-
Purchase of fixed assets	(35,060)	(38,845)
Purchase of intangible assets	(75,990)	(6,064)
Proceeds from sale of Investments	896,374	1,117,269
Purchase of Investments	(940,053)	(864,931)
Acquisition of subsidiary net of cash acquired	-	(33,779)
Change in cash in investment portfolio	(70,400)	(235,768)
Net cash generated/(used) in investing activities	(61,071)	122,603
Change in cash and cash equivalents in the year	451,342	131,437
Cash and cash equivalents at the beginning of the year	1,380,580	1,249,143
Cash and cash equivalents at the end of the year	1,831,922	1,380,580
Analysis of cash and cash equivalents:		
		2025
Cash at Bank		1,831,922
		2024
		1,380,580
Analysis of Net Funds		
	Start of year	Cashflow
	End of year	
Cash	1,380,580	451,342
		1,831,922

Notes to the financial statements

for the year ended 31 July 2025

1. Accounting policies

a) Statutory information

Vocational Training Charitable Trust is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office and operational address is Aspire House, Annealing Close, Eastleigh, Hampshire, SO50 9PX.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary, Education & Media Services Ltd, on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the group has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably. Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividend income receivable from the charity's investment portfolio is reinvested within the portfolio.

g) Fund accounting

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs of qualifications and assessments undertaken to further the purposes of the charity and their associated support costs
- Investment managers' fees represent amounts charged to manage the charity's investment portfolio

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Support costs are re-allocated to each of the activities on the following basis:

- Qualification and assessment costs

Governance costs are re-allocated to each of the activities on the following basis which is the ratio of expenditure between activities:

- Qualification and assessment costs

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

- j) **Intangible assets**
 Intangible assets include trademarks acquired, goodwill arising from the acquisition of business and trade assets, and cost incurred in developing software to be used by the company. Software development is amortised over four years on a straight-line basis. Trademarks acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the statement of financial activities using the straight line method over 10 years. This is the shorter of their estimated useful lives and periods of contractual rights. Goodwill represents the difference between the cost of acquisition of business trade and the fair value of the net assets. Goodwill is recognised separately as intangible assets and carried at cost less accumulated amortisation. As agreed in 2022 Goodwill is amortised over five years on a straight-line basis for Skillfirst Awards Ltd and Skillsfirst Holdings Ltd. As agreed in 2023 Goodwill for The Skillsgroup Ltd and Skills for Logistics Ltd is amortised over two years on a straight-line basis.
- k) **Tangible fixed assets**
 Items of equipment are capitalised where the purchase price exceeds £5,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:
- | | |
|-----------------------------------|-------------------|
| • Freehold Land | Not depreciated |
| • Buildings | 2% straight line |
| • Property Improvements | 5% straight line |
| • Fixtures & Fittings | 20% straight line |
| • Computer Equipment and Software | 25% straight line |
- l) **Listed investments**
 Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be included within general funds in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading “Net gains/(losses) on investments” in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.
- m) **Investments in subsidiaries**
 Investments in subsidiaries are at cost.
- n) **Inventories**
 Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. In general, cost is determined on a first in first out basis and includes transport and handling costs. Provision is made where necessary for obsolete, slow moving and defective inventories. Donated items of inventories, held for distribution or resale, are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.
- o) **Debtors**
 Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.
- p) **Cash at bank and in hand**
 Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.
- q) **Creditors and provisions**
 Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.
- r) **Financial instruments**
 The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.
- s) **Pensions**
 The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of those contributions.

2. Income from charitable activities

	2025	2024
	Total	Total
	£	£
Qualification and assessment income and other educational income	13,233,479	12,678,774
	13,233,479	12,678,774

3. Income from investments

	2025	2024
	Total	Total
	£	£
Evelyn Partners Investment Management	163,838	184,721
	163,838	184,721

4a. Analysis of expenditure

Charitable activities	Qualification and assessment costs	Support Costs	Governance Costs	2025 Total	2024 Total
	£	£	£	£	£
Staff costs (Note 6)	4,670,348	2,481,123	145,948	7,297,419	7,262,914
Verifier, examination fees & expenses	1,554,867	826,023	48,590	2,429,480	2,640,991
Premises costs	177,503	94,298	5,547	277,348	300,966
Telephone & fax	27,999	14,875	875	43,749	51,288
Postage, stationery & assessment materials	154,574	82,118	4,830	241,522	286,803
Other office costs	55,175	29,312	1,724	86,211	94,178
Travelling, meeting & committee expenses	208,440	110,734	6,514	325,688	365,966
Marketing & publicity	161,560	85,829	5,049	252,438	242,829
Legal & professional	45,427	24,133	1,420	70,980	70,620
Audit & accountancy	33,204	17,640	1,038	51,882	51,917
Depreciation	91,439	48,577	2,857	142,873	146,335
Amortisation	659,332	350,270	20,604	1,030,206	1,152,226
Profit on disposal of fixed assets	(141)	(75)	(4)	(220)	8,320
Bank charges & foreign exchange	(11,495)	(6,107)	(359)	(17,961)	20,252
Sundry expenses	264	140	8	412	(14,400)
ICT Hosting & support	824,092	437,799	25,753	1,287,644	1,310,049
Consultancy support	113,675	60,390	3,552	177,617	95,778
Qualification and assessment costs	8,766,262	4,657,079	273,947	13,697,288	14,087,032
Support costs	4,657,079	(4,657,079)	-	-	-
Governance costs	273,947	-	(273,947)	-	-
Total expenditure 2025	13,697,288	-	-	13,697,288	-
Total expenditure 2024	14,087,032	-	-	-	14,087,032

4b. Analysis of expenditure

Charitable activities

	Qualification and assessment costs	Support Costs	Governance Costs	2024 Total
	£	£	£	£
Staff costs (Note 6)	4,575,636	2,542,020	145,258	7,262,914
Verifier, examination fees & expenses	1,663,824	924,347	52,820	2,640,991
Premises costs	189,609	105,338	6,019	300,966
Telephone & fax	32,311	17,951	1,026	51,288
Postage, stationery & assessment materials	180,686	100,381	5,736	286,803
Other office costs	59,332	32,962	1,884	94,178
Travelling, meeting & committee expenses	230,559	128,088	7,319	365,966
Marketing & publicity	152,982	84,990	4,857	242,829
Legal & professional	44,491	24,717	1,412	70,620
Audit & accountancy	32,708	18,171	1,038	51,917
Depreciation	92,191	51,217	2,927	146,335
Amortisation	725,902	403,279	23,045	1,152,226
Profit on disposal of fixed assets	5,242	2,912	166	8,320
Bank charges & foreign exchange	12,759	7,088	405	20,252
Sundry expenses	(9,072)	(5,040)	(288)	(14,400)
ICT Hosting & support	825,331	458,517	26,201	1,310,049
Consultancy support	60,340	33,522	1,916	95,778
Qualification and assessment costs	8,874,831	4,930,460	281,741	14,087,032
Support costs	4,930,460	(4,930,460)	-	-
Governance costs	281,741	-	(281,741)	-
Total expenditure 2024	14,087,032	-	-	14,087,032

5. Net (expenditure)/ income for the year

This is stated after charging / (crediting):

	2025	2024
	£	£
Depreciation	142,873	146,335
Amortisation	1,030,206	1,152,226
Loss or (profit) on disposal of fixed assets	(220)	8,320
Operating lease rentals:		
Property	63,212	77,839
Other	128,666	105,443
Auditor's remuneration (excluding VAT):		
Audit	31,650	29,750
Other services	3,000	-
Foreign exchange (gains) or losses	(15,941)	17,009

6. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:	2025	2024
	£	£
Salaries and wages	5,730,781	5,670,731
Redundancy and termination costs paid in the year	139,990	295,537
Social security costs	661,755	599,704
Employer's contribution to defined contribution pension schemes	436,783	417,718
Other forms of employee benefits	328,110	279,225
Sub Total	7,297,419	7,262,915
Zero hour salaries and wages	1,793,533	1,965,786
Zero hour social security costs	133,737	107,876
Zero hour employer's contribution to defined contribution pension schemes	49,422	48,212
Total	9,274,111	9,384,789

Our associate workforce is employed on zero hours contracts however their costs are included within direct costs under verifier, examination fees & expenses rather than staff costs note 4.

The following number of employees received employee benefits (excluding employer pension costs and national insurance) during the year between:

	2025	2024
	£	£
£60,000 - £69,999	7	6
£70,000 - £79,999	2	4
£80,000 - £89,999	4	1
£90,000 - £99,999	2	2
£100,000 - £109,999	-	-
£110,000 - £119,999	1	-
£120,000 - £129,999	-	1
£130,000 - £139,999	-	-
£140,000 - £149,999	1	-
£150,000 - £159,999	-	-
£160,000 - £169,999	1	1
£170,000 - £179,999	-	-
£180,000 - £189,999	-	-
£190,000 - £199,999	1	1

The total employee benefits including pension contributions and employer's national insurance of the key management personnel were £855,315 (2024: £704,105).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2024: £nil). No charity trustee received payment for professional or other services supplied to the charity (2024: £nil) save as disclosed in note 8 below.

Trustees' expenses represents the payment or reimbursement of travel and subsistence totalling £15,017 (2024: £10,716) incurred by 12 (2024: 12) trustees relating to attendance at Board meetings.

Trustee indemnity insurance has been included within the charitable company's indemnity insurance.

7. Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2025	2024
	No.	No.
Qualifications and Assessment	210	216
Support	38	39
Governance	2	2
	250	257

8. Related party transactions

During the year the Charity engaged with:

* AlphaPlus Consultancy Ltd. Trustee John Winkley is a Director of this company, to which the Charity paid £11,840 during the financial year (2024:£17,170). As at the year end 31 July 2025 there was no amounts outstanding.

* M Squared Media Ltd. Trustee Jayne Lewis-Orr is an Executive Director of this company, to which the Charity paid £3,600 during the financial year (2024:£13,764). As at the year end 31 July 2025 there was no amounts outstanding.

* Corporate Agenda Ltd. Trustee Debbie Houghton is a director of this company, to which the Charity paid £2,250 during the financial year (2024:£nil). As at the year end 31 July 2025 there was no amounts outstanding.

*Stephanie Richardson Consulting Ltd. Trustee Stephanie Richardson is the owner of this company, to which the Charity paid £nil during the financial year (2024:£8,280). As at the year end 31 July 2025 there was no amounts outstanding.

There are nil donations from related parties.

9. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Education & Media Services Limited will gift aid profits earned in year to the parent charity.

10. Tangible fixed assets

The Group

	Freehold property	Property Improvements	Fixtures and fittings	Computer equipment & Software	Total
	£	£	£	£	£
Cost					
At the start of the year	1,289,458	1,905,241	144,439	228,601	3,567,739
Additions in year	-	-	-	35,060	35,060
Disposals in year	-	-	-	-	-
At the end of the year	1,289,458	1,905,241	144,439	263,661	3,602,799
Depreciation					
At the start of the year	184,768	855,905	139,171	165,233	1,345,077
Charge for the year	17,628	87,816	1,337	36,092	142,873
Eliminated on disposal	-	-	-	-	-
At the end of the year	202,396	943,721	140,508	201,325	1,487,950
Net book value					
At the start of the year	1,104,690	1,049,336	5,268	63,368	2,222,662
At the end of the year	1,087,062	961,520	3,931	62,336	2,114,849

Land with a value of £407,232 (2024: £407,232) is included within freehold property and not depreciated.

All of the above assets are used for charitable purposes.

The Charity

	Freehold property	Property Improvements	Fixtures and fittings	Computer equipment & Software	Total
	£	£	£	£	£
Cost					
At the start of the year	1,289,458	1,905,241	144,439	228,601	3,567,739
Additions in year	-	-	-	35,060	35,060
Disposals in year	-	-	-	-	-
At the end of the year	1,289,458	1,905,241	144,439	263,661	3,602,799
Depreciation					
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Eliminated on disposal	-	-	-	-	-
At the end of the year	202,396	943,721	140,508	201,325	1,487,950
Net book value					
At the start of the year	1,104,690	1,049,336	5,268	63,368	2,222,662
At the end of the year	1,087,062	961,520	3,931	62,336	2,114,849

11. Intangible fixed assets

The Group

	Software & Resources	Goodwill	Trademarks	Total
	£	£	£	£
Cost				
At the start of the year	1,916,262	8,410,612	4,800	10,331,674
Additions in year	75,990	-	-	75,990
Disposals in year	-	-	-	-
At the end of the year	1,992,252	8,410,612	4,800	10,407,664
Amortisation				
At the start of the year	1,845,585	6,591,248	4,600	8,441,433
Charge for the year	40,717	989,288	200	1,030,205
Eliminated on disposal	-	-	-	-
At the end of the year	1,886,302	7,580,536	4800	9,471,638
Net book value				
At the start of the year	70,677	1,819,364	200	1,890,241
At the end of the year	105,950	830,076	-	936,026

The Charity

	Software & Resources	Trademarks	Total
	£	£	£
Cost			
At the start of the year	1,916,262	4,800	1,921,062
Additions in year	75,990	-	75,990
Disposals in year	-	-	-
At the end of the year	1,992,252	4,800	1,997,052
Amortisation			
At the start of the year	1,845,585	4,600	1,850,185
Charge for the year	40,717	200	40,917
Eliminated on disposal	-	-	-
At the end of the year	1,886,302	4,800	1,891,102
Net book value			
At the start of the year	70,677	200	70,877
At the end of the year	105,950	-	105,950

12. Listed investments

	2025	The Group 2024	2025	The Charity 2024
	£	£	£	£
Fair value at the start of the year	8,157,029	7,551,284	8,157,029	7,551,284
Additions at cost	940,053	864,931	940,053	864,931
Disposal proceeds	(896,374)	(1,117,269)	(896,374)	(1,117,269)
Change in cash in the portfolio	70,400	235,768	70,400	235,768
Net gain in fair value	296,100	622,315	296,100	622,315
Fair value at the end of the year	8,567,208	8,157,029	8,567,208	8,157,029

Listed investments comprise:

	2025	The Group 2024	2025	The Charity 2024
	£	£	£	£
UK Common investment funds	2,332,936	2,717,210	2,332,936	2,717,210
Shares listed on the London Stock Exchange	991,755	1,064,040	991,755	1,064,040
Cash and short term deposits held by fund manager	495,494	422,965	495,494	422,965
Other Investments Including Overseas Equities, Alternatives and Multi-Asset	4,747,023	3,952,814	4,747,023	3,952,814
Fair value at the end of the year	8,567,208	8,157,029	8,567,208	8,157,029

13 Subsidiary undertakings

Investments held in subsidiary undertakings

	2025	The Charity 2024
	£	£
At the start of the year	1,019,509	2,094,812
Additions during the year	-	33,779
Impairments recognised	-	(1109,082)
At the end of the year	1,019,509	1,019,509

Education & Media Services Ltd

VTCT Skills acquired the share capital of Education & Media Services Ltd (EMS) on 8 November 2016. The cost of acquisition along with associated professional support and advice totalled £5,600,049. The cost of the share capital was settled through a cash payment, with a retention amount paid in March 2017 based on EMS's performance. The goodwill has been fully amortised.

A summary of the results of the subsidiary shown below.

	2025	2024
	£	£
Turnover	2,590,783	2,454,254
Cost of sales	(526,881)	(502,390)
Gross profit	2,063,902	1,951,864
Administrative expenses	(1,026,705)	(1,079,905)
Operating profit / (loss)	1,037,197	871,959
Interest receivable	4,239	6,879
Profit on ordinary activities	1,041,436	878,838
Gift aid to parent undertaking	-	-
Profit/(Loss) for the period	1,041,436	878,838
The aggregate of the assets, liabilities and reserves was:		
	2025	2024
	£	£
Assets	1,430,713	1,353,179
Liabilities	(143,166)	(207,068)
Reserves	1,287,547	1,146,111

During the year, intercompany charges were made from VTCT Skills to EMS totalling £1,035,202 (2024: £973,522) for management time and support.

14. Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2025	2024
	£	£
Gross income	12,741,736	11,324,135
Net result for the year	794,223	(1,469,327)

15. Debtors

	The Group		The Charity	
	2025	2024	2025	2024
	£	£	£	£
Trade debtors	1,319,242	1,100,383	1,202,829	1,033,449
Amounts due from other group entities	-	-	-	73,212
Other debtors and prepayments	454,566	393,367	433,981	378,341
Other debtors due greater than one year	137,883	137,883	137,883	137,883
	1,911,691	1,631,633	1,774,693	1,622,885

Other Debtors includes a non current debtor of £138k (2024: £138k) comprising of a loan made in 2014 to Truro & Penwith College contributing to the provision of specialist teaching facilities.

16. Creditors: amounts falling due within one year

	The Group		The Charity	
	2025	2024	2025	2024
	£	£	£	£
Trade creditors	181,913	158,395	177,732	152,101
Taxation and social security	181,625	173,174	247,268	272,839
Amounts due to other group entities	-	-	126,767	-
Other creditors	562,160	494,527	535,697	455,024
Deferred income (note 17)	275,830	242,252	163,307	154,194
	1,201,528	1,068,348	1,250,771	1,034,158

17. Deferred income

Deferred income comprises of payments received for qualification services supplied after the year end date.

	The Group		The Charity	
	2025	2024	2025	2024
	£	£	£	£
Balance at the beginning of the year	242,252	288,890	154,194	186,078
Amount released to income in the year	(242,252)	(288,890)	(154,194)	(186,078)
Amount deferred in the year	275,830	242,252	163,307	154,194
	275,830	242,252	163,307	154,194

18a. Analysis of group net assets between funds (current year)

	General unrestricted	Total funds
	£	£
Tangible fixed assets	2,114,849	2,114,849
Intangible assets including goodwill	936,026	936,026
Investments	8,567,208	8,567,208
Net current assets	2,542,085	2,542,085
Net assets at 31 July 2025	14,160,168	14,160,168

18b. Analysis of group net assets between funds (prior year)

	General unrestricted	Total funds
	£	£
Tangible fixed assets	2,222,662	2,222,662
Intangible assets including goodwill	1,890,242	1,890,242
Investments	8,157,029	8,157,029
Net current assets	1,943,865	1,943,865
Net assets at 31 July 2024	14,213,798	14,213,798

19a. Movements in funds (current year)

	At 1 August 2024	Income & net gains	Expenditure & losses	Transfers	At 31 July 2025
	£	£	£	£	£
Unrestricted funds:					
General funds	14,213,798	13,397,317	(13,450,947)	-	14,160,168
Total funds	14,213,798	13,397,317	(13,450,947)	-	14,160,168

19b. Movements in funds (prior year)

	At 1 August 2023	Income & net gains	Expenditure & losses	Transfers	at 31 July 2024
	£	£	£	£	£
Unrestricted funds:					
General funds	14,862,434	12,863,495	(13,512,131)	-	14,213,798
Total funds	14,862,434	12,863,495	(13,512,131)	-	14,213,798

20. Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	2025	Property 2024	2025	Equipment/Other 2024
	£	£	£	£
Less than one year	66,806	67,627	64,912	74,232
One to five years	64,649	129,516	70,824	99,594
	131,455	197,143	135,736	173,826

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	2025	Property 2024	2025	Equipment/Other 2024
	£	£	£	£
Less than one year	55,413	55,413	64,912	74,232
One to five years	64,649	120,062	70,824	99,594
	120,062	175,475	135,736	173,826

21. Lessor commitments

The charity's total future minimum lessor payments under non-cancellable operating leases is as follows for each of the following periods:

	2025	2024
	£	£
Amounts falling due on Tenant leases in less than one year	30,432	-
Amounts falling due on Tenant leases in one to five years	63,660	-
	94,092	-

22. Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.



vtctskills.org.uk

Aspire House, Annealing Close,
Eastleigh, Hampshire, SO50 9PX,
United Kingdom

T +44 (0) 23 8068 4500
E customersupport@vtctskills.org.uk

VOCATIONAL TRAINING CHARITABLE TRUST

England & Wales - Charity number 295192

Accounts



Foreword

VTCT Skills has been empowering individuals and transforming industries for over 60 years. Our commitment to providing quality vocational training has enabled thousands of learners to achieve their career goals and make a positive impact on the world.

Today, we are proud to present VTCT Skills, our new brand that signifies our unwavering commitment to excellence in vocational education. By uniting our expertise under one name, we aim to deliver innovative, industry-relevant qualifications, training and End-point Assessments (EPA) that equip individuals with the skills they need to succeed in today's competitive job market.



**Jenny Sworder,
Chair of the Board of Trustees**



**Alan Woods OBE,
Chief Executive**

At VTCT Skills, our purpose is clear: to transform lives through skills. This principle has guided us for the last six decades and remains central to everything we do.

We're more determined than ever to set a new standard in vocational training, driving positive change for our learners, training providers and employers.

As an Awarding Organisation (AO) and End-point Assessment Organisation (EPAO), we are proud to have supported over 90,000 learners across nearly 3,000 training locations worldwide this year.

Our international expansion, particularly in key markets like Botswana, Vietnam, and Malaysia, has allowed us to reach even more individuals, providing them with the skills and knowledge they need to succeed. This growth is a testament to our dedication to making a positive impact on learners' lives.

We've also seen important progress in sectors like Early Years, which grew by 2%, reinforcing our commitment to nurturing the next generation. Since adding Logistics to the sectors we cover last year, we've focused on understanding its unique demands by consulting with colleges, training providers, and employers to lay the groundwork for solutions that will address industry needs in the coming year.

We've taken crucial steps to refine our qualifications, ensuring they're not just relevant and inclusive, but that they directly meet industry needs. Through initiatives like our Hairdressing and Barbering Collective, we've brought together learners, training centres, educators, brands, and employers, sparking meaningful collaborations and driving positive change.

Our Skills Advisory Boards (SABs) have also expanded, ensuring that our products align with the latest employment trends in sectors like Early Years and Logistics.

To enhance the management and growth of customer relationships, we've implemented HubSpot across the business. This new customer relationship management system is transforming our customer support function, empowering us to make smarter, data-driven decisions and elevate the overall customer experience.

Our partnerships with industries have grown stronger through more effective consultations with employers, ensuring our qualifications remain relevant and deliver real value. Innovation, growth, and quality will continue to guide us as we move forward.

The coming year promises further expansion of our products, geographical scope, industry collaborations and commitment to our learners. We are energised to do even more to tackle key skills gaps head-on and continue investing in qualification and assessment development.

Our achievements would not be possible without the exceptional team of individuals who make up VTCT Skills. From our dedicated colleagues to our valued stakeholders and partners, your unwavering support and commitment have been the driving force behind our success. Together, we have demonstrated the power of teamwork and the importance of working towards a common goal.

Together, we will keep transforming lives through skills.

Jenny Sworder

Chair of the Board of Trustees

Alan Woods OBE

Chief Executive



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/// What we **stand for**

Our Purpose

**Transforming lives
through skills.**

Our Mission

**Setting a new standard
for technical and vocational
skills worldwide.**



Our Values

Collaboration

Work together for greater impact; don't do it alone.

Expertise

Lead with confidence, using our heritage and experience.

Energy

Inspire others with passion and warmth.

Ease

Simplify complexity to identify the best route forward.

Partnership

Be on the side of our customers and learners.



/// We ignite
passion
in our
learners

The bottom-left corner of the image features three parallel diagonal stripes. The stripes are dark blue, red, and dark blue, running from the bottom-left towards the top-right.

...by equipping them with the practical skills and the confidence to realise their full potential in the world of work. Our focus goes beyond just training, we provide real-world learning experiences that prepare people for meaningful and fulfilling careers.



117,633
registrations



93,815
certifications



5,761
EPAs completed



“Starting my VTCT Skills apprenticeship with Hairforce1 has been instrumental in shaping my career as a barber. The hands-on experience, industry insights, and expert guidance I’ve received have given me the skills and confidence I need to excel.

This VTCT Skills-certified training has laid a strong foundation for my success, and I highly recommend Hairforce1 to anyone serious about pursuing a career in Barbering.”

Nevado McKenzie
Hairforce1
Barbering apprentice



“My apprenticeship has given me my licence which is invaluable to my career. Not only that, but it also provided me with broader knowledge about the Logistics industry, which, I wouldn’t have been able to pick up just from my job.

There’s no reason why women can’t do this job. If you’re a female who likes driving and spending time alone, then I would say go for it!”

Jessica Holden
TRS
LGV apprentice



/// We help
Training
Providers
**to think
bigger and
achieve more**

The bottom-left corner of the page features a decorative graphic consisting of three parallel diagonal stripes. The stripes alternate in color between a dark navy blue and a bright yellow, creating a dynamic, geometric pattern.

...by partnering with them to deliver exceptional learning experiences. By supporting curriculum development and staff empowerment, we collectively grow the next generation of industry professionals.

53
Countries



164
new training centres



2,683
training locations



“Our journey with VTCT Skills as an End-point Assessment Organisation has been invaluable. Their responsiveness and expertise have supported us in navigating the complexities of apprenticeship standards and assessments. Together, we’ve worked towards amplifying the sector’s voice and fostering collaboration within the Early Years Collective.”

Gill Mason,
Training Academy Director,
Kids Planet



“We chose ITEC for its global recognition and high standards, which align seamlessly with our mission to provide quality education. Their support has not only enhanced our credibility but also empowered our graduates to succeed with confidence and global mobility.

The comprehensive ITEC curriculum ensures our students remain competitive in a fast-changing industry. Witnessing our students grow, thrive, and achieve success in their careers is incredibly fulfilling and a true reflection of the impact we strive for at Sicta Beauty School.”

Sam Lee,
Principal,
Sicta Beauty School Singapore



/// We power
progress
through
meaningful
connections

...with our stakeholders, driving success across the board. From employers to influential leaders, we work together to bridge the gap between education and employment whilst consistently championing skills.

We work with

150+

employers



923

attendees at Hairdressing and Barbering Collective live events



Skills Advisory Boards

in Early Years, Logistics, Hairdressing & Barbering and Beauty



“The VTCT Skills Collective is vital for bringing students, tutors and industry together to see the wider picture of what VTCT Skills offer in terms of industry education development with leading industry professionals. This vital space ensures a positive impact for colleges, tutors and learners by listening to feedback and taking action. From CLOUD NINE’s perspective, our collaboration with VTCT Skills has reignited our commitment to supporting future hairdressers and tutors, inspiring us to launch our own initiative. It’s more important than ever to stand together for the advancement of our industry.”

Marie Nieuwoudt,
Group Education Manager,
CLOUD NINE



“As a member of the VTCT Skills Advisory Board, I’m excited to be working with an organisation that is actively seeking to understand and address the challenges facing the Logistics industry. While this sector offers incredible opportunities, we’re also facing significant skills gaps that threaten the industry’s potential for growth. By collaborating on these issues, we can develop the right skills, aligned with the evolving demands of the sector. I’m proud to be part of this important work, helping ensure we’re not just filling roles but equipping the workforce with the skills needed to thrive in the future.”

Joanne Polhill,
Group Emerging Talent Manager,
CULINA

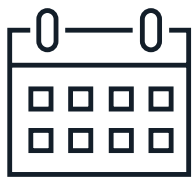
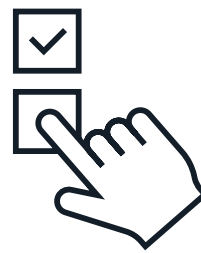


“I’ve witnessed the remarkable impact of industry-wide collaboration firsthand. Supporting VTCT Skills to honour those advancing vocational education has truly highlighted the significance of these careers. By uniting to support future leaders, we’re not only building stronger futures but also making a tangible difference in people’s lives. This experience has been incredibly inspiring, and I’m proud to have been a part of it.”

Sharon Blyfield OBE,
Head of Early Careers,
Coca Cola Europacific Partners

/// We craft
qualifications,
**End-point
Assessments
and services**

...that lead the way in skills development. By combining awarding and assessment expertise with industry insights, we deliver solutions that empower learners and drive business growth.



New EPAs and qualifications released during 2023-2024





Inside product development: Building leaders through real-world application



After over 35 years in Supply Chain and Logistics, I've seen firsthand the gaps in training—especially when it comes to delivering targeted development for emerging leaders. Traditional programmes often lacked the flexibility businesses needed, and we were determined to change that.

**Gary Mackay,
Lead Tutor,
Logistics and Supply Chain,
VTCT Skills**

Working closely with local companies in the West of England Combined Authority (WECA) area, we identified a real need for a qualification that wasn't just about theory but about practical, applicable skills. It was clear that businesses wanted an alternative to a typical classroom-based course. When we created the First Line Managers qualification, we focused on a project-based approach, allowing learners to apply what they were learning directly within their workplace.

The first cohort was with Nisbets, a global leader in warehousing and distribution. What really stood out to me was the enthusiasm from both the learners and the company itself. Employees who showed potential to become team leaders were handpicked to join the course, and for them, this was more than just a learning opportunity—it was a reward and a clear pathway to career progression.

I saw real growth in the participants. Not just in their knowledge, but in their confidence. Many had never delivered a formal presentation before, but by the end, they were standing in front of senior management, presenting their business improvement projects.

One of the key focuses was to ensure that each project added real, measurable value to the business. By the end of each course, the projects completed have generated £800,000 in savings for Nisbets—demonstrating the powerful, real-world impact of this training programme.

What makes this qualification unique is its flexibility. We work with companies to adapt the delivery model around their business needs and seasonality, ensuring that training doesn't interrupt day-to-day operations. We also offer around-the-clock tutor support, which has been particularly valuable for those working night shifts.

Nisbets was so impressed with the outcomes that they made completion of this qualification a prerequisite for any team leader promotion. For me, this is the biggest measure of success. We're not just delivering training—we're shaping the future leaders of the industry. It's incredibly rewarding to know that this course is making a tangible difference—not just for the businesses, but for the individuals who want to progress and lead in the Logistics industry.

/// Excellence **Awards 2024**





Our Excellence Awards returned in 2024, bigger and more meaningful than ever, showcasing the powerful impact of vocational education. As a key moment in the VTCT Skills calendar, these awards recognise the outstanding achievements of learners, educators, and organisations that embody the very best of vocational training.

This year, the awards expanded to celebrate excellence not just across the UK and Ireland, but also in Africa for the first time.

What makes the Excellence Awards stand out is how they truly reflect our mission—transforming lives through skills.

These awards shine a light on the dedication and stories behind vocational education, giving industry leaders a real glimpse into the impact that this sector has. By recognising every kind of success, we ensure that every journey, no matter how unique, is celebrated. These awards go beyond recognition—they're our opportunity to showcase the transformative power of skills. Through their inspiring stories, our learners, educators, and organisations demonstrate how vocational training acts as a catalyst for growth, driving positive change across industries and communities.

VTCT Skills Excellence Awards 2024

UK Winners



Apprentice of the Year
Lucy Harris,
SP Training



College of the Year
Highlands College

“The award was a testament to our commitment to excellence, innovation, and inclusivity, and it inspired us to continue striving for even greater heights in the future.”

VTCT Skills Excellence Awards 2024

UK Winners



Educator of the Year **Lisa Breakey,** **The Manchester College**

“This is a fabulous accolade, and I was amazed that past students and staff had written such wonderful comments and highlighted the effect I may have had on their career or development. I was overwhelmed and grateful to have had the opportunity to influence the lives of others in a positive way with the power of education.”



Large Training Provider **of the Year** **Parenta Training**

“This recognition motivates us to continue striving for excellence and making a difference for the next 25 years and beyond.”

VTCT Skills Excellence Awards 2024

UK Winners



**Small Training
Provider of the Year**
Mike Taylor Education



Student of the Year
Hayley Channon,
TrichoCare Education

“I was delighted that I had been recognised. Winning this award showed me how much I am capable of, what value I have, and to keep pushing myself.”

VTCT Skills Excellence Awards 2024

UK Winners



Contribution to the Sector

Gill Mason,
Kids Planet Day Nurseries

“The moment when all your years of effort and dedication to the sector is recognised feels quite cathartic. I am inspired to continue on this quest for parity of status and esteem in the early years sector – and to ensure everyone is aware of the transformative impact of education across all stages of life.”



Special Recognition Winner

Oliver Rees,
PMA

“I was ecstatic to win. It’s been a long journey to get to where I am right now and I am over the moon to have won this recognition from industry leaders VTCT Skills. I really do believe I have a lot to offer as an educator and that I often take a unique and personalised approach, reflecting my own unique journey and experiences.”

VTCT Skills Excellence Awards 2024

Africa Winners



College of the Year
Elite School of Beauty



**Large Training
Provider of the Year**
Sandy Roy,
Beauty Therapy Institute



Educator of the Year
Jedine Viljoen,
Kohl Makeup Academy

VTCT Skills Excellence Awards 2024

Africa Winners



Small Training Provider of the Year

Helderberg School of Beauty

“It is an encouragement to keep striving for excellence and making an impact in the world.”



Student of the Year

Eulali Mouton, Beauty Therapy Institute Brooklyn

“When my name came up on the screen, I could not believe it. My jaw literally dropped to the floor, and I couldn’t move - excitement, shock, and amazement settled in the pit of my stomach. I was overcome with joy!”



Performance
against
strategy



Our strategy, titled ‘Leading, Growing, Supporting,’ was developed during the Covid-19 pandemic and approved by the Board of Trustees in August 2021. It aimed to advance education, create clear pathways to employment, and enhance career prospects during a period of significant uncertainty.

As we progressed through 2023-2024, we remained committed to this strategy, making necessary adjustments to address the evolving needs of our learners, apprentices, and training centres. Our focus has been on supporting our stakeholders while staying true to our mission. ‘Leading, Growing, Supporting’ is built around three key pillars:

- 1. Supporting Recovery:** Embracing digital tools, big data, and relationship marketing to gain credible insights into customer needs, fostering loyalty, and supporting centre growth and learner achievement.
- 2. Driving Growth:** Co-creating new products and services with customers and key stakeholders, while strengthening our leadership in hairdressing and barbering.
- 3. Leading Technical Education:** Innovating and advancing technical education in the hair, beauty, and aesthetics sector, engaging more centres and learners through high-stakes qualifications.

The progress we’ve made over the past year is reflected in several key initiatives, detailed in the following pages. These demonstrate how we’ve brought our goals to life, particularly in areas such as digital innovation, product development, and industry engagement.



Pillar 1

Supporting recovery

Journey to unrivalled customer support

Last year, our organisation began an ambitious overhaul of our digital capabilities, enhancing how we connect with our customers. To gain a deeper understanding in real time, we brought all our customer touchpoints together into a single system, HubSpot. This ongoing process is improving our ability to use real-time data, further strengthening customer loyalty, supporting centre growth, and driving learner achievement.

While we have always focused on personalised support, the progress we've made in the first phase of fully integrating HubSpot is helping us refine and tailor our services even more effectively to meet the unique needs of our learners, apprentices, and centres.

Our early adopters, the customer support team, have used this new capability to revolutionise their operations. With real-time data at their fingertips, the team can now identify trends and act quickly to address customer concerns.

For example, in response to the rising number of learner certification enquiries, we launched a chatbot in February 2024. This tool provides instant, self-serve support and has led to a 55% reduction in inbound enquiries compared to the previous year. Through automation, we've increased the speed of reporting and analysis by 90%, allowing us to anticipate customer needs more efficiently.

However, unrivalled customer support is not limited to a single team. This transformation has brought us closer to our goal of becoming a fully customer-centric organisation. By centralising all interactions in one system, we now have an organisation-wide view of key touchpoints, allowing us to unify and personalise every customer interaction.

As we move into the next phase of the rollout, we will continue turning data into action to support our learners, training providers and stakeholders.

Prioritising clarity and impact for our customers

At VTCT Skills, our priority is ensuring that our qualifications align with the real-world skills required by the industries we serve. Over the years, this dedication has led us to develop a broad portfolio of over 650 qualifications, offering a wealth of options to support various career paths and ambitions. We've long valued the importance of choice, ensuring that our learners and training centres have the flexibility to find qualifications that meet their specific needs.

However, as our portfolio expanded, it became clear that choice alone wasn't enough - we needed to balance offering a wide range of options with reducing complexity. Through careful reflection and consultation, we identified an opportunity to streamline our qualifications and to enhance their relevance and accessibility. In the first phase of this portfolio rationalisation, we reduced our offer by 125 products, with a focus on those that provide the most impact and value. As a result, it's now easier for learners and training centres to navigate and select the right qualifications.

Simultaneously, we recognised that streamlining does not mean reducing our ability to meet diverse needs. In some cases, it highlighted the importance of adaptability—ensuring that our qualifications remain aligned with local requirements and industry standards. For instance, in South Africa, our conversations with centres revealed a need for more modular, unit-based qualifications that could be customised to better serve their specific context. Responding to this, we introduced new qualifications tailored to these needs, ensuring that our refined portfolio remains both relevant and flexible.

The initial phase of our portfolio rationalisation marks the beginning of an ongoing effort. We will continue prioritising continuous evaluation and refinement of our products, ensuring they remain aligned with both global industry standards and local market needs.



Pillar 2

Driving Growth

Growth through collaboration

Our sector thrives at the intersection of education, policy, and employment. This is why we've strengthened our dedication to co-creating qualifications with industry leaders, ensuring we stay ahead of changing needs.

We've built on our existing employer consultation by going even further this year, hosting employer panels across the UK for our key sectors.

Through more face-to-face meetings during the product development stage, we've gained even sharper insights into the evolving skills businesses need.

This greater focus on real-time feedback has allowed us to directly shape our qualifications, making sure they stay up-to-date and fit for the future.

Additionally, we collaborated with the Berkshire Chamber of Commerce to tackle skills gaps in their Local Skills Improvement Plan (LSIP). Focusing on "screen industries," we worked with employers to understand the specific skills needed in make-up artistry.



By attending their Workforce Development Partnership meetings, we made sure that these insights were incorporated into our qualification development process, ensuring our qualifications align with industry needs both locally and nationally.

Beyond these panels, we broadened our engagement through online consultations with over 30 employers. Combined with the 50+ attendees at our face-to-face panels, the feedback we've received will be key to keeping our qualifications at the forefront of the industry.

Igniting Collective Momentum

We've been making a difference in the Hairdressing and Barbering sector for decades. While we are growing our footprint across different industries, our roots in this field remain strong, and we continue to raise the bar for skills and standards.

Creativity, aspiration, and passion fuel this sector. Recognising this, we aimed to create a community where these values could thrive and the best skills and knowledge could be shared. This vision led to the creation of our Collective Live events. Powered by the energy of our Business Development Team, these events bring together a vibrant network of learners, educators, and industry leaders, keeping our sector moving forward.

This year's Collective Live events, held at a number of colleges across the UK, saw incredible growth. With over 900 attendees across 10 events, the turnout has more than doubled from the previous year. The events have evolved since their inception, growing from a 4-event soft launch to a full-scale rollout. Each event is designed to provide real-world inspiration, offering live demonstrations and knowledge from guest artists and leading brands such as Wella and CLOUD NINE.

This initiative has been key to strengthening VTCT Skills' position within the sector. When colleges and providers experience our commitment to shaping the industry firsthand, they are motivated partner with us, contributing to a 4.9% increase in our market share.

But, for us, the biggest success has been showing learners how developing their skills can ignite their careers. We design each event to feel personal, featuring guest artists and content that connects with the local audience. These aren't generic, one-size-fits-all events—they're tailored to each community, helping learners see themselves in the professionals on stage. When guest artists share their journeys, learners clearly see how skills open doors to real opportunities.

Looking ahead, we're excited to push ourselves even further to create a bigger impact. Next year, we plan to expand Collective events into new areas, bringing the same passion and commitment to more industries. We'll also be partnering with more inspiring brands, making sure our events continue to offer meaningful experiences for everyone involved.



Pillar 3

Leading Technical Education

Simplifying Access to Aesthetics Skills

As demand for skilled professionals in the Aesthetic industry rises, and with increasing government scrutiny and focus on safety, we saw an opportunity to raise the bar and improve the landscape.

Initially, we launched a suite of successful Aesthetics qualifications. However, we know creating qualifications is a dynamic process, constantly adapting to real-time needs. Our customers were clear – they needed a streamlined solution that provides learners with all the core skills to enter the industry.

In response, we have now introduced the Level 4 Diploma in Advanced Aesthetic Treatments, combining all our Level 4 qualifications into one comprehensive diploma.

The diploma's approach gives training providers the flexibility to tailor their programmes to the needs of the industry, providing learners with a competitive advantage in a fast-evolving marketplace.

Employers have been enthusiastic about the new qualification, recognising its ability to develop practitioners who are equipped to meet today's demands and future regulatory requirements.

“This qualification is highly important at a time when licensing requirements and regulations in the industry will be changing soon. The skills within this qualification are vital to employment in industry as an aesthetic practitioner and clients will feel safer knowing that learners have the skills and knowledge to make the right decisions.”

Lynton Lasers

The entire Aesthetics industry is bracing for the introduction of new licensing standards for non-surgical cosmetic procedures.

While we anticipate these changes, VTCT Skills learners are already being trained to meet these standards, leading the way toward a safer and more responsible industry.

Portfolio Refresh

As part of our commitment to leading technical education, we've undertaken an overhaul of our top 57 Vocationally Related Qualifications (VRQs). The refreshed qualifications were updated to reflect the most current National Occupational Standards (NOS), employer expectations, and emerging industry trends, all while promoting inclusivity and accessibility.

In this first phase of our portfolio refresh, we focused on delivering the greatest value by targeting the most subscribed qualifications. We chose a phased approach to ensure every update is thoughtfully aligned with the changing needs of learners and industry, allowing us to respond quickly and effectively.

Focusing on high-demand areas first meant that we could drive the greatest impact where it mattered most, ensuring our learners and centres benefitted immediately. This deliberate, phased strategy has kept us agile, giving us the flexibility to continuously refine each qualification based on the latest industry feedback and trends, keeping them relevant and future-focused.

Working closely with a diverse group of industry experts ensured that our qualifications not only meet current National Occupational Standards but also adapt to society's changing needs. This includes representing a broader spectrum of beauty and identity, making sure our qualifications are inclusive for learners from all backgrounds and experiences.

Building on this foundation, Equity, Diversity, and Inclusion (EDI) was at the heart of our efforts. We've taken care to ensure that our qualifications use modern, inclusive language and imagery that reflects today's diverse learners. Terminology updates and content adjustments have been made to remove barriers for all learners, making our qualifications more reflective of real-world environments and promoting a culture of respect and representation.

As we move into future phases of our portfolio refresh, we're excited to keep evolving and improving our qualifications. Each phase will build on feedback from training providers and industry experts, ensuring our qualifications remain industry-leading and help our centres stay ahead.





Our new
strategy



We are entering a dynamic period of change in the skills landscape, facing shifting governments, shifting education and skills policies, the rising cost of living, and a growing reliance on AI. In short, this environment presents significant challenges.

But within this complex landscape, we see an opportunity for VTCT Skills to not just participate, but actively shape the future of skills training. To lead the way through these changes, we must be both agile and forward-thinking, evolving our strategic approach to meet the current context head-on.

Our bold new vision is to establish ourselves as a large, specialist skills organisation, extending our sector footprint and transforming the lives of even more learners. We're committed to ambitious growth, but equally focused on forging deep industry connections, long-lasting relationships, and strategic partnerships to ensure lasting impact. We are working hand-in-hand with our industries to power progress and deliver tangible value, ensuring we grow together and not in isolation.

New Strategic Priorities

- 1.** Become the undisputed market leader in Hair and Beauty
- 2.** Wholeheartedly support a broader sector footprint, prioritising early years
- 3.** Expand our market reach through commercial strategic partnerships



New strategic priorities

Become the undisputed market leader in Hair and Beauty

How we will deliver:

Streamline our portfolio: Create a concise and user-friendly portfolio, making it easier for customers to navigate and select qualifications.

Create innovative qualifications for emerging skills: Innovate the sector, working in partnership with forward-thinking organisations to create qualifications for current and future skills needs.

Grow home nations' footprint: Focus on Wales, Scotland and Northern Ireland as significant opportunities for growth, developing long-standing partnerships with new and existing customers.

Implement an international shouldering strategy: Strategically target neighbouring countries with aligned skill sets and infrastructure, fostering international growth.

Launch professional qualification registers: Design and introduce a professional register for learners and practitioners holding regulated qualifications.

Showcase our commitment and leadership: Deliver a comprehensive programme of industry events for all stakeholders.



Broader sector footprint

Wholeheartedly support a broader sector footprint, prioritising early years

How we will deliver:

Prioritise early years: Make expansion into these sectors a core organisational priority, allocating resources and fostering a culture of growth.

Evolve our early years proposition and reputation: Build credibility and expertise by partnering with industry-leading organisations, actively engaging with employers and providers, and demonstrating the relevance and our understanding of the sector and value proposition.

Implement a market expansion strategy: Utilise existing networks and relationships to expand our reach and impact in early years, being focused and targeted in our approach.

Develop qualifications and broader support offer: Co-create qualifications with employers, developing our broader service offer, supporting Gen Z learners, new entrants, teaching and learning and professional development.

Showcase our commitment and leadership:

Deliver a comprehensive programme of industry events for all stakeholders.

Review and prioritise opportunities across our sector footprint: Appraise skills markets across our broader sector footprint, prioritising Logistics and identifying opportunities for investment and expansion.



Expanding market reach

Expand our market reach through commercial strategic partnerships

How we will deliver:

Strengthen our partnerships with colleges:

We aim to establish long-term, collaborative relationships with colleges and facilitate consortia to develop and deliver bespoke qualifications that address regional and national skill requirements.

Drive international growth: Through partnerships with international organisations and targeted industry sectors, we will explore opportunities for overseas expansion, growing our global footprint.

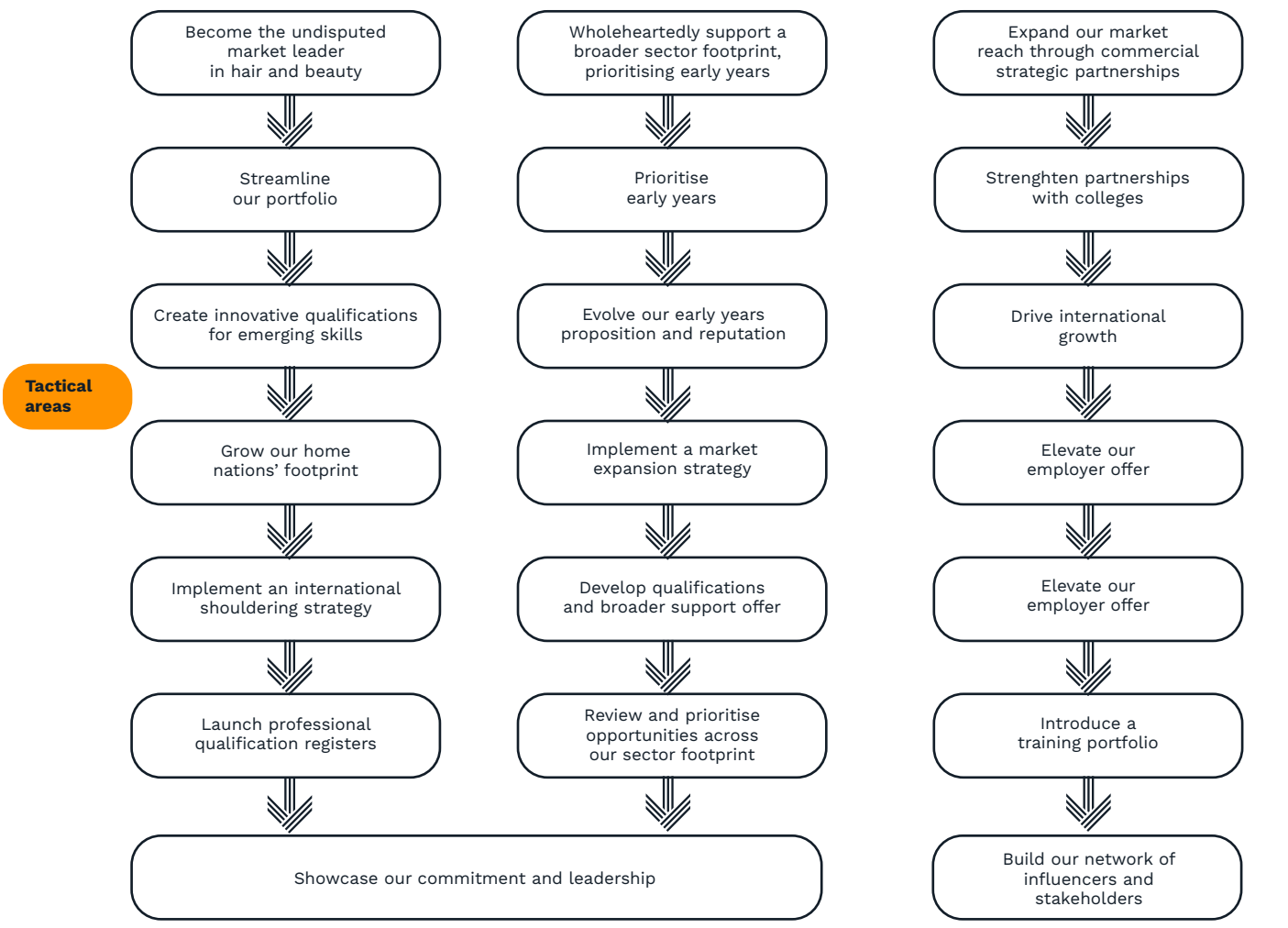
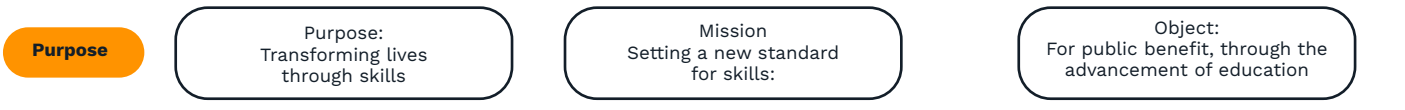
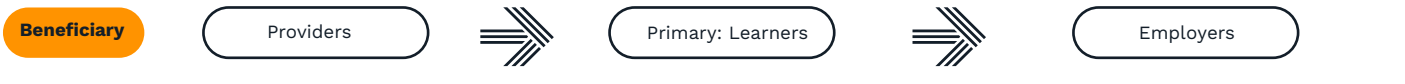
Elevate our employer offer: We will develop a comprehensive employer offer that empowers businesses to create a culture of learning and development using bespoke qualifications, external accreditation, and access to a valuable network of learners and professionals.

Deliver innovative skills solutions: Partnering with innovative technology companies, we will enhance our support offerings for customers and learners by investing in new teaching and learning methods, digital credentialing platforms, facilitating relationships between learners, colleges and employers, and providing professional development solutions.

Introduce a training portfolio: Partner with employers and training providers to introduce a range of training solutions, addressing the evolving needs of learners and practitioners.

Build our network of influencers and stakeholders: Build relationships to support our broader skills profile, including combined authorities, trade specialist organisations, government agencies and ministries, social media influencers, and other organisations.







Redefining
**our Brand
and Culture**



Introducing VTCT Skills

This year, we took a bold step forward by introducing VTCT Skills—a name that brings all our organisations together under one powerful identity. With over 60 years of success in vocational education, our new brand reflects both our experience and our vision for the future. It embodies who we are today and where we're going.

The launch of VTCT Skills is about more than just a new name or logo—it's about building on what has always made us strong, whilst evolving to meet the needs of today and tomorrow. Our mission—**Setting a new standard for skills worldwide**—remains at the core of our work. Guided by our core values, we are dedicated to helping our customers to think bigger and achieve more.



Our Guiding Values

Partnership is central to how we work. We're dedicated to being there for our customers and learners, understanding what they need, and supporting them every step of the way. This commitment helps us build strong, trusting relationships, which have always been a key part of our success.

We continue to rely on our years of **Expertise** in vocational education to set high standards and deliver quality learning that meets the changing needs of both learners and the industries they aim to work in.

We also believe in **Ease**. In an educational landscape that can be complex, we focus on making things simple and clear, whilst maintaining rigorous quality assurance practices. By keeping our processes straightforward, we keep high quality education accessible for all, just as we've always done.

Collaboration helps us bring together different perspectives and skills to create the best outcomes, building on our tradition of working hand in hand with others for maximum impact. We know that working together brings better results, whether it's with our VTCT Skills colleagues, our partners or the industry at large.

Finally, **Energy** is what drives us. We're passionate about our work and aim to inspire others with our enthusiasm. This passion for skills training fuels our commitment to keep improving and innovating, ensuring we remain leaders in vocational education.

The introduction of VTCT Skills positions us to embrace the future with these values firmly in place. We are excited to offer more globally recognised training, assessments, and services that support learners to achieve great things.



Collette Lux,
Chief Commercial Officer

As part of our rebrand, we've introduced a new colour palette and design that reflect our energetic approach. The vibrant style is intended to inspire and bring the forward momentum of VTCT Skills to life. You can explore our new look and learn more about our updated brand by visiting our website vtctskills.org.uk.

We're building on the strengths that have always defined us, while renewing our dedication to making a positive impact together. As we move forward, we invite you to be part of our journey with VTCT Skills — a brand built on a strong foundation, ready to shape the future of vocational skills.

The New Force Behind Our Culture

I'm delighted to join VTCT Skills at such a dynamic time. What drew me to this organisation is its commitment to helping people discover their potential and pursue fulfilling careers. Having worked in various sectors—from Retail to Finance, Travel and Logistics—I've seen firsthand how vocational learning can transform lives.

Since joining, I've dived straight into bringing our values to life within our internal culture. These are at the core of our external identity, and my role is to make sure they are fully lived within our teams. I've been listening, observing, and working closely with people across the organisation to understand where we can make meaningful changes.

I believe small, thoughtful changes can have a significant impact on how we work together and how we support each other. It's about making sure that we remain agile and open to innovation, so that our internal culture continues to align with VTCT Skills' long-term goals.



**Kate Cornhill,
HR Director**

Looking ahead, I'm excited to keep building on the changes we've made to create an engaged, empowered, and connected team. By continuing to simplify how we work, embracing fresh ideas, and giving everyone the opportunity to contribute meaningfully, I believe we can achieve something really special together.

Peter Drucker famously said, "Culture eats strategy for breakfast," and I couldn't agree more. No matter how strong your strategy is, it will only succeed if your culture supports it. That's why I'm so focused on embedding our values deeply into our daily actions—ensuring they aren't just words on paper, but principles that guide how we work together every day.

Highlights From Our First Staff Conference

In January, we kicked off the year with our 2024 Staff Conference. It was the perfect opportunity to unite the organisation, celebrate our successes, and strengthen connections. Held at the Harbour Hotel in Southampton, the event brought together colleagues from Birmingham, Ireland, and Eastleigh for a day of collaboration and learning.

The day began with an opening address from our Chief Executive, Alan Woods OBE, who shared his vision for the future in a fast-changing world. This was followed by Ashley Barnes, Deputy Chief Executive Officer, presenting our 2024 strategy and highlighting key areas for growth. Together, these presentations set the scene for a day focused on progress.

A highlight of the conference was our “World Café” sessions, where staff from different teams and locations came together to share ideas and discuss how we can improve the way we work. This was a valuable chance for everyone to get a better understanding of different areas of the business and explore fresh ideas.

This year, we introduced the Staff Awards in response to feedback calling for enhanced recognition across the organisation. The awards were well-received, with winners proudly wearing their lanyards and being recognised by their peers. It was a meaningful way to celebrate the talent and dedication that drive our organisation forward.

With over 200 staff attending, the event was filled with enthusiasm and a strong sense of connection. Employees valued the opportunity to engage with colleagues from different teams, and the positive feedback has inspired us to make this an annual event, with plans to build on its success.



From Hospital Ward to Trustee Board: Meet our Trustee Apprentice

As part of our commitment to fostering diverse talent in leadership, VTCT Skills welcomed Francheska Klaud into our Trustee Board this year. Francheska joined through the Boardroom Apprentice programme, a unique twelve-month scheme that offers aspiring Board members hands-on experience in a supportive environment. Her role allowed her to observe and engage in the complexities of Board governance, strategy, and resource management. Here, Francheska shares her reflections on the experiences, challenges, and insights she's gained throughout this transformative year with VTCT Skills.

Being a boardroom apprentice with VTCT Skills during such a transformative time has been a unique and eye-opening experience. I joined as VTCT Skills merged with two new organisations and expanded its focus areas, giving me firsthand insight into how strategic decisions and thoughtful planning drive meaningful change.

Throughout my apprenticeship, I've been immersed in observing Board dynamics, and I'm inspired by the genuine collaboration and openness within the team. The Board's welcoming, family-like atmosphere made the experience engaging, with approachable members who foster open dialogue and create a supportive space to learn.

Seeing the charity expand and rebrand has been especially insightful, showing the complexities of aligning mission and communication while staying true to core values.

I've also gained a deeper appreciation for the importance of financial oversight and resource management in sustaining charitable programmes. Observing the Board balance short-term needs with long-term goals has shown me how impactful change is built thoughtfully, step by step.

The apprenticeship wasn't without its challenges; navigating regulatory requirements, understanding the intricacies of merging, and contributing meaningfully to discussions took time. But these experiences have been incredibly rewarding, pushing me to be more analytical and prepared in my approach to decision-making.

Inspired by this journey, I am now observing board meetings in my hospital to strengthen my familiarity with governance and further develop these skills. My goal is to secure a board role where I can apply the empathy and openness in leadership I've gained, and I'm excited to see where these insights will lead me next.





Governance
and Audit



Structure, governance and management

The Charity is committed to a continuous programme of governance review and improvement.

The Board of Trustees formally adopts the Charity Governance Code for Large Charities and, for each of the seven principles, apply the Code and ensure that the Vocational Training Charitable Trust policies are updated to reflect current practice.

VTCT Skills is a company limited by guarantee, incorporated in 1986 under the Companies Act 1985, and registered under the Charities Act 2011 on 30 September 1986. VTCT Skills registered with the Office of the Scottish Charity Regulator on 25 July 2019.

The company's Articles of Association were last updated on 13 July 2020.

All trustees give their time voluntarily and, save as disclosed below, receive no benefits from the Charity. Any expenses reclaimed from the Charity are set out in note 6 to the accounts.

Appointment of trustees

The Charity's Articles of Association limit the number of trustees to a maximum of 15. Due to ongoing reforms in the educational sector and the increasing complexity of VTCT Skills as an organisation, the trustees believe that maintaining an ideal number of 12 trustees allows the Board to reflect the diverse skill sets required. These skills are assessed annually to ensure the Board is well-equipped to meet the organisation's needs.

In line with good practice, the Charity will continue to seek and appoint trustees with appropriate skills to enable strong governance. New trustees are recruited by open advertisement and search; promising candidates are interviewed by the Chair, Vice-Chair and Chief Executive with recommendations to the Board of Trustees.

Equity, diversity and inclusion

The Charity is committed to equality of opportunity, values diversity and seeks individuals from a wide range of backgrounds who will bring a fresh perspective to the Board of Trustees.

The Charity actively reviews existing trustees' diversity, skills, and experience to ensure the Board of Trustees reflects the diversity of the learners they work with and welcomes applications from all community sections.

Trustee induction and training

New trustees undergo an induction period to brief them on their obligations under charity and company law, the content of the Articles of Association, the committee structure and decision-making process, the operational strategy, current issues and the recent financial performance of the Charity.

During the induction, they meet key employees and other trustees. Trustees attend board workshops and appropriate external training events where these activities will facilitate the undertaking of their role. Examples of these training events include investment management and governance. New trustees also have a trustee 'buddy' from whom they can seek support, usually the Chair of the Committee they are also assigned to.

Trustees and governance

Under the terms of the articles, trustees may be appointed for a maximum of three, three-year terms. The period of service as a trustee may be extended upon the appointment of a trustee as Chair of the Board of Trustees.

We recently welcomed the appointment of Hellen Ward, Richard Atkinson and Andy Salter to the Trustee board. During the period under review, Lesley Shepperson and Lee Mandley retired as trustees, and we thank Lesley and Lee for their valuable contributions their period of service.

Related parties and relationships with other organisations

VTCT Skills has three wholly-owned subsidiaries:

- 1) Education & Media Services Ltd (Active), trading as iTEC
- 2) The Skills Group Ltd
- 3) Skills for Logistics Ltd

The share capital of Education & Media Services Ltd was acquired on 8 November 2016. Any transactions and management charges between VTCT Skills and Education & Media Services Ltd are supported by a Shared Services Agreement and are on an arm's length basis.

The share capital of The Skills Group Ltd and Skills for Logistics Ltd was acquired on 2 June 2023. Any transactions and management charges between The Skills Group Ltd and Skills for Logistics Ltd are supported by a Shared Services Agreement and are on an arm's length basis.

Remuneration policy for key management personnel

Key management personnel are remunerated based on an assessment of market rates applicable to the role. Salary benchmarking is undertaken using the Korn Ferry Hay salary data sets.

All key staff have had their roles independently reviewed by Korn Ferry Hay and are remunerated within the banded scales.

Statement of trustees' responsibilities

The trustees (who are also directors of Vocational Training Charitable Trust for the purposes of company law) are responsible for preparing the trustees' annual report, including the strategic 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 that give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements

- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue in operation
- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue in operation

- 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

Members of the charity guarantee to contribute an amount not exceeding £10 to the Charity’s assets in the event of winding up. The total number of such guarantees on 31 July 2024 was 12 (2023: 11). The trustees are members of the Charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the Charity.

The trustees are responsible for keeping adequate 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company’s auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information
- There is no relevant audit information of which the charitable company’s auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information





Administrative **information**



Trustees

Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Jenny Sworder	Chair of Trustees	
Katherine Quinn	Vice Chair of Trustees & Chair of Strategy Sub-Committee	
Andrew Mondon	Chair of Finance & Audit Committee	
Jayne Lewis-Orr	Chair of HR & Remuneration Committee	
John Winkley	Chair of Regulatory & Quality Committee	
Stephanie Richardson	Designated Safeguarding Trustee	
Daniel Carlin		
Lysa Schwartz		
Debbie Houghton		
Lesley Shepperson	Retired 28/09/2023	
Lee Mandley	Retired 18/12/2023	
Hellen Ward	Appointed 28/05/2024	
Richard Atkinson	Appointed 01/06/2024	
Ian Salter	Appointed 17/06/2024	

Committee attendance

	Regulatory & Quality Committee		HR & Rem. Committee
	Strategy Sub-Committee		Finance & Audit Committee
	Joint FAC and HR & Rem. Co		

Key Management Personnel

Alan Woods OBE	Chief Executive Officer
Ashley Barnes	Deputy Chief Executive Officer & Responsible/Accountable Officer
Carina Fagan	Chief Academic Officer (Resigned 31/05/2024)
Collette Lux	Chief Commercial Officer
Fraser Ingham	UK & International Business Development Director
Martin Della	Chief Financial Officer & Data Protection Officer (Appointed 19/02/2024)
Kate Cornhill	HR Director (Appointed 07/05/2024)

Company number: 02050044
 Country of incorporation: United Kingdom
 Charity number: 295192
 Country of registration: England & Wales
 Charity number: SC049476
 Country of registration: Scotland

Registered office and operational address:
 Aspire House, Annealing Close, Eastleigh,
 Hampshire, SO50 9PX
 Investment managers: Evelyn Partners
 Lawyers: Blake Morgan, Warner Goodman
 and Carlton Associates
 Banks: NatWest, Lloyds, Nedbank and Citizen Bank

Financial Overview

The Finance and Audit Committee (FAC) comprises five trustees and five senior staff members. The purpose of the FAC is to review and provide independent oversight to the Board of Trustees of VTCT Skills on the adequacy and effectiveness of the company's financial reporting, asset management and risk management procedures, ensuring that the Charity's systems of internal controls and processes are appropriate and proportionate.

The FAC met four times in the Reporting Period of this report. The FAC reviewed financial performance against the approved budget and reforecast, reviewed and approved the annual budget for 2024/25, reviewed the risk register, and considered other areas of assurance, particularly relating to the use of technology in light of the ever-present threat in relation to cyber security.

As Chair of the FAC, I recognise that the Charity has faced a number of challenges in the year, including the ongoing uncertainty around qualification funding reform and the financial pressures many of our customers face, but has still been able to deliver a strong financial performance.

The acquisitions made in the previous financial years have delivered the intended aim to develop our presence in apprenticeship assessment thereby broadening the delivery of our charitable purpose. We have continued to invest in our IT systems and are further reviewing our technological infrastructure to ensure this will continue to support us into the future. I would like to thank everyone that has contributed to the FAC.



**Andrew Mondon,
Chair of Finance and
Audit Committee**

Financial Review

The trustees recognise that the outturn for the financial year represents a strong performance in a challenging marketplace. Ongoing financial pressures for many of our customers and the need to migrate to several new IT systems mean that income and expenditure have been under pressure. Despite this, VTCT Skills has achieved growth in several core markets and has significantly reduced the deficit compared with last year.

The deficit for 23/24 of £0.6m is an improvement on the deficit of £1.8m reported in 22/23. It is stated after accounting for £1.2m of amortisation (2023: £0.8m) relating to our acquisitions of Skillsfirst Holdings Ltd and The Skills Group and capitalised software. The addition of The Skills Group significantly contributed to the £1.2m growth in income from charitable activities to £12.7m (11% up on 22/23) and enabled VTCT Skills to establish a strong presence in apprenticeship assessment across a wider range of professional and industrial sectors.

Total expenditure on charitable activities was £14.1m, 7% up on 22/23 (£13.2m) largely through increased staff costs as we continued to develop our resource pool to meet customer and learner needs and the full year impact of amortisation for The Skills Group acquisition. Income from our externally managed investments was in line with last year at £0.2m (2023: £0.2m); however, VTCT Skills changed its approach in year whereby rather than distribute income earned by the portfolio, this is retained within the portfolio for reinvestment. The closing cash balance was £1.4m, showing a modest improvement on the previous year (2023: £1.2m) despite significant investment in new systems and infrastructure to support our continued operations.

This year has been another year of consolidation and growth for VTCT Skills. We have undertaken important projects to prepare our operational infrastructure for the future and successfully integrated The Skills Group into VTCT Skills.



Investment Policy and Objectives

VTCT Skills operates a total return approach to its investment portfolios. Under the Articles of Association, VTCT Skills has the power to invest monies not immediately required to further its objects in or upon such investments as may be thought fit.

The trustees delegate the investment management to external investment managers Evelyn Partners, whose performance is monitored by the Board of Trustees and the Finance and Audit Committee.

The mandate from the trustees for the Evelyn Partners investment portfolio is a Conservative Approach with the objective to reduce the volatility within the portfolio by limiting investment in equities.



Fundraising Compliance

Under the fundraising reporting requirements for The Charities (Protection and Social Investment) Act 2016, VTCT Skills confirms that it does not engage in public fundraising and does not use professional fundraisers or commercial participators.

VTCT Skills has not received any complaints relating to the Act during the year.

Reserves Policy and Going Concern

The Charity and the Group had reserves totalling £12.3m (2023: £13.7m) and £14.2m (2023: £14.9) respectively on 31 July 2024. Free Reserves for the Charity and the Group totalled £9.0m (2023: £9.1m) and £10.1m (2023: £9.5m), respectively.

There were no Reserves held in restricted funds (2023: nil). The trustees consider the level of reserves to be appropriate to support the ongoing activities of the Charity and the Group.

The VTCT Skills Reserves Policy targets a free reserves range of £8.6m to £14.6m. The reserves range is calculated to enable the Charity to mitigate the monetary impact of a significant disruption to charitable activities and to allow the trustees to ensure funds are available for current and future commitments and obligations. The trustees are pleased to report that the reserves level continues to sit within the range set out in the policy.

Furthermore, the trustees acknowledge that VTCT Skills, for some of its income, indirectly relies on public funding as Further Education Colleges and private training providers are funded by governments and associated bodies. VTCT Skills's income is thus partially reliant on this funding, which exposes VTCT Skills to government policy changes and any government spending changes. Ensuring reserves are kept in line with the reserves policy supports VTCT Skills to pursue its charitable object of the advancement of education both now and into the future.

Effective management and utilisation of these reserves enables VTCT Skills to protect the future by continuing to diversify its income sources through increasing private training provision, higher-level qualification development, apprenticeship assessment and international activity, both through organic growth and through partnership / joint venturing and acquisition.

The trustees confirm that they conclude VTCT Skills is a going concern as appropriate for the 2023/24 statutory accounts.



Risk Management

We must understand the risks we face to ensure we can effectively mitigate and manage such matters accordingly so that we can continue to deliver our strategy and have a more significant impact on our customers and beneficiaries.

VTCT Skills has a clear risk management framework that supports risk monitoring and management throughout the organisation, with departmental, functional and corporate risks monitored in real time. Our corporate risk register is monitored explicitly by the Finance and Audit Committee, with risk management also a critical feature of the Regulatory and Quality Committee, HR and Remuneration Committee and Board. Trustees formally review the Corporate Risk Register bi-annually. Various thematic audits are conducted each year, focusing on financial management, general systems and processes and our compliance with qualification and assessment regulator Conditions and Principles. The following principal risks and uncertainties facing VTCT Skills and mitigations are summarised as follows:

- Whilst the rate of increase in the cost of living has slowed compared with previous years, we recognise the significant burden colleges, schools and independent training providers face after several years of rising costs and the continued backdrop of economic uncertainty. We also acknowledge the impact this has on potential learners, especially those looking to fund their own training. VTCT Skills continues to review future pricing and the bundling of qualifications to support effective, blended teaching and learning and ensure that pricing does impact accessibility.
- Cyber-attacks and data breaches are risks that all entities must take very seriously. While VTCT Skills has taken all the necessary measures regarding IT and cyber security, including the technologies used and our processing and management of data, these represent a genuine potential threat to VTCT Skills. We are proud to have achieved Cyber Essentials Plus to demonstrate our commitment to cyber security. Still, we recognise that this does not remove the threat of attack. VTCT Skills is sharing best practices with other awarding organisations and working with a range of external experts to ensure we minimise the potential risk of any cyber threat while continuing to effectively manage and store our data in line with industry gold standards.

- There is still a high level of uncertainty concerning ongoing appropriate funding for the skills sector and qualifications. The funding moratorium for qualifications that seek public funding in England, a defunding review of Level 2 and 3 qualifications over time and mooted potential changes to independent EPA Assessment continue to fuel uncertainty. The new Government has taken some immediate steps to mitigate some of the uncertainty by announcing a review of previous defunding decisions and associated implementation timetable plus a review of curriculum and assessment in England. VTCT Skills will signpost learners to alternative funded provision where applicable, while embracing new policies concerning the funding of newly developed qualifications.

VTCT Skills continues to operate globally with a large breadth of qualifications on offer, and these factors present an exceptionally low probability risk that VTCT Skills will fail to comply with its obligations to qualification and assessment regulators worldwide. VTCT Skills prides itself on its commitment to compliance and quality assurance, underpinned by a rigorous quality management system and an effective departmental and corporate governance system.

Approved by the trustees on 09/01/2025 and signed on their behalf by

Jenny Sworder
Chair of the Board of Trustees



Audit report

Independent Auditor's Report to the Members of Vocational Training Charitable Trust

Opinion

We have audited the financial statements of Vocational Training Charitable Trust ('the charitable company') and its subsidiaries ('the group') for the year ended 31 July 2024 which comprise consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 July 2024 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report 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 strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the report included within the trustees' report.

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

- the parent company has not kept adequate accounting records; or
- the parent 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 trustees' responsibilities statement [set out on page 56], 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We obtained an understanding of the legal and regulatory frameworks within which the group and parent charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the group and parent charity for fraud. The laws and regulations we considered in this context for the UK operations were Health and Safety, General Data Protection Regulations, Safeguarding and Food Standards. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

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

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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.



Janette Joyce (Statutory Auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
R+ Building
2 Blagrove Street
Reading
Berkshire
RG1 1AZ



Financial
Statements



Vocational Training Charitable Trust

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 July 2024

	Note	2024 Total £	2023 Total £
Income from:			
Charitable activities			
Qualification and assessment income and other educational income	2	12,678,774	11,468,208
Investments	3	184,721	193,470
Total income		12,863,495	11,661,678
Expenditure on:			
Charitable activities			
Qualification and assessment costs	4	14,087,032	13,178,631
Investment managers' fees		47,414	49,171
Total expenditure		14,134,446	13,227,802
Net expenditure before net gains on investments	5	(1,270,951)	(1,566,126)
Net gains/(losses) on investments		622,315	(264,382)
Net income for the year and net movement in funds		(648,636)	(1,830,508)
Reconciliation of funds:			
Total funds brought forward		14,862,434	16,692,942
Total funds carried forward		14,213,798	14,862,434

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 20 to the financial statements. All income and expenditure is unrestricted.

Balance Sheet

As at 31 July 2024

		The Group		The Charity	
		2024	2023	2024	2023
	Note	£	£	£	£
Fixed assets:					
Tangible assets	10	2,222,662	2,332,998	2,222,662	2,328,758
Intangible assets including goodwill	11	1,890,242	3,008,256	70,877	180,912
Investments	12	8,157,029	7,551,284	8,157,029	7,551,284
Investment in subsidiaries	13	-	-	1,019,509	2,094,812
		12,269,933	12,892,538	11,470,076	12,155,766
Current assets:					
Inventories		-	-	-	-
Debtors	15	1,631,633	1,814,665	1,622,885	1,788,984
Cash at bank and in hand		1,380,580	1,249,143	209,023	774,478
		3,012,213	3,063,808	1,831,908	2,563,462
Liabilities:					
Creditors: amounts falling due within one year	16	(1,068,348)	(1,093,912)	(1,034,158)	(982,074)
Net current assets		1,943,865	1,969,896	797,750	1,581,388
Total net assets		14,213,798	14,862,434	12,267,826	13,737,154
Funds:					
Unrestricted income funds:	18				
General funds		14,213,798	14,862,434	12,267,826	13,737,154
Total unrestricted funds		14,213,798	14,862,434	12,267,826	13,737,154
Total funds		14,213,798	14,862,434	12,267,826	13,737,154

Approved by the trustees on 09/01/2025 and signed on their behalf by

Jenny Sworder

Chair of the Board of Trustees

Consolidated statement of cashflow for the year ended 31 July 2024

Reconciliation of net expenditure to net cash flow from operating activities

	2024 £	2023 £
Net expenditure for the reporting period (as per the statement of financial activities)	(648,636)	(1,830,508)
Depreciation charges	146,335	165,769
Amortisation charges	1,152,226	751,834
(Gain)/Loss on investments	(622,315)	264,382
Dividends and interest from investments	(184,721)	(193,470)
Loss on the disposal of fixed assets	8,320	1,552
Decrease in inventories	-	6,773
Decrease in debtors	183,032	113,103
(Decrease) in creditors	(25,407)	(486,183)
Net cash provided by operating activities	8,834	(1,206,748)

	2024 £	2023 £
Cash flows from operating activities		
Net cash used by used by operating activities	8,834	(1,206,748)
Cash flows from investing activities:		
Dividends and interest from investments	184,721	193,470
Purchase of fixed assets	(38,845)	(25,542)
Purchase of intangible assets	(6,064)	(5,794)
Proceeds from sale of Investments	1,117,269	1,532,703
Purchase of Investments	(864,931)	(1,440,002)
Acquisition of subsidiary net of cash acquired	(33,779)	(1,038,770)
Change in cash in investment portfolio	(235,768)	453,827
Net cash generated/(used) in investing activities	122,603	(330,108)
Change in cash and cash equivalents in the year	131,437	(1,536,856)
Cash and cash equivalents at the beginning of the year	1,249,143	2,785,999
Cash and cash equivalents at the end of the year	1,380,580	1,249,143
Analysis of cash and cash equivalents:		
Cash at Bank	1,380,580	1,249,143
Analysis of Net Funds		
	Start of year	Cashflow
Cash	1,249,143	131,437
		End of year
		1,380,580

Notes to the financial statements

for the year ended 31 July 2024

1. Accounting policies

a) Statutory information

Vocational Training Charitable Trust is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office and operational address is Aspire House, Annealing Close, Eastleigh, Hampshire, SO50 9PX.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)- (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiaries, Education & Media Services Ltd, The Skills Group Ltd and Skills for Logistics Ltd on a line by line basis. The hive up of The Skills Group Ltd and Skills for Logistics Ltd took place on the 1 January 2024. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the group has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably. Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

f) Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividend income receivable from the charity's investment portfolio is reinvested within the portfolio.

g) Fund accounting

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs of qualifications and assessments undertaken to further the purposes of the charity and their associated support costs
- Investment managers' fees represent amounts charged to manage the charity's investment portfolio

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Support costs are re-allocated to each of the activities on the following basis:

- Qualification and assessment costs 100%

Governance costs are re-allocated to each of the activities on the following basis which is the ratio of expenditure between activities:

- Qualification and assessment costs 100%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Intangible assets

Intangible assets include trademarks acquired, goodwill arising from the acquisition of business and trade assets, and cost incurred in developing software to be used by the company.

Software development is amortised over four years on a straight-line basis.

Trademarks acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the statement of financial activities using the straight line method over 10 years. This is the shorter of their estimated useful lives and periods of contractual rights.

Goodwill represents the difference between the cost of acquisition of business trade and the fair value of the net assets. Goodwill is recognised separately as intangible assets and carried at cost less accumulated amortisation. As agreed in 2022 Goodwill is amortised over five years on a straight-line basis for Skillfirst Awards Ltd and Skillsfirst Holdings Ltd. As agreed in 2023 Goodwill for The Skills Group Ltd and Skills for Logistics Ltd is amortised over two years on a straight-line basis.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- | | |
|-----------------------------------|-------------------|
| • Freehold Land | Not depreciated |
| • Buildings | 2% straight line |
| • Property Improvements | 5% straight line |
| • Fixtures & Fittings | 20% straight line |
| • Computer equipment and software | 25% straight line |

l) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be included within general funds in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

m) Investments in subsidiaries.

Investments in subsidiaries are at cost.

n) Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. In general, cost is determined on a first in first out basis and includes transport and handling costs. Provision is made where necessary for obsolete, slow moving and defective inventories. Donated items of inventories, held for distribution or resale, are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open.

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

q) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

r) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

s) Pensions

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of those contributions.

2. Income from charitable activities		
	2024	2023
	Total	Total
	£	£
Qualification and assessment income and other educational income	12,678,774	11,468,208
	12,678,774	11,468,208
3. Income from investments		
	2024	2023
	Total	Total
	£	£
Evelyn Partners Investment Management	184,721	193,470
	184,721	193,470

4a. Analysis of expenditure

Charitable activities	Qualification and assessment costs	Support Costs	Governance Costs	2024 Total	2023 Total
	£	£	£	£	£
Staff costs (Note 6)	4,575,636	2,542,020	145,258	7,262,914	6,517,351
Verifier, examination fees & expenses	1,663,824	924,347	52,820	2,640,991	2,094,906
Premises costs	189,609	105,338	6,019	300,966	241,920
Telephone & fax	32,311	17,951	1,026	51,288	54,197
Postage, stationery & assessment materials	180,686	100,381	5,736	286,803	750,133
Other office costs	59,332	32,962	1,884	94,178	114,080
Travelling, meeting & committee expenses	230,559	128,088	7,319	365,966	386,459
Marketing & publicity	152,982	84,990	4,857	242,829	329,573
Legal & professional	44,491	24,717	1,412	70,620	36,909
Audit & accountancy	32,708	18,171	1,038	51,917	27,930
Depreciation	92,191	51,217	2,927	146,335	165,769
Amortisation	725,902	403,279	23,045	1,152,226	751,834
Profit on disposal of fixed assets	5,242	2,912	166	8,320	1,552
Bank charges & foreign exchange	12,759	7,088	405	20,252	26,150
Sundry expenses	(9,072)	(5,040)	(288)	(14,400)	196,574
ICT Hosting & support	825,331	458,517	26,201	1,310,049	1,404,933
Consultancy support	60,340	33,522	1,916	95,778	78,361
Qualification and assessment costs	8,874,831	4,930,460	281,741	14,087,032	13,178,631
Support costs	4,930,460	(4,930,460)	-	-	-
Governance costs	281,741	-	(281,741)	-	-
Total expenditure 2024	14,087,032	-	-	14,087,032	-
Total expenditure 2023	13,178,631	-	-		13,178,631

4b. Analysis of expenditure

Charitable activities

	Qualification and assessment costs	Support Costs	Governance Costs	2023 Total
	£	£	£	£
Staff costs (Note 6)	4,171,105	2,215,899	130,347	6,517,351
Verifier, examination fees & expenses	1,340,740	712,268	41,898	2,094,906
Premises costs	154,829	82,253	4,838	241,920
Telephone & fax	34,686	18,427	1,084	54,197
Postage, stationery & assessment materials	480,085	255,045	15,003	750,133
Other office costs	73,011	38,787	2,282	114,080
Travelling, meeting & committee expenses	247,334	131,396	7,729	386,459
Marketing & publicity	210,927	112,055	6,591	329,573
Legal & professional	23,622	12,549	738	36,909
Audit & accountancy	17,875	9,496	559	27,930
Depreciation	161,145	85,608	5,036	165,769
Amortisation	426,121	226,377	13,316	751,834
Profit on disposal of fixed assets	993	528	31	1,552
Bank charges & foreign exchange	16,736	8,891	523	26,150
Sundry expenses	125,808	66,835	3,931	196,574
ICT Hosting & support	899,157	477,677	28,099	1,404,933
Consultancy support	50,151	26,643	1,567	78,361
Qualification and assessment costs	8,434,325	4,480,734	263,572	13,178,631
Support costs	4,480,734	(4,480,734)	-	-
Governance costs	263,572	-	(263,572)	-
Total expenditure 2023	13,178,631	-	-	13,178,631

5. Net (expenditure)/ income for the year

	2024	2023
	£	£
Depreciation	146,335	165,769
Amortisation	1,152,226	751,834
Loss or (profit) on disposal of fixed assets	8,320	1,552
Operating lease rentals:		
Property	77,839	102,707
Other	105,443	112,126
Auditor's remuneration (excluding VAT):		
Audit	29,750	27,500
Other services	-	11,290
Foreign exchange (gains) or losses	17,009	12,010

6. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:	2024	2023
	£	£
Salaries and wages	5,670,731	5,261,183
Redundancy and termination costs paid in the year	295,537	63,676
Social security costs	599,704	535,184
Employer's contribution to defined contribution pension schemes	417,718	380,082
Other forms of employee benefits	279,225	277,226
	7,262,915	6,517,351

The following number of employees received employee benefits (excluding employer pension costs and national insurance) during the year between:

	2024	2023
	£	£
£60,000 - £69,999	6	5
£70,000 - £79,999	4	3
£80,000 - £89,999	1	1
£90,000 - £99,999	2	-
£100,000 - £109,999	-	1
£110,000 - £119,999	-	1
£120,000 - £129,999	1	2
£130,000 - £139,999	-	-
£140,000 - £149,999	-	-
£150,000 - £159,999	-	1
£170,000 - £179,999	1	1
£180,000 - £189,999	-	-
£190,000 - £199,999	-	1
£200,000 - £209,999	1	-

The total employee benefits including pension contributions and employer's national insurance of the key management personnel were £704,105 (2023: £1,053,502).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2023: £nil). No charity trustee received payment for professional or other services supplied to the charity (2023: £nil) save as disclosed in note 8 below.

Trustees' expenses represents the payment or reimbursement of travel and subsistence totalling £10,716 (2023: £13,566) incurred by 12 (2023: 11) trustees relating to attendance at Board meetings.

Trustee indemnity insurance has been included within the charitable company's indemnity insurance.

7. Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2024	2023
	No.	No.
Qualifications and Assessment	216	169
Support	39	41
Governance	2	2
	257	212

8. Related party transactions

During the year the Charity engaged with:

* AlphaPlus Consultancy Ltd. Trustee John Winkley is a Director of this company, to which the Charity paid £17,170 during the financial year.

* M Squared Media Ltd. Trustee Jayne Lewis-Orr is an Executive Director of this company, to which the Charity paid £13,764 during the financial year.

* Stephanie Richardson Consulting Ltd. Trustee Stephanie Richardson is the owner of this company, to which the Charity paid £8,280 during the financial year."

There are nil donations from related parties.

9. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Education & Media Services Limited will gift aid profits earned in year to the parent charity.

10. Tangible fixed assets

The Group

	Freehold property	Property Improvements	Fixtures and fittings	Computer equipment & Software	Total
	£	£	£	£	£
Cost					
At the start of the year	1,289,458	1,889,769	147,611	1,285,163	4,612,001
Additions in year	-	16,436	4,326	23,072	43,834
Transfers in year	-	-	-	-	-
Disposals in year	-	(964)	(7,498)	(1,079,634)	(1,088,096)
At the end of the year	1,289,458	1,905,241	144,439	228,601	3,567,739
Depreciation					
At the start of the year	167,140	768,975	143,370	1,203,758	2,283,243
Charge for the year	17,628	87,340	2,445	39,828	147,241
Eliminated on disposal	-	(410)	(6,644)	(1,078,353)	(1,085,407)
At the end of the year	184,768	855,905	139,171	165,233	1,345,077
Net book value					
At the end of the year	1,104,690	1,049,336	5,268	63,368	2,222,662
At the start of the year	1,122,318	1,120,794	4,241	84,960	2,332,313

Land with a value of £407,232 (2023: £407,232) is included within freehold property and not depreciated.

This year, the fixed asset gross book value has been significantly reduced. This has been driven by two activities:

- We have replaced our HR and payroll system and as a result we disposed of the old, almost fully-depreciated, system as well as some other software build assets.
- We also undertook a review of our IT and facilities assets and disposed of a number of fully-depreciated assets that were no longer in use by the business.

All of the above assets are used for charitable purposes.

10. Tangible fixed assets (continued)

The Charity

	Freehold property	Property Improvements	Fixtures and fittings	Computer equipment & Software	Total
	£	£	£	£	£
Cost					
At the start of the year	1,289,458	1,889,769	147,611	1,285,163	4,612,001
Additions in year	-	16,436	4,326	23,072	43,834
Disposals in year	-	(964)	(7,498)	(1,079,634)	(1,088,096)
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Depreciation					
At the start of the year	167,140	768,975	143,370	1,203,758	2,283,243
Charge for the year	17,628	87,340	2,445	39,828	147,241
Eliminated on disposal	-	(410)	(6,644)	(1,078,353)	(1,085,407)
At the end of the year	184,768	855,905	139,171	165,233	1,345,077
Net book value					
At the end of the year	1,104,690	1,049,336	5,268	63,368	2,222,662
At the start of the year	1,122,318	1,120,794	4,241	81,405	2,328,758

11. Intangible fixed assets

The Group

	Software & Resources	Goodwill	Trademarks	Total
	£	£	£	£
Cost				
At the start of the year	2,019,849	8,376,833	4,800	10,401,482
Additions in year	6,064	33,779	-	39,843
Disposals in year	(109,651)	-	-	(109,651)
At the end of the year	2,019,849	8,410,612	4,800	10,435,261
Amortisation				
At the start of the year	1,839,617	5,549,489	4,120	7,393,226
Charge for the year	109,987	1,041,759	480	1,152,226
Eliminated on disposal	(104,019)	-	-	(104,019)
At the end of the year	1,839,617	6,591,248	4,600	8,441,432
Net book value				
At the end of the year	70,677	1,819,364	200	1,890,242
At the start of the year	180,232	2,827,344	680	3,008,256

11. Intangible fixed assets (continued)

The Charity

	Software & Resources	Trademarks	Total
	£	£	£
Cost			
At the start of the year	2,019,849	4,800	2,024,649
Additions in year	6,064	-	6,064
Disposals in year	(109,651)	-	(109,651)
At the end of the year	1,916,262	4,800	1,921,062
Amortisation			
At the start of the year	1,839,617	4,120	1,843,737
Charge for the year	109,987	480	110,467
Eliminated on disposal	(104,019)	-	(104,019)
At the end of the year	1,845,585	4,600	1,850,185
Net book value			
At the end of the year	70,677	200	70,877
At the start of the year	180,232	680	180,912

12. Listed investments

		The Group		The Charity	
	2024	2023	2024	2023	
	£	£	£	£	£
Fair value at the start of the year	7,551,284	8,362,194	7,551,284	8,362,194	
Additions at cost	864,931	1,440,002	864,931	1,440,002	
Disposal proceeds	(1,117,269)	(1,532,703)	(1,117,269)	(1,532,703)	
Change in cash in the portfolio	235,768	(453,827)	235,768	(453,827)	
Net gain in fair value	622,315	(264,382)	622,315	(264,382)	
Fair value at the end of the year	8,157,029	7,551,284	8,157,029	7,551,284	

Listed investments comprise:

		The Group		The Charity	
	2024	2023	2024	2023	
	£	£	£	£	£
UK Common investment funds	2,717,210	2,414,412	2,717,210	2,414,412	
Shares listed on the London Stock Exchange	1,064,040	1,291,351	1,064,040	1,291,351	
Cash and short term deposits held by fund manager	422,965	156,941	422,965	156,941	
Other Investments Including Overseas Equities, Alternatives and Multi-Asset	3,952,814	3,688,580	3,952,814	3,688,580	
Fair value at the end of the year	8,157,029	7,551,284	8,157,029	7,551,284	

13 Subsidiary undertakings

	2024	The Charity 2023
	£	£
Investments held in subsidiary undertakings		
At the start of the year	2,094,812	4,172,158
Additions during the year	33,779	1,161,553
Impairments recognised	(1,109,082)	(3,238,899)
At the end of the year	1,019,509	2,094,812

Education & Media Services Ltd

VTCT Skills acquired the share capital of Education & Media Services Ltd (EMS) on 8 November 2016. The cost of acquisition along with associated professional support and advice totalled £5,600,049. The cost of the share capital was settled through a cash payment, with a retention amount paid in March 2017 based on EMS's performance. The goodwill has been fully amortised.

A summary of the results of the subsidiary shown below.

	2024	2023
	£	£
Turnover	2,454,254	2,212,401
Cost of sales	(502,390)	(466,649)
Gross profit	1,951,863	1,745,753
Administrative expenses	(1,079,905)	(1,365,896)
Operating profit / (loss)	871,959	379,856
Interest receivable	6,879	4,824
Profit on ordinary activities	878,838	384,680
Gift aid to parent undertaking	-	(1,427,274)
Profit/(Loss) for the period	878,838	(1,042,594)
The aggregate of the assets, liabilities and reserves was:		
	2024	2023
	£	£
Assets	1,353,179	592,681
Liabilities	(207,068)	(325,408)
Reserves	1,146,111	267,273

During the year, intercompany charges were made from VTCT Skills to EMS totalling £973,522 (2023: £1,255,702) for management time and support.

The Skills Group Limited & Skills for Logistics Limited

VTCT Skills acquired the share capital of The Skills Group Ltd who own Skills for Logistics Ltd on 01 June 2023. The cost of the acquisition along with associated professional support and advice totalled £1,161,553. The trustees consider the useful economic life of The Skills Group Ltd to be 2 years and the goodwill has will be amortised over this period.

Skills for Logistics Ltd and The Skills Group Ltd have both taken advantage of the provisions available under Section 479C of the Companies Act 2006 which allow for audit exemption of a subsidiary company. Vocational Training Charitable Trust guaranteed the liabilities of the subsidiaries The Skills Group Limited and Skills for Logistics Ltd at 31 December 2023.

During the year there were no intercompany charges made from VTCT Skills to The Skills Group Ltd or Skills for Logistics Ltd.

The Skills Group Limited

A summary of the results of the subsidiary shown below. The accounting date for The Skills Group Ltd is 31st December.

	Year to 31 December	Pre acquisition 12 month period to 31st December
	2023	2022
	£	£
Turnover	51,945	84,670
Cost of sales	-	-
Gross profit	51,945	84,670
Administrative expenses	(134,821)	(177,032)
Operating loss	(82,876)	(92,362)
Exceptional item	273,427	117,684
Operating profit / (loss) after exceptional items	190,551	25,322
Interest receivable and similar income	609	-
Interest payable and similar charges	(1,000)	-
Profit for the period	190,160	25,322
The aggregate of the assets, liabilities and reserves was:		
	2023	2022
	£	£
Assets	70,757	103,352
Liabilities	(121,960)	(344,715)
Reserves	(51,203)	(241,363)

Skills for Logistics Limited

A summary of the results of the subsidiary shown below. The accounting date for Skills for Logistics Limited is 31 December.

	Year to 31 December	Pre acquisition 12 month period to 31 December
	2023	2022
	£	£
Turnover	703,517	797,714
Cost of sales	(225,067)	(141,596)
Gross profit	478,450	656,118
Administrative expenses	(480,738)	(419,744)
Operating profit / (loss)	(2,288)	236,374
Exceptional item	30,058	(152,086)
Operating profit / (loss) after exceptional items	27,770	84,288
Interest payable and similar charges	(401)	(989)
Profit on ordinary activities	27,369	83,299
Corporation Tax	-	(24,728)
Profit for the period	27,369	58,571

The aggregate of the assets, liabilities and reserves was:

	2023	2022
	£	£
Assets	203,097	250,513
Liabilities	(78,326)	(153,111)
Reserves	124,771	97,402

The trade and assets of The Skills Group Ltd and Skills for Holdings Ltd were transferred to VTCT Skills on 1st January 2024.

14. Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2024	2023
	£	£
Gross income	11,324,135	12,810,332
Net result for the year	(1,469,327)	(2,620,401)

15. Debtors

	2024	The Group 2023	2024	The Charity 2023
	£	£	£	£
Trade debtors	1,100,383	1,174,390	1,033,449	1,002,632
Amounts due from other group entities	-	-	73,212	175,759
Other debtors and prepayments	531,250	640,275	156,224	610,593
	1,631,633	1,814,665	1,622,885	1,788,984

Other Debtors includes a non current debtor of £138k (2023: £138k) comprising of a loan made in 2014 to Truro & Penwith College contributing to the provision of specialist teaching facilities.

16 . Creditors: amounts falling due within one year

	2024	The Group 2023	2024	The Charity 2023
	£	£	£	£
Trade debtors	158,395	282,114	152,101	229,902
Taxation and social security	173,174	138,227	272,839	250,300
Other creditors	494,527	384,681	455,024	315,794
Deferred income (note 17)	242,252	288,890	154,194	186,078
	1,068,348	1,093,912	1,034,158	982,074

17. Deferred income

	2024	The Group 2023	2024	The Charity 2023
	£	£	£	£
Balance at the beginning of the year	288,890	218,451	186,078	56,791
Amount released to income in the year	(288,890)	(218,451)	(186,078)	(56,791)
Amount deferred in the year	242,252	288,890	154,194	186,078
	242,252	288,890	154,194	186,078

18a. Analysis of group net assets between funds (current year)

	General unrestricted	Total funds
	£	£
Tangible fixed assets	2,222,662	2,222,662
Intangible assets including goodwill	1,890,242	1,890,242
Investments	8,157,029	8,157,029
Net current assets	1,943,865	1,943,865
Net assets at 31 July 2024	14,213,797	14,213,797

18b. Analysis of group net assets between funds (prior year)

	General unrestricted	Total funds
	£	£
Tangible fixed assets	2,332,998	2,332,998
Intangible assets including goodwill	3,008,256	3,008,256
Investments	7,551,284	7,551,284
Net current assets	1,969,896	1,969,896
Net assets at 31 July 2023	14,862,434	14,862,434

19a. Movements in funds (current year)

	At 1 August 2023	Income & net gains	Expenditure & losses	Transfers	At 31 July 2024
	£	£	£	£	£
Unrestricted funds:					
General funds	14,862,434	12,863,495	(13,512,131)	-	14,213,798
Total funds	14,862,434	12,863,495	(13,512,131)	-	14,213,798

19b. Movements in funds (prior year)

	At 1 August 2022	Income & net gains	Expenditure & losses	Transfers	at 31 July 2023
	£	£	£	£	£
Unrestricted funds:					
General funds	16,692,942	11,661,678	(13,492,186)	-	14,862,434
Total funds	16,692,942	11,661,678	(13,492,186)	-	14,862,434

20. Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	2024	Property 2023	2024	Equipment/Other 2023
	£	£	£	£
Less than one year	67,627	67,498	74,232	74,777
One to five years	129,516	175,475	99,594	180,998
More than 5 years	-	-	-	-
	197,143	242,973	173,826	255,775

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	2024	Property 2023	2024	Equipment/Other 2023
	£	£	£	£
Less than one year	55,413	55,413	74,232	74,777
One to five years	120,062	175,475	99,594	180,998
	175,475	230,888	173,826	255,775

21. Lessor commitments

The charity's total future minimum lessor payments under non-cancellable operating leases is as follows for each of the following periods:

	2024	2023
	£	£
Amounts falling due on Tenant leases in less than one year	28,405	-
Amounts falling due on Tenant leases in one to five years	115,962	-
Amounts falling due on Tenant leases in more than five years	-	-
	144,367	-

22. Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.



vtctskills.org.uk

Aspire House, Annealing Close,
Eastleigh, Hampshire, SO50 9PX,
United Kingdom

T +44 (0) 23 8068 4500
E customersupport@vtctskills.org.uk

VOCATIONAL TRAINING CHARITABLE TRUST

England & Wales - Charity number 295192

Accounts



vtct.org.uk

*Amended statutory accounts,
replacing original submission*

Leading Growing Supporting

2022-2023

Annual Report





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Summary review of the year's highlights and agenda for next year

Jenny Sworder
Chair of the Board
of Trustees



Alan Woods OBE
Chief Executive



VTCT is a dynamic vocational and technical awarding and apprenticeship assessment organisation, working throughout the UK and in over 40 other countries, globally.

We are one of the top 10 EPAOs (End-point Assessment Organisations) and are at the forefront of apprenticeship assessment in the UK. Additionally, we lead in qualification, delivery and accreditation design for Hair and Beauty, Complementary Therapies and Aesthetics, Logistics, Health and Social Care, and Early Years Education, as well as Sports & Active Health, English for Speakers of Other Languages (ESOL), Business Services, Hospitality, and more. Delivered under four brands: VTCT, iTEC, Skillsfirst and Skills for Logistics, the VTCT group of companies comprises over 3,000 training locations worldwide with 100,000 learners and apprentices every year.

As a charity, the VTCT group remains committed to advancing education for the public benefit and offering learners a direct line of sight to a job or enabling them to achieve higher-level qualifications that lead to better salaries and career development. We transform lives and we are determined to equip learners and training providers with qualifications that enable them to succeed, both individually and organisationally. We seek out leading industry partners to enhance our offer, such as our collaboration with Pivot Point to provide world-class e-learning resources for Hair, Beauty and Barbering. In addition to this, we are actively expanding our portfolio by acquiring other awarding and skills organisations who bring sector expertise such as Skillsfirst, and most recently, Skills for Logistics.

In the last year, we have strengthened our relationship with our heritage sectors and industry leaders through our Hair, Barbering and Beauty Skills Advisory Board and our Collective Live UK-wide sessions – kindly sponsored by Wella and L’Oreal.

To support our centres, providers and learners we have improved our e-learning offer through a partnership with Pivot Point to deliver an upgraded Pivot Point LAB system, which now signposts individuals to CPD through our course endorsement service. We have sought to enhance learning outcomes for individuals by providing 30 centres with a £5,000 grant, giving their learners an equitable opportunity to achieve success, despite challenging circumstances.

In July, we also marked our 60th anniversary by holding our inaugural Excellence Awards with fantastic support from stakeholders and policymakers, centres and learners as well as VTCT group staff. We are grateful for the support of the judges, who worked hard to identify worthy recipients, and the financial support of our sponsors.

In common with the entire Awarding and Assessment sector, it has been a challenging year, as we have faced a lower uptake on some of our heritage qualifications, while our Apprenticeship End-point Assessment has gone from strength-to-strength particularly in Care and Early Years Education. Remaining agile, we have refocused our strategy to reflect this and intensified our efforts on the Driving Growth pillar of our Corporate Strategy 2021-26 to enter new sectors, engage with customers and develop new sector specific qualifications, accreditations and assessments.

For this reason, in the Spring of 2023, we acquired Skills for Logistics to build our portfolio of sector-specific End-point Assessments (EPA). Additionally, the Skills for Logistics acquisition will consolidate our position as the go-to logistics EPA partner for logistics apprenticeships. Overall, we now deliver apprenticeship assessments in over 31 apprenticeship standards, with further assessments to be added to the portfolio in the near future.

We are incredibly proud of what we have achieved over the past year and our vision for the upcoming year is even more ambitious. For over six decades, VTCT has been at the forefront of innovation, not only benefiting the sectors in which we operate but also enriching society as a whole. From pioneering the term ‘Beauty Therapist’ to establishing the very first Beauty Training School, VTCT has long been synonymous with dynamism.

As we embark on an expansion into these new industry sectors, our aspiration is to extend the transformative impact that VTCT brings across all of our new industries and employers, placing a significant emphasis on advancing apprenticeships and End-point Assessment.

From embracing digital advancements in assessment with piloting an AI proctoring solution, to advocating for sustainability benchmarks in the Logistics sector, our future promises to see us leading in education, by facilitating the growth of training providers, and always providing unwavering support to learners across all of our sectors - old and new.

Our vision

expresses our collective sense of purpose and commitment to the health and personal services sector. We aspire to be a learner focused awarding organisation that harnesses vocational education, innovation and creativity to develop skilled, confident and competent individuals.





We do this by...

Advancing education for the public benefit and giving learners a direct line of sight to a job



Helping our learners, providers, and employers achieve more



Creating qualifications that make a difference



Reinvesting surpluses into product and service development because we are a charity

We support learners

by empowering them to achieve their potential with a fulfilling career. By providing them with the real-world skills they need to succeed, we give learners a direct line of sight to a job and the confidence to become skilled members of the workforce.



99,198

Learner certificates



125,453

Learner registrations



£150,000

Donated in learner
grants and bursaries



The nice thing about VTCT qualifications is that they have a qualification that will meet everybody's needs

Tyler Gray

Educator and former learner,
Hair at the Academy



Tyler Gray

Educator and former learner,
Hair at the Academy

“When I was 14, I was at a mainstream school and I struggled a lot with my mental health at the time.

I felt like there wasn't really much hope. I just felt a little bit like they had given up really, so I left school.

The first qualification I did was a VTCT Level 2 Award, then moved on to my Level 2 diploma in women's and men's hairdressing and then finally, a Level 3 award in Education and Training. Now I'm a salon manager and I didn't think I would be able to come this far, to be honest with you.

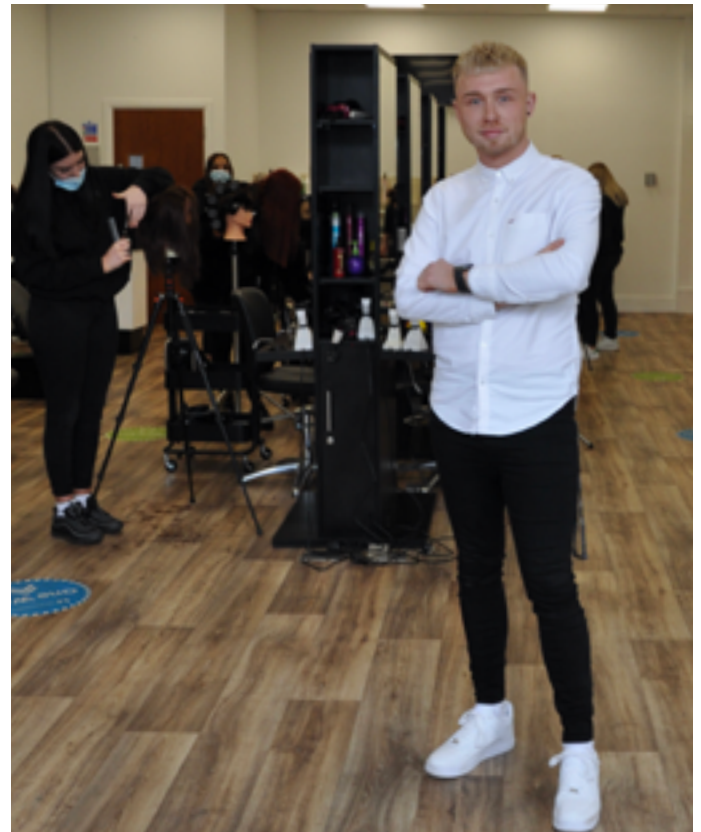
I do a lot of initial assessments with the students and they are really anxious and shy but the nice thing about VTCT qualifications is that they have a qualification that will meet everybody's needs.”



Watch the rest of Tyler and Hair at the Academy's stories [here](#)

In VTCT's 'Transforming Lives', Tyler, Courtney, and Mary Pugsley MBE, from Hair at the Academy, share their stories of resilience and personal growth.

These individuals have overcome adversity through the transformative power of vocational education. Their stories stand as compelling examples of how vocational education can empower individuals to overcome obstacles, enabling them to achieve improved life outcomes.

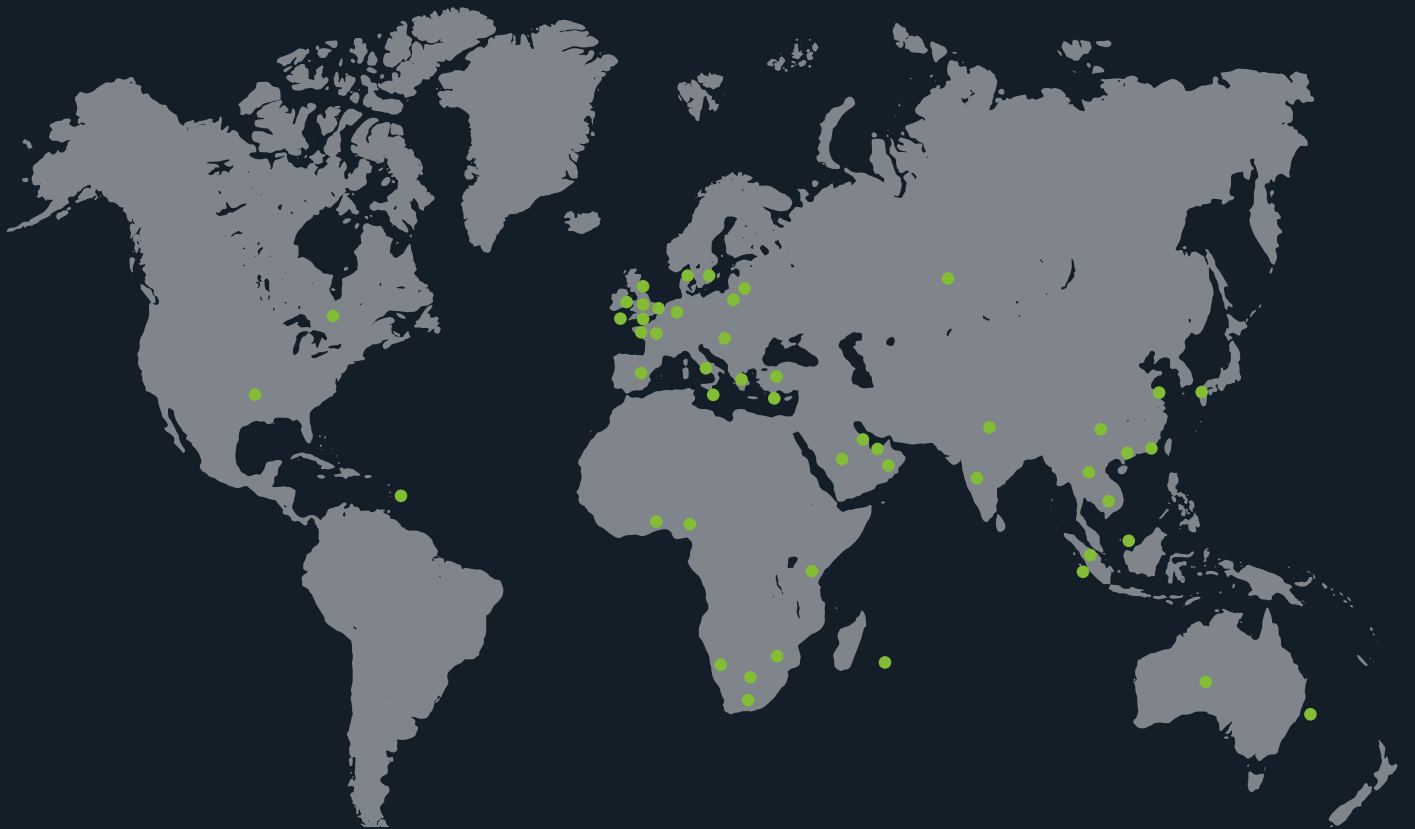


We grow Colleges and Training Providers

by enabling them to develop a curriculum that engages their learners and empowers their staff to mould the next generation of industry professionals. We reflect the passion that our Training Providers have for the sectors they work in and ensure that they are equipped to integrate evolving industry trends and demands with their teaching and learning.

48

Countries
of operation



3,067

Training locations in
the UK and worldwide



We would like to thank VTCT for their support, advice and guidance as well as helping us to provide the best experience to our students and staff.

Milton Keynes College
VTCT College of the Year



We lead on qualifications, end-point assessments and services

built on industry insights and developed by academic experts with years of sector experience. We use innovation, creativity, and robust regulatory procedures to create products made with outstanding student outcomes and the diverse needs of the workforce in mind.

17

Sectors

30+

Apprenticeship
Standards

642

Qualifications

**Over
£1.8m**

Invested into product
development and
diversification of our
portfolio in 22/23



We collaborate with employers

to create solutions for their workforce to thrive. From developing qualifications against the skills needs of their business and supporting them in navigating legislative requirements, to actively involving them in our product development process, ensuring alignment with industry needs.

Skills Advisory Boards planned in...



Health and
Social Care



Early Years
Education



Hair, Beauty
and Barbering



Logistics

Work with over
150
Employers





We have a number of apprentices within the company and being able to share their experience with VTCT and support their requirements has been very beneficial to allow them to achieve.

Sandy Silvester

Customer Service Director

Busy Bees Education and Training



Sandy Silvester

Customer Service Director
Busy Bees Education and Training

Busy Bees Education and Training has joined VTCT's Early Years forum to enable us to have a voice to support the workforce.



This includes talking to government departments to influence change, including changes to the apprenticeship standards, additional qualifications and how to market and celebrate the vital work that Early Years Educators do. We have a number of apprentices within the company and being able to share their experience with VTCT and support their requirements has been very beneficial to allow them to achieve. They also provide another voice in the sector to make changes.

By partnering with these stakeholders, we envision a world where vocational skills and education are recognised and celebrated for their transformative potential.

We want the world to see how these skills can transcend boundaries and empower individuals to realise their full potential. We aim to be a catalyst for learning, innovation and exciting careers for learners of all ages and from all backgrounds.

We strive to inspire and equip learners, educators, and partners across diverse sectors, fostering a society where skills and knowledge thrive, creating brighter futures for all.





Performance against strategy

Our 2021-2026 vision and strategy entitled 'Leading, Growing, Supporting' was approved by the Board of Trustees in August 2021.

Dovetailing with the themes from the former corporate plan, this strategy focuses on building on our core purpose of advancing education, providing a direct line of sight to a job or greater skills, and improving career prospects. Set amidst the lingering Covid-19 pandemic and uncertainty concerning the future of the skills sector, our strategy focuses on supporting learners, apprentices and training centres. We believe we have exceeded expectations. We will continue to support all stakeholders and excel in a post-pandemic world while fulfilling our charitable objectives.

Our current strategy to achieve the Charity's aims comprises three strategic pillars as follows:

01.

Supporting recovery: embracing digital, big data and relationship marketing to develop credible insight into customer needs, building loyalty and supporting centre growth and learner achievement.

02.

Driving growth: co-creating new products and services with customers and key stakeholders while strengthening our position in hairdressing and barbering.

03.

Leading technical education: exclusively innovating and leading technical education in the hair, beauty, and aesthetics sector, engaging more centres and learners through high-stakes qualifications.

Deepening industry links

VTCT is widely recognised for its strong ties to the industries we serve. We firmly grasp that the cornerstone of our qualifications lies in our commitment to innovation in alignment with the evolving demands of our sectors.

This is precisely why our recovery strategy revolves around strengthening our connections within the industry, thereby enhancing our offerings to ensure that learners are exceptionally well-prepared for the workforce.

In support of this mission, we have upheld our partnership with MSquared Media to stay closely attuned to our heritage sectors: Hair, Beauty, and Barbering. We actively participated in several pivotal industry events, including Salon International, Barberfest, Elevate, and Professional Beauty in South Africa, Ireland, and London. These engagements allowed us to connect not only with key stakeholders and industry leaders but also with learners, centres, and practitioners and firmly understand the evolving needs of the sectors they operate in.

Furthermore, our commitment to expanding our network and fostering collaboration is exemplified through our bespoke industry events: The Skills Advisory Board (SAB) and our newly launched, VTCT Hair and Barbering Collective. Chaired by VTCT, our Skills Advisory Board assembles top industry leaders and employers alongside our sector awarding teams. This shared effort enables VTCT to gain a comprehensive understanding of current and future skill requirements, shaping the review and design of our qualifications. This year, we are extending our boards to include Early Years and Childcare, Logistics and Health and Social Care.

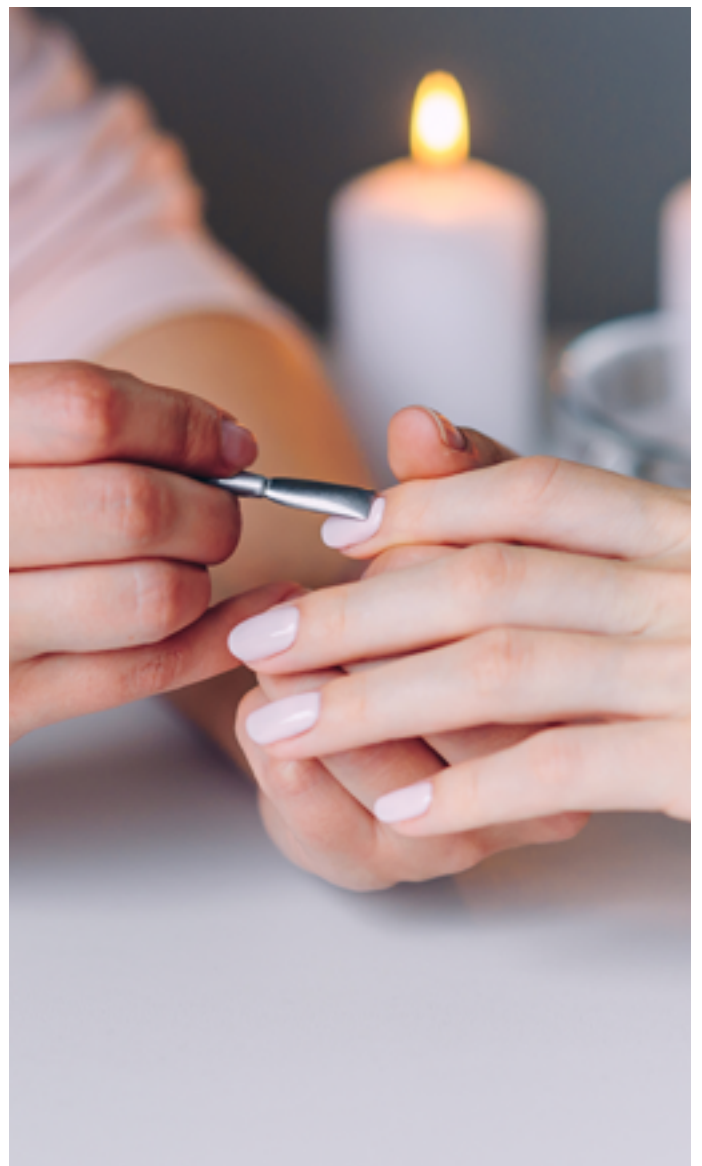


Enhancing outcomes with Pivot Point LAB

In our ongoing commitment to ensuring that our learners are fully prepared for their professions, we have dedicated ourselves to enhancing the resources available to them.

One such resource is Pivot Point LAB, the expansive online teaching platform. VTCT is uniquely positioned to elevate the quality of education through Pivot Point LAB, which offers an extensive collection of over 200 hours of learning materials, covering more than 40 specialised subject areas within the hair, beauty, and barbering sectors.

In response to the needs of our valued customers, learners, and the wider industry, we have taken significant steps this year. We have not only extended access to the platform beyond our centres but also made it available to learners and practitioners, allowing them to sharpen their skills effectively. Furthermore, we have elevated the platform's offerings to encompass a comprehensive collection of over 600 lessons, specifically designed to support qualifications in Hairdressing, Barbering, Beauty Therapy, and Nails at Levels 2 and 3.





Growing the VTCT group

In March 2022, the VTCT group warmly welcomed Skillsfirst into our family of companies. This strategic step brought together the collective strengths of VTCT, iTEC, and Skillsfirst, solidifying our leadership position in the education and apprenticeship market.

This move has allowed us to enhance the services we offer to employers, centres, and learners. Over the past year, we have diligently worked towards the seamless integration of Skillsfirst into the VTCT group. We have successfully aligned the systems of Skillsfirst and VTCT, and we have restructured our sales team to offer a comprehensive product portfolio, ensuring a holistic approach to our offerings.

This year saw the addition of Skills for Logistics into the VTCT group of companies.

Skills for Logistics is the largest sector specialist organisation with an extensive customer base, enjoying a 25% apprenticeship assessment market share with a wide range of apprenticeships, including LGV Drivers, Supply Chain Warehouse Operatives, Supply Chain Practitioner, International Freight Forwarding, and Commercial Procurement and Supply.

This expansion of our group structure aligned strategically with our objective to utilise our wealth of awarding and assessment expertise to expand into new sectors and enhance our portfolio. The acquisition presents a significant opportunity for VTCT and Skills for Logistics to grow as one and collectively pursue our strategic objectives.

Product development

Our approach to product development uses our deep industry connections and insights to build qualifications and products that align against sector needs in real time.

This year our focus has been on expanding our Level 4 and 5 Beauty products and bringing our Course Endorsement Scheme to market.

There has been significant progress in amending the Health and Care Act of 2022 to grant the Government the authority to establish a licensing scheme in England for non-surgical cosmetic procedures. Following the initial proposal of this scheme last year, consultations have commenced to gain a deeper understanding of which procedures and services will necessitate a license for practitioners and subsequently, regulated training.

At VTCT, we are committed to endorsing rigorous training standards and prioritising client safety. Therefore, we have seized this opportunity to innovate in response to the industry's evolving needs. Over the past year, we have introduced a range of new higher-level beauty qualifications at Levels 4 and 5, anticipating the training requirements essential to demonstrate competency.

Our newly introduced Level 4 and Level 5 higher-level beauty qualifications encompass specialised areas such as Plasma Pen Techniques, Skin Peeling, Radiofrequency, and Microneedling.

Additionally, we have also introduced the VTCT Course Endorsement Service after recognising the market need for a bridge between specialised short courses and the long-term commitment required for fully regulated qualifications. With our Endorsement Service solution, we aimed to ensure that the former provides learners with training that was credible and dependable.

This service is tailored for employers and training providers seeking to deliver specialised training that aligns with the specific requirements of their business, industry sector, or local region. Our Endorsement Service assists businesses in enhancing profitability and achieving sustainable growth by investing in accredited and specialised upskilling. As well as this, the Endorsement Service utilises VTCT's robust qualification expertise to assess course syllabus, teaching materials and foundational policies to ensure they are fit for purpose.

As of now, we have endorsed courses from reputable brands such as Andrew Barton's ABLE Programme, The College of Functional Wellness, Ixchel Systems, Zone Face Lift, and 3D aesthetics.





Equity, Diversity and Inclusion within Hair and Skin

In the past year, we introduced a series of six new CPD videos aimed at empowering stylists to master the foundations of styling and caring for Afro-textured hair types.

This video collection was designed to elevate career knowledge and impart the essential skills for working with Afro-textured hair. The comprehensive resource delved into topics such as consultation techniques, styling methods, and hair classification to provide stylists with a solid foundation for enhancing their expertise.

This innovative and invaluable content has been well received and to date, there have been 99 purchases, reflecting its positive reception within the industry.

As part of our ongoing commitment to equip practitioners with the skills needed to thrive in an equitable, diverse, and inclusive society, we have expanded our range of CPD videos to encompass the beauty industry. Similar to our previous release focused on hair diversity, these videos feature experienced beauty professionals who guide stylists in mastering the fundamentals of working with diverse skin tones.

Our
ambitions
for the
next year

In the upcoming year, our focus revolves around several pivotal initiatives based on our three strategic pillars.

As VTCT takes a proactive role in championing Equity, Diversity and Inclusion, we are continuing this work by reinvigorating our core 60 qualifications. Our mission is to provide learners and training providers with a clear, contemporary, and up-to-date qualification portfolio that resonates with the advancing industry landscape. We are utilising our diverse range of internal expertise in tandem with our employer connections not only to ensure that our qualifications stay aligned with the latest industry trends, techniques, and technologies but also to continue to bolster our reputation for best-in-class industry practices.

Additionally, we are excited to introduce a pilot AI proctoring solution, bringing innovation to our assessment processes. By employing artificial intelligence and machine learning algorithms to observe and analyse examinations, hope to bring a flexible technology-driven solution for our training providers, while maintaining VTCT's robust assessment practices.

In addition to our ongoing efforts to strengthen our core qualifications and services, we are committed to proactively exploring new sectors and opportunities to expand and diversify our portfolio of Apprenticeship and End-Point Assessment (EPA) offerings in England. Our goal is to cater to an even broader spectrum of industry needs and contribute to the continuous growth and development of various sectors across the country.

This expansion initiative involves a strategic approach to identifying emerging industries, assessing their specific skill requirements, and tailoring our apprenticeship and EPA offerings accordingly.

By actively engaging with these sectors, we aim to bridge the gap between education and industry demands, ensuring that learners are equipped with the relevant skills and knowledge needed to excel in their chosen fields.

Simultaneously, we have plans to execute a robust implementation plan for Skills for Logistics, after the success of the integration of Skillsfirst to the VTCT group of companies. This includes a series of market-ready plans, including a noteworthy 'Green Skills for Logistics' initiative, which has emerged from our collaboration with Fifty Shades Greener UK.

This partnership aims to enhance sustainability practices across the logistics sector while mapping training to UN Sustainable Development Goals. This gives industry leaders the chance to not only comply with the EU sustainability reporting directives but also ensure that their organisations stand at the forefront of the transition to net zero.

Lastly, we are diligently working on a market-leading portfolio of reformed qualifications, aligning our offer with the Level 2 and 3 qualification reforms. These reforms are set out by the Department for Education (DfE), initially outlined in 2016. They aim to reduce the 'complexity and variable quality of the current system' by creating a clearer landscape of Level 3 and below qualifications for learners and providers. Following the reforms, there will be a smaller number of rigorous qualifications that receive funding. All of these qualifications must support progression to higher levels of study or skilled employment. Qualifications will be reviewed and amended to ensure that they meet the new criteria set out by the DfE and IfATE.

These initiatives underscore our commitment to staying at the forefront of industry trends and addressing the evolving demands of the workforce and the market.



VTCT
Excellence
Awards



Rt Hon Anne Milton
Chair of the Judging Panel

The inaugural VTCT Excellence Awards and VTCT's 60th anniversary celebration

At the heart of everything we do at VTCT are people and their aspirations – we want to inspire our students and partners to unlock their potential and flourish in rewarding careers.

That is why we introduced the VTCT Excellence Awards, this year. On 13th July 2023, the prestigious VTCT Excellence Awards took place at Milton Keynes College. The event honoured the remarkable talent and inspiring stories behind the highly skilled professionals we interact with every day.

The Excellence Awards exist to reinforce our charitable objective of seeking to advance education for the public benefit and recognise those who do this. As well as this, the Excellence Awards marked 60 years of VTCT, bringing together the VTCT group of companies (iTEC, VTCT, Skillsfirst and Skills for Logistics) in celebration.

Learners and training providers were honoured for their skills and expertise, and their stories of triumph over adversity were showcased throughout.

Milton Keynes College learners gave makeovers for vocational education's most influential figures including Corrienne Peasgood OBE and Jayne Lewis-Orr. Additionally, guests were treated to an afternoon tea and light lunch exclusively catered by the talented students at Milton Keynes College.



Apprentice of the Year

Natasha Bloor

(Kleek Apprenticeships)



“It felt amazing and it was so exciting to be the winner of Apprentice of the Year. What made it even better was when the song ‘Firework’ by Katy Perry was played when I collected my award. It’s one of my favourite songs, as it symbolises not to be afraid of what we have and who we really are but to be proud of it. And that’s why I am so proud of myself for working so hard to receive this award.”

Large Independent Training Provider of the Year

“The award underscores our commitment to providing the highest-quality education and training and providing opportunities to those who need them the most. We are really happy to be recognised for the positive impacts we have had on individuals who are aspiring hair, beauty and barbering professionals and the communities that we strive to bring opportunities to!”

Learning Curve Group



Educator of the Year

Nicola Aviolet

(Kleek Apprenticeships)



"I still can't actually believe it! I felt honoured to be nominated for this award. Each and every nominee this year was such a worthy winner, so I feel incredibly proud to have come out on top as Educator of the Year. This award has been celebrated not only for myself but across the entire Kleek Apprenticeships team to recognise the hard work and dedication of our apprentices and salons. It also highlights how seriously we take our roles in helping to develop the next generation of hairdressers, beauty therapists and barbers as a leading hair and beauty national training provider."

Student of the Year

Natalia Osovka

(White Rose Beauty College – Chesterfield)

"I didn't believe I won at first. I was surprised and so full of emotions that I couldn't find words to express them."



Small Independent Training Provider of the Year

Greenhouse Therapies Ltd



"We feel absolutely ecstatic, to be honest. Most of the tutors have been both students and teachers over several decades. The fact that our students nominated us and that we were selected by VTCT is very reassuring that we are providing a service of excellence."

College of the Year

Milton Keynes College

"To be recognised by our awarding body for all that we do for our students and the courses we offer is an amazing accomplishment. I am so proud of the staff who inspire and support the students and our students who always support external events and are ambassadors for us."





VTCT Champion of the Year

Mary Pugsley, MBE
(Hair at the Academy)

"I was so moved emotionally to be recognised by VTCT. It was incredible, and for me this is going to open so many doors. We've got projects going on now with the most challenged people in our society. People who can't access education and the homeless as well, and to have won this award is just like a beacon for me. You know, we're recognised with VTCT. What else do we need really?"

Grants and Bursaries

Grants and Bursaries



Our Grants and Bursaries programme was initially launched in November 2019 and exists to fulfil our charitable purpose. The programme focuses on supporting UK learners between the ages of 16-30 who are enrolled on an iTEC, VTCT or Skillsfirst qualification.

The programme aims to transform the lives of the most disadvantaged young people, helping them fulfil their potential through vocational/technical skills study programmes. The Grants and Bursaries programme enables equal opportunity for those from all walks of life to achieve excellent educational outcomes and alleviate barriers to success.

Grants and bursaries benefit a college or training provider in many ways. This could be providing uniforms or required kits for trainee chefs or beauty therapists, assisting students through a hardship fund or helping people back into work after a career change or family break. It could also be used for transport costs for those in rural areas who might not otherwise be able to afford to attend or to help with the cost of diagnostic assessments for SEN, such as dyslexia.

This year, grant funding was doubled to £150,000 so we could support 30 centres to enrich their learners' experience and enable them to do activities they might not normally be able to do without this financial aid.



ZISHI Cornerstone



We are delighted to have received a bursary from VTCT in support of students from disadvantaged and underrepresented backgrounds to attend our work-ready professional qualification programme in financial trading. As a company, we are focused on providing meaningful opportunities for all.

The bursary supports our mission to help clients build 'Resilience Through Knowledge', some of which are the world's largest organisations as well as individuals looking to gain skills that lead to career opportunities within the finance sector. This bursary is particularly important as it enables routes into the sector for underserved communities who may have previously faced barriers to accessing vocational education and career opportunities.

We ran a 5 week, face-to-face, full-time Level 5 Advanced Diploma in Financial Trading qualification programme at Sheffield Hallam University. The bursary formed part of a larger funding pool in collaboration with the university and one of the world's largest exchanges, ICE, to support 18 students from underserved student communities across multiple academic disciplines to attend the programme.

Delivered from within the university's purpose-built trading room, with industry-level tier 1 front-end trading systems with real-time market data, students benefitted from the highest level of experiential, immersive, applied learning. Developing not only professional-level knowledge and skills, but also the behaviours to support a sustainable career within the finance sector. Indeed, it was a privilege to observe the development of these students over the short period of time, who recorded an average 34% growth in resilience in just 5 weeks.

Our passion for developing learners for sustainable careers in finance is driven by our belief in education's transformative power, and the creation of a more inclusive and sustainable future. Investing in the next generation of financial markets participants is crucial for realising this potential.

What some of our recipients had to say:



Chelmsford College

We have learners who do have working parents but because of wages, they are not eligible for the College Bursary and they can't afford the enrichment activities or expensive uniforms and kit that they need to have to do the course. If we didn't have the bursary, we would be limiting opportunities to some learners and by having this grant; we can support them to gain the qualifications and progress to employment. Without it, we would have to turn some learners away from training for their futures. It also allows us to give them a greater enrichment experiences.



The Holistic Academy

We used the Grant to cover course fees/travel expenses/consumables for learners. As well as this, we also purchased a pre-loved couch to be used by learners if needed. A gentle slope was also incorporated into our new premises to give learners with mobility issues access into the school.

Grants and Bursaries



Central Bedfordshire College

We supported approximately 75 learners through the Grants and Bursaries scheme. We used the funds to provide kits and uniforms for students from low-income households. Without the grant, many of the students on the hair and beauty courses would not have had access to equipment and uniforms for their courses.



GHQ Training

We used the Grants and Bursaries scheme to assist those who lacked self-esteem and the confidence necessary to even apply to enrol on a course. We engaged with Trevi, Shikina, and the Sunflower Centre, which supports women who have had traumatising experiences.

The grant enabled us to employ a support tutor to work 1:1 with our learners to boost their confidence so they could participate in events using pop-up salons. Before employing the support worker, in a cohort of 14 learners all with special needs, only 2 managed to pluck up the courage to attend. After the support worker had spent just a few weeks with the cohort, the difference was remarkable, with 8 volunteering to engage with these events. There are another 4 who have since been able to raise their confidence levels sufficiently to participate in a hair competition, with 12 out of the 14 now flying through their training.



West London College

It was very successful as it allowed the Hair & Beauty Department at West London College to purchase much needed new and up to date equipment to ensure that our learners are ready for employment and have a good understanding and knowledge of the latest equipment. There were funds to support many students to attend seminars/exhibitions/training sessions without having to pay out of their own pockets.



Debut Academy

It was great to have VTCT be part of providing the resources to our learners, making sure they have the tools they need to do the best they can on their learning journey on their VTCT qualification. It is the best feeling to provide the kits to learners who just want to improve their lives and they are so excited to receive the products and equipment they need to practice the treatments at home. We know that the majority of our learners are not in a position to pay for the products and equipment themselves.



Complete Skills Solution

We used the funds to support learners with travel costs that they could not access through other avenues. We also wanted to reward high attendance through an incentive which gave learners new clipper sets on successful completion and attendance of 95% or higher during their courses. Finally, we wanted to invest more in digital access for our learners, by purchasing laptops that would allow learners to access a wider range of learning materials that would suit their individual learning needs, alongside important information advice and guidance on personal issues that may need support.



Fife College

We have managed to support over 200 learners with the Grants and Bursaries funds. When FE budgets are reduced year on year it is fantastic to receive additional funds so we can provide our learners with first-class learning. We have now received two VTCT Grants – last two academic years – we have been able to support our learners with resources, equipment and books. We are not aware of other Awarding Bodies who provide such generous support.

Grants and Bursaries



Newbury College

We used the funds to enable students to have training on hair colouring and purchase equipment for the learners. It made a huge difference and enabled the students to receive professional training they wouldn't otherwise have experienced. The staff who attended also learnt a lot which can be passed onto other students in the future. The equipment was so beneficial and really helped our students achieve.



Mac-Ed Training

We used the funds to support a learner to continue with her NVQ level 2 Hairdressing Diploma. This learner is extremely anxious and has grown so much with us over the last 2 years, as part of our school alternative programme. She is still only 16 but now left school and could not manage the large college environment at the moment. We don't receive funding for learners to complete hairdressing qualifications with us as it's a privately paid course and this young learner's family would never be able to afford to pay the fees for studying, hence we applied for the grant.

The other reason was to offer courses at a lower price for teens through the summer, the focus being on improving their self esteem, confidence and forging friendships.



Dundee and Angus College

Dundee and Angus region is regarded as one of the most financially challenged areas in Scotland. Many of our full-time students must also work when not in college. There are also a good number of our students who are not confidently ready to enter part-time work to support their learning and due to the cost of living or personal circumstances, these students suffer personal financial hardship. This fund therefore allows us to support individuals directly from the department based on the identified needs. Financial hardship is enough to push some learners to close off and disconnect from study. This fund in most cases allows us to lift individuals one step back into class and continue to learn.

Financial Overview

The Finance and Audit Committee



Andrew Mondon
Chair of Finance
and Audit Committee

The Finance and Audit Committee (FAC) comprises four trustees and four senior staff members.

The purpose of the FAC is to review and provide independent oversight to the Board of Trustees of VTCT on the adequacy and effectiveness of the company's financial reporting, asset management and risk management procedures, ensuring that the Charity's systems of internal controls and processes are appropriate and proportionate.

The FAC met four times in the Reporting Period of this report. The Committee reviewed financial performance against the approved budget and reforecast, approved the annual budget for 2023/24, reviewed the risk register, and considered other areas of assurance, particularly relating to the use of technology.

As Chair of the FAC, I am pleased with the financial performance this year, which has been impacted by the challenges emerging from the pandemic. The acquisition of Skills for Logistics provides a great opportunity to broaden our delivery and strengthen the achievement of our charitable purpose. To further assist our development, we have invested in our marketing and sales functions, planning for future growth and I am confident that our infrastructure will enable continued progress. I would like to thank everyone that has contributed to the FAC.

Structure, governance and management



The Charity is committed to a continuous programme of governance review and improvement.

The Board of Trustees has reviewed the Charity Governance Code for Large Charities and its application to VTCT. The trustees have formally adopted the Code and, for each of the seven principles, apply the Code and ensure that VTCT policies are updated to reflect current practice.

VTCT is a company limited by guarantee, incorporated in 1986 under the Companies Act 1985, and registered under the Charities Act 2011 on 30 September 1986. VTCT registered with the Office of the Scottish Charity Regulator on 25 July 2019.

The company's Articles of Association were last updated on 13 July 2020.

All trustees give their time voluntarily and, save as disclosed below, receive no benefits from the Charity. Any expenses reclaimed from the Charity are set out in note 6 to the accounts.



Appointment of trustees



The Charity's Articles of Association do not limit the number of trustees.

However, the level of reform taking place in the educational sector, together with the growing complexity of VTCT as an organisation, means the trustees consider the optimum number of trustees to be up to 15, to reflect the skill sets required by trustees based on an annual skills assessment of the Board.

In line with good practice, the Charity will continue to seek and appoint trustees with appropriate skills to enable strong governance. New trustees are recruited by open advertisement, advertising and search; promising candidates are interviewed by the Chair, Vice-Chair and Chief Executive with recommendations to the Board of Trustees.

Equity, Diversity and Inclusion

The Charity is committed to equality of opportunity, values diversity and seeks individuals from a wide range of backgrounds who will bring a fresh perspective to the Board of Trustees.

The Charity actively reviews existing trustees' diversity, skills, and experience to ensure the Board of Trustees reflects the diversity of the learners they work with and welcomes applications from all community sections.



Trustee induction and training

New trustees undergo an induction period to brief them on their obligations under charity and company law, the content of the Articles of Association, the committee structure and decision-making process, the operational strategy, current issues and the recent financial performance of the Charity.

During the induction, they meet key employees and other trustees. Trustees attend board workshops and appropriate external training events where these activities will facilitate the undertaking of their role. Examples of these training events include investment management and governance.



Trustees and Governance

Under the terms of the articles, Trustees may be appointed for a maximum of three, three-year terms. The period of service as a Trustee may be extended upon the appointment of a Trustee as Chair of the Board of Trustees.

We recently welcomed the appointment of Debbie Houghton, and Lee Mandley to the Trustee board. In addition, John Winkley has taken over as Chair of the Regulatory & Quality Committee and Katy Quinn was appointed as Vice Chair, following the retirement of Isabel Sutcliffe from the Trustee Board.

During the period under review, Julian Glicher and Isabel Sutcliffe retired as Trustees, and we thank Julian and Isabel for their valuable contributions over many years of service.

Related parties and relationships with other organisations

VTCT has five wholly-owned subsidiaries:

- 1) Education & Media Services Ltd (Active), trading as iTEC
- 2) Skillsfirst Awards Ltd (Active)
- 3) Skillsfirst Holdings Ltd (Active)
- 4) The Skills Group Ltd
- 5) Skills for Logistics Ltd

The share capital of Education & Media Services Ltd was acquired on 8 November 2016. Any transactions and management charges between VTCT and Education & Media Services Ltd are supported by a Shared Services Agreement and are on an arm's length basis.

The share capital of Skillsfirst Awards Ltd was acquired on 3 March 2022. Any transactions and management charges between VTCT and Skillsfirst Awards Ltd are supported by a Shared Services Agreement and are on an arm's length basis.

The share capital of Skills for Logistics was acquired on 2 June 2023. Any transactions and management charges between VTCT and Skills for Logistics Ltd are supported by a Shared Services Agreement and are on an arm's length basis.

Remuneration policy for key management personnel

Key management personnel are remunerated based on an assessment of market rates applicable to the role.

Salary benchmarking is undertaken using the Korn Ferry Hay salary data sets. All key staff have had their roles independently reviewed by Korn Ferry Hay and are remunerated within the banded scales.



Statement of trustees' responsibilities

The trustees (who are also directors of Vocational Training Charitable Trust for the purposes of company law) are responsible for preparing the trustees' annual report, including the strategic 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 that give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue in operation

The trustees are responsible for keeping adequate 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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.

Members of the charity guarantee to contribute an amount not exceeding £10 to the Charity's assets in the event of winding up. The total number of such guarantees on 31 July 2023 was 12 (2022: 11). The trustees are members of the Charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the Charity.

Financial Review



The trustees are pleased with the outturn for the financial year as we saw centres returning to pre-pandemic levels. However, many centres face challenging circumstances with increased costs and a higher inflation rate.

While a deficit of £1,831k (2022: deficit of £165k) is reported, this is after accounting for the amortisation of the Skillsfirst acquisition (£524k) and the amortisation of the new Skills Group acquisition (£86k for 2 months impairment). The strategic acquisition of Skills for Logistics Ltd and its Holding Company, The Skills Group Ltd, will allow the Group to grow in the future, particularly in the apprenticeship assessment market.

Total income from charitable activities exceeded the previous year by £492k, a combined result of centres gradually returning to pre-pandemic levels of learners and income generated from Skillsfirst qualifications.

Total expenditure on charitable activities increased by 25% to £13.179m (2022: £10.581m). This increase resulted from increased marketing and events costs, assessor and travel costs, and added staff headcount as we return to normal activity levels post-pandemic and additional Skillsfirst costs.

Due to global economic conditions, income from our external managed investments increased by 15% to £193k, and the investment portfolio's value decreased by £811k.

The closing cash balance was £1.249m (2022: £2.786m). This closing balance was after the strategic acquisition costs detailed in the notes to the financial statements.

VTCT remains in a strong position with continued investment in the Charity to improve the quality and range of education provision and benefit to learners.

Investment policy and objectives

VTCT operates a total return approach to its investment portfolios.

Under the articles of association, the Charity has the power to invest monies not immediately required for the furtherance of its objects in or upon such investments as may be thought fit. The trustees delegate the investment management to external investment managers Evelyn Partners (formerly Smith & Williamson Investment Management), whose performance is monitored by the Board of Trustees and the Finance and Audit Committee.

The mandate for the Evelyn Partners investment portfolio is a Conservative Approach. The trustees anticipate that this will reduce the level of volatility exposure within the portfolio by having a reduced investment in equities.

Fundraising compliance

Under the fundraising reporting requirements for The Charities (Protection and Social Investment) Act 2016, the Charity confirms that it does not engage in public fundraising and does not use professional fundraisers or commercial participators.

The Charity has not received any complaints relating to the Act during the year.

Reserves policy and going concern

On 31 July 2023, the Charity and the Group had reserves totalling £13.7m (2022: £16.4m) and £14.9m (2022: £16.7m), respectively. Free reserves for the Charity and the Group totalled £9.1m (2022: £9.6m) and £9.5m (2022: £11.5m), respectively. There were no Reserves held in restricted funds (2022: nil). The trustees consider the level of reserves to be appropriate to support the ongoing activities of the Charity.

The VTCT Reserves Policy targets a free reserves range of £8.6m to £14.6m. The reserves range is calculated to enable the Charity to mitigate the monetary impact of a significant disruption to charitable activities and to allow the Trustees to ensure funds are available for current and future commitments and obligations. The trustees are pleased to report that the reserves level continues to sit within the range set out in the policy.

Furthermore, the trustees acknowledge that VTCT indirectly relies on public funding as Further Education Colleges and private training providers are funded by governments and associated bodies. VTCT's income is thus partially reliant on this funding, which exposes the Charity to government policy changes and any government spending changes. Ensuring reserves are kept in line with the reserves policy enables VTCT to continue to diversify its income sources through increasing private training provision, higher-level qualification development, apprenticeship assessment and international activity, both through organic growth as well as through partnership / joint venturing and acquisition.

The trustees confirm that they conclude VTCT is a going concern as appropriate for the 2022/23 statutory accounts.

Risk Management

We must understand the risks we face to ensure we can effectively mitigate and manage such matters accordingly, so that we can continue to deliver our strategy and have a more significant impact on our customers and beneficiaries.

VTCT has a clear risk management framework that supports risk monitoring and management throughout the organisation, with departmental, functional and corporate risks monitored in real-time. Our corporate risk register is monitored explicitly by the Finance and Audit Committee, with risk management also a critical feature of the Regulatory and Quality Committee, HR and Remuneration Committee and Board. Trustees formally review the Corporate Risk Register bi-annually. Various thematic audits are conducted each year, focusing on financial management, general systems and processes and our compliance with qualification and assessment regulator Conditions and Principles.

The following principal risks and uncertainties facing VTCT and mitigations are summarised as follows:

- The rising costs of living against a backdrop of economic uncertainty, including increased food prices, utilities and rising inflation and interest rates, will negatively impact the sector given the array of challenges facing colleges, schools and independent training providers. There are also concerns over the impact these matters will have on potential learners, especially those looking to fund their own training. Thus, VTCT will: continue to focus on supporting the sector through its grants and bursaries scheme; review future pricing and the bundling of qualifications to support effective, blended teaching and learning; and ensure that pricing does not impact accessibility.

- The increase in cyber security and data breaches continues to be a significant concern. While VTCT has taken all the necessary measures regarding IT and cyber security, including the technologies used and our processing and management of data, a cyber-attack continues as a potential threat to all businesses, including VTCT. VTCT is sharing best practices with a range of other awarding organisations and working with a range of external experts to ensure we minimise the potential risk of any cyber threat, while continuing to effectively manage and store our data in line with industry gold standards.
- The skills sector continues to be relatively underfunded compared to other education sectors by the current government. This situation is set against the backdrop of a funding moratorium for newly approved qualifications and a pending cull of Level 2 and 3 qualifications over time. We believe this mix will inevitably bring a more significant challenge to the whole skills eco-system, potentially resulting in fewer learners accessing and benefiting from the skills, learning and qualifications. VTCT will signpost learners to alternative funded provision where applicable, while embracing new policies concerning the funding of newly developed qualifications.
- Given our global activity and breadth of qualification offer, there is a risk, albeit of exceptionally low probability, that VTCT will fail to comply with its obligations to qualification and assessment regulators worldwide. VTCT continues to operate robustly and prides itself on its commitment to compliance and quality assurance, underpinned by a rigorous quality management system and an effective departmental and corporate governance system.

Administrative information

Company number: 02050044

Country of incorporation: United Kingdom

Charity number: 295192

Country of registration: England & Wales

Charity number: SC049476

Country of registration: Scotland

Registered office and operational address:

Aspire House, Annealing Close, Eastleigh, Hampshire, SO50 9PX

Trustees

Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Jenny Sworder	Chair of Trustees	
Isabel Sutcliffe	Vice Chair of Trustees, Chair of Regulatory & Quality Committee (Retired 30/03/2023)	
Katherine Quinn	Vice Chair of Trustees (from 30/03/2023)	
Andrew Mondon	Chair of Finance & Audit Committee	
Jayne Lewis-Orr	Chair of HR & Remuneration Committee	
John Winkley	Chair of Regulatory & Quality Committee (from 30/03/2023)	
Stephanie Richardson	Designated Safeguarding Trustee (from 30/03/2023)	
Lesley Shepperson		
Daniel Carlin		
Julian Glicher	Retired 06/10/2022	
Lysa Schwartz		
Debbie Houghton	Appointed 27/08/2022	
Lee Mandley	Appointed 30/08/2022	

Committee attendance

	Regulatory & Quality Committee		HR & Rem. Committee
	Finance & Audit Committee		Joint FAC and HR & Rem. Co

Key Management Personnel

Alan Woods OBE	Chief Executive
Ashley Barnes	Deputy Chief Executive
Carina Fagan	Chief Academic Officer
Cheryl Collett	Operations Director (Resigned 17/03/2023)
Collette Lux	Chief Marketing Officer
Fraser Ingham	Chief Business Development Officer
Janet Field	Chief Finance Officer (Resigned 25/08/2023)

Independent auditor's report



Opinion

We have audited the financial statements of Vocational Training Charitable Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2023 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 July 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulation 2006 (as amended)

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 Vocational Training Charitable Trust'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' annual report, including the strategic report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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' annual report, including the strategic report, the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has 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 its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent 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 the 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 the 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

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

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 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. 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.



2 February 2024
for and on behalf of Sayer Vincent LLP,
Statutory Auditor
Invicta House, 108-114 Golden Lane,
LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Financial statements

Vocational Training Charitable Trust

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(incorporating an income and expenditure account)

FOR THE YEAR ENDED 31 JULY 2023

	Note	2023 Total £	2022 Total £
INCOME FROM			
Charitable activities			
Qualification and assessment income and other educational income	2	11,468,208	10,976,084
Investments	3	193,470	167,814
Total income		11,661,678	11,143,898
EXPENDITURE ON			
Charitable activities			
Qualification and assessment costs	4	13,178,631	10,581,338
Investment managers' fees		49,171	57,616
Total expenditure		13,227,802	10,638,954
Net expenditure before net gains on investments	5	(1,566,126)	504,944
Net gains/(losses) on investments		(264,382)	(669,533)
Net income for the year and net movement in funds		(1,830,508)	(164,589)
Reconciliation of funds:			
Total funds brought forward		16,692,942	16,857,531
Total funds carried forward		14,862,434	16,692,942

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 19 to the financial statements. All income and expenditure is unrestricted.

BALANCE SHEETS

Company no. 2050044

AS AT 31 JULY 2023

	Note	THE GROUP		THE CHARITY	
		2023 £	2022	2023 £	2022
Fixed assets:					
Tangible assets	10	2,332,998	2,471,010	2,328,758	2,432,355
Intangible assets including goodwill	11	3,008,256	2,719,293	180,912	91,658
Investments	12	7,551,284	8,362,194	7,551,284	8,362,194
Investment in subsidiaries	13	-	-	2,094,812	4,172,158
		12,892,538	13,552,497	12,155,766	15,058,365
Current assets:					
Inventories		-	6,773	-	-
Debtors	15	1,814,665	1,927,768	1,788,984	1,721,343
Cash at bank and in hand		1,249,143	2,785,999	774,478	774,138
		3,063,808	4,720,540	2,563,462	2,495,481
Liabilities:					
Creditors: amounts falling due within one year	16	(1,093,912)	(1,580,095)	(982,074)	(1,196,290)
Net current assets		1,969,896	3,140,445	1,581,388	1,299,191
Total net assets		14,862,434	16,692,942	13,737,154	16,357,556
Funds					
Unrestricted income funds:	18				
General funds		14,862,434	16,692,942	13,737,154	16,357,556
Total unrestricted funds		14,862,434	16,692,942	13,737,154	16,357,556
Total funds		14,862,434	16,692,942	13,737,154	16,357,556

Approved by the trustees on 07/12/2023 and signed on their behalf by

JENNY SWORDER

Chair of the Board of Trustees

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2023

Reconciliation of net expenditure to net cash flow from operating activities

	2023	2022
	£	£
Net expenditure for the reporting period (as per the statement of financial activities)	(1,830,508)	(164,589)
Depreciation charges	165,769	159,512
Amortisation charges	751,834	404,144
Loss on investments	264,382	669,533
Dividends and interest from investments	(193,470)	(167,814)
Loss on the disposal of fixed assets	1,552	63
Decrease in inventories	6,773	(6,773)
Decrease(increase) in debtors	113,103	(569,158)
Decrease in creditors	(486,183)	(375,462)
Net cash used by operating activities	(1,206,748)	(50,544)

	Note	2023		2022	
		£	£	£	£
Cash flows from operating activities					
Net cash used by operating activities			(1,206,748)		(50,544)
Cash flows from investing activities:					
Dividends and interest from investments		193,470		167,814	
Proceeds from the sale of fixed assets		-		550	
Purchase of fixed assets		(25,542)		(53,446)	
Purchase of intangible assets		(5,794)		(6,387)	
Proceeds from sale of investments		1,532,703		2,465,348	
Purchase of investments		(1,440,002)		(1,122,354)	
Acquisition of subsidiary net of cash acquired		(1,038,770)		(2,932,081)	
Change in cash in investment portfolio		453,827		213,509	
Net cash used in investing activities			(330,108)		(1,267,047)
Change in cash and cash equivalents in the year			(1,536,856)		(1,317,591)
Cash and cash equivalents at the beginning of the year			2,785,999		4,103,590
Cash and cash equivalents at the end of the year			1,249,143		2,785,999

Notes to the financial statements

For the year ended 31 July 2023

1 Accounting policies

a) Statutory information

Vocational Training Charitable Trust is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office and operational address is Aspire House, Annealing Close, Eastleigh, Hampshire, SO50 9PX.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)- (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiaries, Education & Media Services Ltd, The Skills Group Ltd and Skills for Logistics Ltd on a line by line basis. The hive up of Skillsfirst Awards Ltd and Skillsfirst Holdings Ltd took place on the 1 August 2022. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the group has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred

f) Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Dividend income receivable from the charity's investment portfolio is recognised when declared.

g) Fund accounting

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs of qualifications and assessments undertaken to further the purposes of the charity and their associated support costs
- Investment managers' fees represent amounts charged to manage the charity's investment portfolio

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Support costs are re-allocated to each of the activities on the following basis:

- Qualification and assessment costs 100%

Governance costs are re-allocated to each of the activities on the following basis which is the ratio of expenditure between activities:

- Qualification and assessment costs 100%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Intangible assets

Intangible assets include trademarks acquired, goodwill arising from the acquisition of business and trade assets, and cost incurred in developing software to be used by the company.

Software development is amortised over four years on a straight-line basis.

Trademarks acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the statement of financial activities using the straight line method over 10 years. This is the shorter of their estimated useful lives and periods of contractual rights.

Goodwill represents the difference between the cost of acquisition of business trade and the fair value of the net assets. Goodwill is recognised separately as intangible assets and carried at cost less accumulated amortisation. Goodwill is amortised over five years on a straight-line basis for Skillfirst Awards Ltd and Skillfirst Holdings Ltd. Goodwill for The Skillsgroup Ltd and Skills for Logistics Ltd is amortised over two years on a straight-line basis.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Freehold Land Not depreciated
- Buildings 2% straight line
- Property Improvements 5% straight line
- Fixtures & Fittings 20% straight line
- Computer equipment and software 25% straight line

l) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be included within general funds in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

m) Investments in subsidiaries

Investments in subsidiaries are at cost.

n) Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. In general, cost is determined on a first in first out basis and includes transport and handling costs. Provision is made where necessary for obsolete, slow moving and defective inventories. Donated items of inventories, held for distribution or resale, are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

q) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

r) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

s) Pensions

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of those contributions.

2 Income from charitable activities

	2023	2022
	Total	Total
	£	£
Qualification and assessment income and other educational income	11,468,208	10,976,084
	11,468,208	10,976,084

3 Income from investments

	2023	2022
	Total	Total
	£	£
Evelyn Partners Investment Management	193,470	167,814
	193,470	167,814

4a Analysis of expenditure

Charitable activities

	Qualification and assessment costs	Support Costs	Governance Costs	2023 Total	2022 Total
	£	£	£	£	£
Staff costs (Note 6)	4,171,105	2,215,899	130,347	6,517,351	5,583,120
Verifier, examination fees & expenses	1,340,740	712,268	41,898	2,094,906	1,516,824
Premises costs	154,829	82,253	4,838	241,920	188,694
Telephone & fax	34,686	18,427	1,084	54,197	35,882
Postage, stationery & assessment materials	480,085	255,045	15,003	750,133	782,229
Other office costs	73,011	38,787	2,282	114,080	105,284
Travelling, meeting & committee expenses	247,334	131,396	7,729	386,459	313,410
Marketing & publicity	210,927	112,055	6,591	329,573	442,330
Legal & professional	23,622	12,549	738	36,909	49,146
Audit & accountancy	17,875	9,496	559	27,930	40,067
Depreciation	161,145	85,608	5,036	165,769	159,512
Amortisation	426,121	226,377	13,316	751,834	404,144
Profit on disposal of fixed assets	993	528	31	1,552	63
Bank charges & foreign exchange	16,736	8,891	523	26,150	26,714
Sundry expenses	125,808	66,835	3,931	196,574	135,332
ICT Hosting & support	899,157	477,677	28,099	1,404,933	744,414
Consultancy support	50,151	26,643	1,567	78,361	54,173
	8,434,325	4,480,734	263,572	13,178,631	10,581,338
Support costs	4,480,734	(4,480,734)	-	-	-
Governance costs	263,572	-	(263,572)	-	-
Total expenditure 2023	13,178,631	-	-	13,178,631	-
Total expenditure 2022	10,581,338	-	-		10,581,338

4b Analysis of expenditure (prior year)

Charitable activities

	Qualification and assessment costs	Support Costs	Governance Costs	2022 Total
	£	£	£	£
Staff costs (Note 6)	3,238,210	2,233,248	111,662	5,583,120
Verifier, examination fees & expenses	879,758	606,730	30,336	1,516,824
Premises costs	109,442	75,477	3,775	188,694
Telephone & fax	20,812	14,353	717	35,882
Postage, stationery & assessment materials	453,693	312,892	15,644	782,229
Other office costs	61,065	42,114	2,105	105,284
Travelling, meeting & committee expenses	181,778	125,364	6,268	313,410
Marketing & publicity	256,551	176,932	8,847	442,330
Legal & professional	28,504	19,658	984	49,146
Audit & accountancy	23,239	16,027	801	40,067
Depreciation	92,517	63,805	3,190	159,512
Amortisation	234,404	161,658	8,082	404,144
Profit on disposal of fixed assets	37	25	1	63
Bank charges & foreign exchange	15,494	10,686	534	26,714
Sundry expenses	78,493	54,133	2,706	135,332
ICT Hosting & support	431,760	297,766	14,888	744,414
Consultancy support	31,420	21,669	1,084	54,173
	6,137,177	4,232,537	211,624	10,581,338
Support costs	4,232,537	(4,232,537)	-	-
Governance costs	211,624	-	(211,624)	-
Total expenditure 2022	10,581,338	-	-	10,581,338

5 Net (expenditure) / income for the year

This is stated after charging / (crediting):

	2023	2022
	£	£
Depreciation	165,769	159,512
Amortisation	751,834	404,144
Loss or (profit) on disposal of fixed assets	1,552	63
Operating lease rentals:		
Property	102,707	58,653
Other	112,126	62,758
Auditor's remuneration (excluding VAT):		
Audit	27,500	31,000
Other services	11,290	2,000
Foreign exchange (gains) or losses	12,010	(1,461)

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2023	2022
	£	£
Salaries and wages	5,261,183	4,502,878
Redundancy and termination costs paid in the year	63,676	74,679
Social security costs	535,184	478,855
Employer's contribution to defined contribution pension schemes	380,082	301,500
Other forms of employee benefits	277,226	225,208
	6,517,351	5,583,120

The following number of employees received employee benefits (excluding employer pension costs and national insurance) during the year between:

	2023	2022
	No.	No.
£60,000 - £69,999	5	2
£70,000 - £79,999	3	2
£80,000 - £89,999	1	-
£90,000 - £99,999	-	1
£100,000 - £109,999	1	-
£110,000 - £119,999	1	1
£120,000 - £129,999	2	-
£130,000 - £139,999	-	-
£140,000 - £149,999	-	-
£150,000 - £159,999	1	1
£170,000 - £179,999	1	1
£180,000 - £189,999	-	-
£190,000 - £199,999	1	1

The total employee benefits including pension contributions and employer's national insurance of the key management personnel were £1,053,502 (2022: £1,013,068)

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil) save as disclosed in note 8 below.

Trustees' expenses represents the payment or reimbursement of travel and subsistence totalling £13,566 (2022: £10,707) incurred by 11 (2022: 12) trustees relating to attendance at Board meetings.

Trustee indemnity insurance is now included within the charitable company's indemnity insurance.

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2023 No.	2022 No.
Qualifications and Assessment	169	122
Support	41	41
Governance	2	2
	212	165

8 Related party transactions

Related party transactions with the charity's subsidiary company are disclosed within note 13.

During the year the Charity engaged with:

AlphaPlus Consultancy Ltd. Trustee John Winkley is a Director of this company, to which the Charity paid £5,495 from John's appointment on 30 March, until 31 July 2023.

M Squared Media Ltd. Trustee Jayne Lewis-Orr is an Executive Director of this company, to which the Charity paid £5,645 during the financial year.

There are nil donations from related parties.

9 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiaries Education & Media Services Limited, The Skills Group Ltd and Skills for Logistics will gift aid profits earned in year to the parent charity.

10 Tangible fixed assets

THE GROUP

	Freehold property £	Property Improvements £	Fixtures and fittings £	Computer equipment & Software £	Total £
Cost					
At the start of the year	1,289,458	1,889,769	148,246	1,344,764	4,672,237
Acquired with subsidiaries	-	-	-	9,806	9,806
Additions in year	-	-	-	25,542	25,542
Disposals in year	-	-	(635)	(82,349)	(82,984)
At the end of the year	1,289,458	1,889,769	147,611	1,297,763	4,624,601
Depreciation					
At the start of the year	149,511	681,920	139,686	1,230,110	2,201,227
Acquired with subsidiaries	-	-	-	6,309	6,309
Charge for the year	17,629	87,055	4,282	56,803	165,769
Eliminated on disposal	-	-	(598)	(80,834)	(81,432)
At the end of the year	167,140	768,975	143,370	1,212,118	2,291,603

Net book value					
At the end of the year	1,122,318	1,120,794	4,241	85,645	2,332,998
At the start of the year	1,139,947	1,207,849	8,560	114,654	2,471,010

Land with a value of £407,232 (2021: £407,232) is included within freehold property and not depreciated.

All of the above assets are used for charitable purposes.

THE CHARITY

	Freehold property	Property Improvements	Fixtures and fittings	Computer equipment & Software	Total
	£	£	£	£	£
Cost					
At the start of the year	1,289,458	1,889,769	148,246	1,332,597	4,660,070
Additions in year	-	-	-	24,626	24,626
Disposals in year	-	-	(635)	(72,060)	(72,695)
At the end of the year	1,289,458	1,889,769	147,611	1,285,163	4,612,001
Depreciation					
At the start of the year	149,511	681,920	139,686	1,218,981	2,190,098
Charge for the year	17,629	87,055	4,282	55,322	164,288
Eliminated on disposal	-	-	(598)	(70,545)	(71,143)
At the end of the year	167,140	768,975	143,370	1,203,758	2,283,243
Net book value					
At the end of the year	1,122,318	1,120,794	4,241	81,405	2,328,758
At the start of the year	1,139,947	1,207,849	8,560	113,616	2,469,971

11 Intangible fixed assets

THE GROUP

	Software & Resources	Goodwill	Trademarks	Total
	£	£	£	2023 £
Cost				
At the start of the year	2,014,055	7,341,831	4,800	9,360,686
Additions in year	5,794	1,035,002	-	1,040,796
At the end of the year	2,019,849	8,376,833	4,800	10,401,482
Amortisation				
At the start of the year	1,698,772	4,938,981	3,640	6,641,393
Charge for the year	140,845	610,508	480	751,833
At the end of the year	1,839,617	5,549,489	4,120	7,393,226

Net book value				
At the end of the year	180,232	2,827,344	680	3,008,256
At the start of the year	315,283	2,402,850	1,160	2,719,293

THE CHARITY

	Software & Resources £	Trademarks £	2023 Total £
Cost			
At the start of the year	2,014,055	4,800	2,018,855
Additions in year	5,794	-	5,794
At the end of the year	2,019,849	4,800	2,024,649
Amortisation			
At the start of the year	1,698,772	3,640	1,702,412
Charge for the year	140,845	480	141,325
At the end of the year	1,839,617	4,120	1,843,737
Net book value			
At the end of the year	180,232	680	180,912
At the start of the year	315,283	1,160	316,443

12 Listed investments

	THE GROUP		THE CHARITY	
	2023 £	2022 £	2023 £	2022 £
Fair value at the start of the year	8,362,194	10,588,230	8,362,194	10,588,230
Additions at cost	1,440,002	1,122,354	1,440,002	1,122,354
Disposal proceeds	(1,532,703)	(2,465,348)	(1,532,703)	(2,465,348)
Change in cash in the portfolio	(453,827)	(213,509)	(453,827)	(213,509)
Net gain in fair value	(264,382)	(669,533)	(264,382)	(669,533)
Fair value at the end of the year	7,551,284	8,362,194	7,551,284	8,362,194

Listed investments comprise:

	THE GROUP		THE CHARITY	
	2023 £	2022 £	2023 £	2022 £
UK Common investment funds	2,414,412	2,659,637	2,414,412	2,659,637
Shares listed on the London Stock Exchange	1,291,351	1,529,076	1,291,351	1,529,076
Cash and short term deposits held by fund manager	156,941	468,774	156,941	468,774

Other Investments Including Overseas Equities, Alternatives and Multi-Asset	3,688,580	3,704,707	3,688,580	3,704,707
Fair value at the end of the year	7,551,284	8,362,194	7,551,284	8,362,194

13 Subsidiary undertakings

	THE CHARITY	
	2023	2022
	£	£
Investments held in subsidiary undertakings		
At the start of the year	4,172,158	1,019,509
Additions during the year	1,161,553	3,371,090
Impairments recognised	(3,238,899)	(218,441)
At the end of the year	2,094,812	4,172,158

Education & Media Services Ltd

VTCT acquired the share capital of Education & Media Services Ltd (EMS) on 8 November 2016. The cost of acquisition along with associated professional support and advice totalled £5,600,049. The cost of the share capital was settled through a cash payment, with a retention amount paid in March 2017 based on EMS's performance. The goodwill has been fully amortised.

A summary of the results of the subsidiary shown below.

	2023	2022
	£	£
Turnover	2,212,401	2,481,082
Cost of sales	(466,649)	(410,276)
Gross profit	1,745,752	2,070,806
Administrative expenses	(1,365,896)	(1,196,052)
Operating profit / (loss)	379,856	874,754
Interest receivable	4,824	1,772
Profit on ordinary activities	384,680	876,526
Gift aid to parent undertaking	(1,427,274)	-
Profit/(Loss) for the period	(1,042,594)	876,526

The aggregate of the assets, liabilities and reserves was:

	2023	2022
	£	£
Assets	592,681	1,824,208
Liabilities	(325,408)	(514,342)
Reserves	267,273	1,309,866

During the year, intercompany charges were made from VTCT to EMS totalling £1,255,702 (2022: £1,083,957) for management time and support.

The Skills Group Limited & Skills for Logistics Limited

VTCT acquired the share capital of The Skills Group Ltd who own Skills for Logistics Ltd on 01 June 2023. The cost of the acquisition along with associated professional support and advice totalled £1,161,553. The trustees consider the useful economic life of The Skills Group Ltd to be 2 years and the goodwill has will be amortised over this period.

The Net Assets of The Skills Group Ltd and Skills for Logistics Ltd at the date of acquisition were as follows;

	Book Values	Adjustment	Fair Value
	£	£	£
Fixed Assets	53,505	-	53,505
Trade Debtors	215,085	-	215,085
Other Debtors	81,586	-	81,586
Bank & Cash	58,549	-	58,549
Trade Creditors	(75,850)	-	(75,850)
Other Creditors	(156,324)	-	(156,324)
Total Net Assets	176,551	-	176,551
Goodwill arising on Acquisition	-	-	1,035,003
Total Fair Value of Assets Acquired			1,211,554

During the year there were no intercompany charges made from VTCT to The Skills Group Ltd or Skills for Logistics Ltd.

Skills for Logistics Ltd and The Skills Group Ltd, both subsidiaries of Vocational Training Charitable Trust, are exempt from the requirements of the Companies Act 2006 relating to the audit of accounts under section 479A.

The Skills Group Limited

A summary of the results of the subsidiary shown below. The accounting date for The Skills Group Ltd was 31st December therefore this years results show for a 7 month period .

	7 month period to 31 July 2023 £	Pre acquisition 12 month period to 31st December 2022 £
Turnover	51,038	84,670
Cost of sales	(7,743)	-
Gross profit	43,295	84,670
Administrative expenses	(121,961)	(177,032)
Other operating income	-	117,684
Operating profit / (loss)	(78,666)	25,322
Interest receivable	-	-
Interest payable and similar charges	-	-
Profit on ordinary activities	(78,666)	25,322

Corporation Tax	-	-
Profit/(Loss) for the period	(78,666)	25,322

The aggregate of the assets, liabilities and reserves was:

	2023	2022
	£	£
Assets	68,250	103,352
Liabilities	(114,851)	(344,715)
Reserves	(46,601)	(241,363)

Skills for Logistics Limited

A summary of the results of the subsidiary shown below. The accounting date for Skills for Logistics Limited was 31st December therefore this years results show for a 7 month period.

	7 month period to 31 July 2023	Pre acquisition 12 month period to 31st December 2022
	£	£
Turnover	664,958	797,714
Cost of sales	(218,773)	(141,596)
Gross profit	446,185	656,118
Administrative expenses	(344,469)	(419,744)
Exceptional item	-	(152,086)
Operating profit / (loss)	101,716	84,288
Interest payable and similar charges	-	(989)
Profit on ordinary activities	101,716	83,299
Corporation Tax	(7,099)	(24,728)
Profit/(Loss) for the period	94,617	58,571

The aggregate of the assets, liabilities and reserves was:

	2023	2022
	£	£
Assets	327,653	250,513
Liabilities	(105,576)	(153,111)
Reserves	222,077	97,402

In the two months post-acquisition, the Skills Group companies realised combined turnover of £158,748 together with combined costs of £159,815. The trade and assets of Skillsfirst Awards Ltd and Skillsfirst Holdings Ltd were transferred to VTCT on 1st August 2022, and no other transactions occurred during the year. Both Skillsfirst Awards Ltd and Skillsfirst Holdings Ltd will be dormant from 1 August 2023.

14 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

2023	2022
£	£

15 Debtors

	THE GROUP		THE CHARITY	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	1,174,390	1,290,543	1,002,632	762,156
Amounts due from other group entities	-	-	175,759	421,437
Other debtors and prepayments	640,275	637,225	610,593	537,750
	1,814,665	1,927,768	1,788,984	1,721,343

Other Debtors includes a non current debtor of £138k (2022: £138k) comprising of a loan made in 2014 to Truro & Penwith College contributing to the provision of specialist teaching facilities.

16 Creditors: amounts falling due within one year

	THE GROUP		THE CHARITY	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	282,114	336,029	229,902	229,336
Taxation and social security	138,227	272,806	250,300	259,357
Other creditors	384,681	752,809	315,794	650,806
Deferred income (note 17)	288,890	218,451	186,078	56,791
	1,093,912	1,580,095	982,074	1,196,290

17 Deferred income

Deferred income comprises of payments received for qualification services supplied after the year end date.

	THE GROUP		THE CHARITY	
	2023	2022	2023	2022
	£	£	£	£
Balance at the beginning of the year	218,451	171,883	56,791	64,312
Amount released to income in the year	(218,451)	(171,883)	(56,791)	(64,312)
Amount deferred in the year	288,890	218,451	186,078	56,791
	288,890	218,451	186,078	56,791

18a Analysis of group net assets between funds (current year)

	General unrestricted	Total funds
	£	£
Tangible fixed assets	2,332,999	2,332,999
Intangible assets including goodwill	3,008,256	3,008,256
Investments	7,551,284	7,551,284
Net current assets	1,969,895	1,969,895
Net assets at 31 July 2023	14,862,434	14,862,434

18b Analysis of group net assets between funds (prior year)

	General £	Total funds £
Tangible fixed assets	2,471,010	2,471,010
Intangible assets including goodwill	2,719,293	2,719,293
Investments	8,362,194	8,362,194
Net current assets	3,140,445	3,140,445
Net assets at 31 July 2022	16,692,942	16,692,942

19a Movements in funds (current year)

	At 1 August 2021 £	Income & net gains £	Expenditure & losses £	Transfers £	At 31 July 2023 £
Unrestricted funds:					
General funds	16,692,942	11,661,678	(13,492,186)	-	14,862,434
Total funds	16,692,942	11,661,678	(13,492,186)	-	14,862,434

19b Movements in funds (prior year)

	At 1 August 2022 £	Income & net gains £	Expenditure & losses £	Transfers £	at 31 July 2022 £
Unrestricted funds:					
General funds	16,857,531	11,143,898	(11,308,487)	-	16,692,942
Total funds	16,857,531	11,143,898	(11,308,487)	-	16,692,942

20 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment/Other	
	2023 £	2022 £	2023 £	2022 £
Less than one year	67,498	72,157	74,777	64,454
One to five years	175,475	230,167	180,998	92,844
More than 5 years	-	9,507	-	-
	242,973	311,831	255,775	157,298

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment/Other	
	2023 £	2022 £	2023 £	2022 £
Less than one year	55,413	47,534	74,777	61,046
One to five years	175,475	228,162	180,998	92,844
More than 5 years	-	9,506	-	-
	230,888	285,202	255,775	153,890

21 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

22 Contingent Liability

The company has guaranteed the liabilities of its subsidiaries The Skills Group Limited and Skills for Logistics Limited.

23 Amended financial statements

These financial statements replace the original financial statements, are now the statutory financial statements and are prepared as they were at the date of the original financial statements.





VTCT



iTEC



SKILLSFIRST



vtct.org.uk itecworld.co.uk skillsfirst.co.uk skillsforlogistics.co.uk

Aspire House, Annealing Close,
Eastleigh, Hampshire, SO50 9PX,
United Kingdom

T +44 (0) 23 8068 4500
E customersupport@vtct.org.uk

VOCATIONAL TRAINING CHARITABLE TRUST

England & Wales - Charity number 295192

Accounts

VTCT Annual Report

2021–2022



VTCT



ITEC



SKILLSFIRST



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Chair's statement

The people we serve, our learners, apprentices, employers, and training providers, have had to weather an incredible amount of uncertainty and anxiety over the past two years. Emerging from the after-effects of the pandemic has brought new challenges. I would first like to acknowledge the grit and resilience needed to overcome these and foster an environment for learners to flourish. Throughout a time that has been taxing for all, our educational partners – our centres – have remained steadfast in their commitment to providing a rewarding career for their learners.

I am confident that, as an organisation, we will continue to remain agile and responsive to ensure the progression of our charitable goal: advancing education for public benefit. We have implemented a robust strategic and operational plan to achieve this for the next five years. Our critical focus on supporting recovery, driving growth, and leading in technical education will see us grow and evolve as a dynamic and innovative organisation.

The Board of Trustees and I look forward to watching the VTCT group continue to develop our qualification and apprenticeship offer to ensure that it meets the needs of our learners, apprentices, and training centres worldwide.

JENNY SWORDER

Chair of the Board of Trustees



Chief Executive's statement

I am delighted to introduce our latest Annual Review. What unites all of us at the VTCT group of companies is our passion for providing a direct line of sight into a job for learners. Every staff member comes to work every day with this at the forefront of our minds, and I am incredibly proud to share some of the fantastic ways our colleagues across the group have worked towards this aim.

From championing a safer industry, expanding our reach by welcoming Skillsfirst into our portfolio, to showcasing our longstanding global partnerships worldwide, I am consistently in awe of the commitment, dedication, and professionalism our colleagues show daily. Without each individual working so hard with our organisation, none of the successes highlighted in this review would be possible.

Our corporate success is built upon the skills and knowledge of our partners, colleagues, and broader industry sectors. On behalf of the Trustees and the Corporate Leadership Team of the VTCT group, I would like to express my deepest gratitude to everyone working with us and supporting our charitable purpose.

ALAN WOODS OBE

Chief Executive of VTCT, iTEC and Skillsfirst



Executive summary

The VTCT group of companies continues to innovate, keeping pace within a changing education system and a challenging economic climate. Our focus remains on enabling learners to obtain experience and qualifications leading to a secure career.

This year has seen the expansion of our group with the acquisition of Skillsfirst, one of England's leading Awarding and End-Point Assessment Organisations. With Skillsfirst's history of advocating for Equity, Diversity and Inclusion (EDI), this partnership further strengthens our commitment to EDI across our sectors. Alongside VTCT's wider focus on reviewing our qualifications through an EDI lens, we have recently released a suite of 6 CPD videos, to educate stylists on the fundamentals of working with Afro-textured hair and begin making the industry inclusive for all.

To further enhance this progress towards equal access to quality education for all, we have continued our programme of Grants and Bursaries. This initiative supports disadvantaged young learners to achieve their best, no matter what their personal circumstances or background.

Rapid innovations such as our Covid-19 Infection Prevention qualifications and the VTCT (iTEC) Level 7 Diploma in Clinical Aesthetic Injectable Treatments have demonstrated an industry-leading ability to anticipate and react to government requirements as they happen.

In addition, VTCT – in partnership with NCFE – has utilised the wealth of industry expertise within the organisation to create the landmark T-Level qualification in Hairdressing, Barbering and Beauty Therapy, which is expected to enter the public domain in September 2023.

Our mission to equip every learner with the tools for excellent outcomes spans throughout the 49 countries we work with across the globe, especially through turbulent times. Our dedicated international team has been pivotal in supporting our customers as they emerge and recover from the Covid-19 pandemic. Stakeholders from one of our key markets, Southern Africa, showcase their successes and how iTEC has impacted their learners' journeys.

As well as this, learning, progression and constant improvement are principles rooted within the internal culture of the VTCT Group. Our commitment to growing outstanding people has seen us achieve the Silver Investors in People award this year, with targeted initiatives to support the development and wellbeing of staff.

We are delighted to share our achievements over the past year, not only for the customers we serve but for our industries, staff and society as a whole. Our annual review is a celebration of our successes, as well as an opportunity to share our significant aspirations for the advancement of education for the public benefit.





Our strategy for 2021–2026

Our 2021–2026 vision and strategy entitled ‘Leading, Growing, Supporting’ was approved by the Board in August 2021. Dovetailing with the themes from the former corporate plan, this strategy focuses on building on our core purpose of advancing education, providing a direct line of sight to a job or greater skills, and improving career prospects.

Set amidst the lingering Covid-19 pandemic and uncertainty concerning the future of the skills sector, our strategy focuses on supporting learners, apprentices and training centres. We believe we have exceeded expectations. We will continue to support all stakeholders and excel in a post-pandemic world whilst fulfilling our charitable objectives.

The Charity’s objectives are for the advancement of education for the public benefit throughout the United Kingdom and internationally by:

- a. assessment of education and skills for accreditation
- b. setting standards of education and skills as an awarding and assessment organisation
- c. the promotion of skills and knowledge for vocational and technical employment
- d. advancing digital research and other educational techniques

The Trustees review the Charity’s aims, objectives and activities each year. This report looks at what the Charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each essential activity and the benefits the Charity has brought to those groups of people that it is set up to support and achieve their qualification ambition. The review also helps the trustees ensure the Charity’s aims, objectives and activities remain focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission’s general guidance on public benefit when reviewing the Charity’s aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives set.

Our current strategy to achieve the Charity’s aims comprises three strategic pillars as follows:

- 1. Supporting recovery** – Embracing digital, big data and relationship marketing to develop credible insight into customer needs, building loyalty and supporting centre growth and learner achievement.
- 2. Driving growth** – Co-creating new products and services with customers and key stakeholders while strengthening our position in hairdressing and barbering.
- 3. Leading technical education** – Exclusively innovating and leading technical education in the hair, beauty, and aesthetics sector, engaging more centres and learners through high-stakes qualifications.

Whilst still at the beginning of our five-year plan, performance against strategy has been encouraging, with qualification and End-Point Assessment income being up 6.7% and 4.5% above income targets, respectively. Additionally, both Skillsfirst and VTCT achieved ‘excellent’ Net Promoter Scores (Net Promoter score (NPS) is a widely used system to measure customer satisfaction objectively and ascertain brand loyalty).

Regarding driving growth, significant investment has been made into growing our market share in the key areas of Hairdressing and Barbering, Higher Level Beauty qualifications (Level 4 and above), and Medical Aesthetics treatments. So far, these areas have seen year-on-year growth.

A significant moment in the development of VTCT this year has been the acquisition of Skillsfirst Ltd. Skillsfirst, based in Birmingham, is both an Awarding Organisation and End-Point Assessment Organisation for apprenticeships. Its portfolio of qualifications and apprenticeship assessments significantly expands the VTCT group's offer to employers and training centres. We are delighted to welcome all Skillsfirst partners and employees into the VTCT group. Skillsfirst has already seen an increase of 27% in income within the first six months of becoming part of the VTCT group.

Our final strategic pillar is to lead in Technical Education. This aim has seen us develop the VTCT Level 1/2 Technical Award in the Study of Hair and Beauty, first taught in September 2022, to support the 14–16-year-old learner market. As well as this activity in the schools, the T Level in Hair, Barbering and Beauty, in which we are the technical content specialist sub-contractor supporting NCFE, and which is aimed at 16–18-year-olds is due to become 'live' for first teaching from September 2023.



Our impact in 2021-2022

GLOBAL REACH

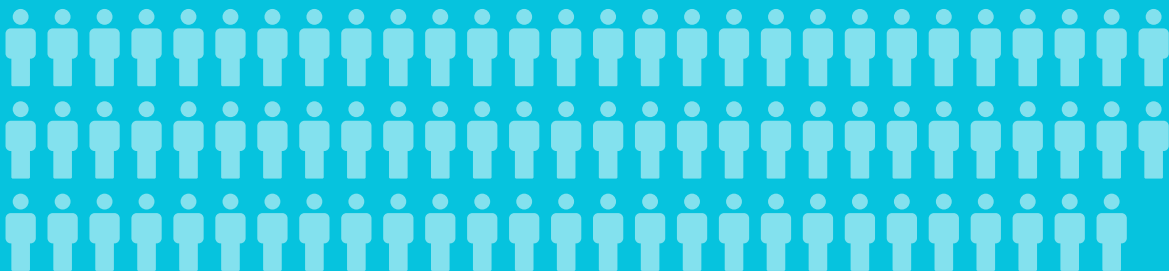
49 Total countries of operation

1,672 Total centres (Approved)



TOTAL LEARNERS
(Registered in 2021/22)

83,103



 = 1,000

Please note that these figures reflect the iTEC and VTCT brands only.



153,700

TOTAL NUMBER OF REGISTRATIONS

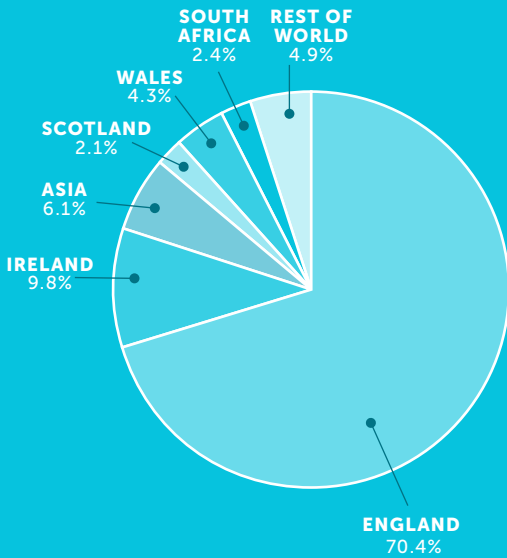


124,772

LEARNER CERTIFICATES

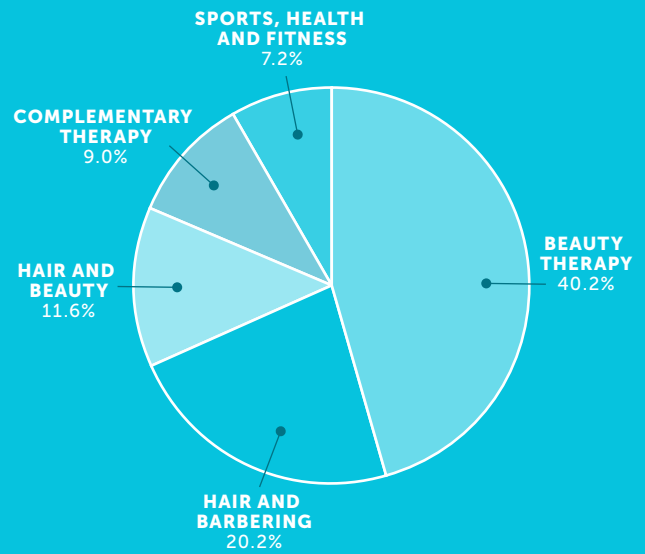
MARKET PERFORMANCE

Our income is generated in the following locations:

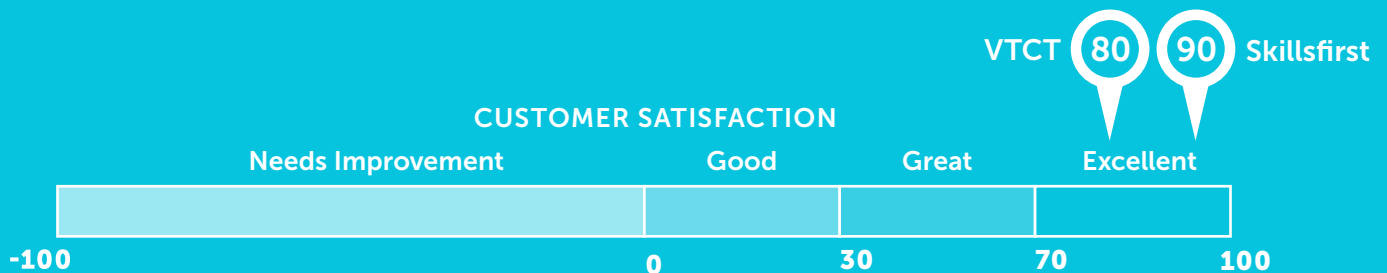


SECTOR PERFORMANCE

Our income is generated from the following sectors:



CUSTOMER SATISFACTION



Our impact in 2021-2022

Welcoming Skillsfirst to the VTCT group

The VTCT group were delighted to welcome Skillsfirst into the VTCT group of companies in March 2022. The move combined the strengths of VTCT, iTEC and Skillsfirst to fortify our position as leaders within the education and apprenticeship market and enhance the services offered to employers, centres and learners.

Skillsfirst is one of England's leading Awarding and End-point Assessment Organisations, with a growing international client base. Its significant achievements include: first-class end-point apprenticeship assessments across sixteen apprenticeship standards; introducing remote proctoring across Functional Skills assessments; and advocating for equality, diversity and inclusion through the development of an innovative suite of LGBTQ+ ("People of Pride") awareness qualifications.

Skillsfirst's dedication to innovation, dynamism and outstanding learner outcomes placed them as the preferred organisation to help us grow and consolidate our charitable objective of seeking to advance education for the benefit of the public.

Equity, Diversity and Inclusion

As Equity, Diversity and Inclusion is one of our core values, we have committed to taking a lead role in championing the customer groups we serve and have taken steps to lead the broader assessment community in embedding and delivering meaningful change regarding Equity, Diversity and Inclusion (EDI).

We have contracted Professor Geoff Thompson MBE, DL as our EDI Chair to deliver our EDI roadmap and strengthen our approach going forwards across the full range of protected characteristics.

We have introduced a set of 6 new CPD videos to empower all stylists to learn how to style and care for Afro-textured Hair types. The suite of videos will help elevate career knowledge and to teach the fundamentals of Afro-textured hair. This resource comprises innovative and valuable content and will be well received by hairdressing tutors who have no experience of working with African descendent hair.

A comprehensive review of existing qualifications is underway. As technology, services, treatments and techniques have advanced, there is a need to reflect these changes across the portfolio of qualifications. Further, qualifications are being reviewed through an Equity, Diversity and Inclusion (EDI) lens.

In addition, we have begun to sell to VTCT and iTEC customers Skillsfirst's Level 2 Certificate in LGBT Inclusion in the Workplace (RQF) which is proving popular.





Our grants and bursaries programme

Initially launched in November 2019, the iTEC & VTCT Grants and Bursaries Programme assists in fulfilling our charitable purpose, with a focus on supporting learners between the ages of 16-25 taking an iTEC or VTCT qualification.

With many areas and communities of practice in our country struggling to support young people to engage with learning, we introduced a programme of Grants & Bursaries. Fifteen training providers are selected to receive a £5,000 sum to support and enhance their learner's journeys.

Particular emphasis has been given to helping those who may be disadvantaged and would not otherwise have had the means to study.

We have included just a few of their stories here...

PROACTIVE TRAINING



ProActive
TRAINING

We used the sum to reduce the course fees for students from inner-city universities where the course cost has often proven prohibitive to undertaking the qualification that we deliver. We've found this initiative hugely beneficial to broaden our offering of the Level 3 Sports Massage qualification to university students. We've found the cost to be a barrier to enrolment often because of large student fees and debts incurred through physiotherapy degrees and qualifications no longer being state-funded. Offering a discount to the qualifying students, especially at inner-city universities where day-to-day living costs are larger, has been a massive help in making the course more affordable to 150 students.

CITY OF LIVERPOOL COLLEGE

This initiative has allowed a city-based college to support disadvantaged learners to participate in every aspect of their course. It allowed us to purchase uniforms so they felt part of the group and provided additional resources to help them develop their skills outside the college. This is such an amazing gift from VTCT. The opportunities this money brings to less fortunate students is brilliant. Many of our students come from deprived backgrounds, and things like uniforms, kits and trips are not seen as an essential spend when money is very tight, so it takes that bit of pressure away and allows these students to participate in everything without impacting their home life.





EAST KENT COLLEGE GROUP



It has been well received by both the students and the staff delivering on the programmes. The bursary has successfully allowed us to widen opportunities to enhance the learner's learning experiences and enrich their skill sets by allowing them to experiment with products and equipment that may have previously been out of our reach. It highlighted that there is a large cohort of learners whose needs cannot be met financially. They do not quite meet the requirements to gain an EKC bursary, however, they are on low incomes and cannot afford to purchase kits, uniforms and products. As such, this VTCT bursary helped approximately 300 learners engage with their learning and achieve their qualifications.

WHITE ROSE BEAUTY COLLEGES



The Grants and Bursaries initiative was very successful as the most disadvantaged learners have been supported throughout their programme of study with travel, kit costs and uniform costs. Without this grant, these learners would not be able to access this type of learning and all ten learners have achieved qualifications. Eight of the learners have progressed to higher levels of learning and the other two have progressed into employment. This scheme has highlighted the disparity in educational equality and is an area we will continue to focus on.

SOUTH EASTERN REGIONAL COLLEGE



This was a very successful initiative that benefitted a total of 253 learners. It was well received by hairdressing and beauty therapy staff, who were able to identify learners who required additional support to assist with their studies. For example, we purchased dongles to provide internet connection for students who, due to family circumstances, were unable to access full internet connectivity. Another example was the purchase of practice blockheads and essential equipment for individual learners. The bursary was also successfully used for guest speakers, external training and educational trips across hairdressing/barbering and beauty therapy.

EASTLEIGH COLLEGE



The initiative was very successful. It has given us the funds to prepare and send one student to the UK nationals of World Skills Competition. We have hosted the Major Series in which around 19 students competed and it was amazing for all of them to achieve medals. This has boosted the student's confidence and morale and has had a huge impact on them. We are now preparing around 20 students to compete in the HRC show in London. We have three learners competing in Young Restaurant Team of the Year – this costs a fortune to practice all the time, so it's these funds that enable us to do this.



Supporting the recovery of the sector

This last year has continued to provide a significant challenge to the education and skills sector as colleges and independent training providers implement their post-covid strategies following a period of uncertainty and consolidation. As the sector collectively begins to look at the medium and longer term, the last year has provided a mixed picture, with most colleges achieving pre-pandemic numbers of learners. However, the private sector training providers have struggled to keep pace. Some providers have exceeded expectations, but many others have struggled to recruit learners. It has remained the prime focus of VTCT to continue to support the recovery of all centres, which has delivered an exceptional outturn in terms of qualifications issued.

As we enter the second year of our corporate strategy, 'Leading, Growing, Supporting,' we will continue to focus on supporting the sector's recovery, particularly given the added challenges of rising inflation, interest rate increases and significant changes for the worse in the cost of living. We believe this laser-sharp focus on customers and learners, alongside some targeted growth areas with a newly recruited and significantly larger marketing and sales team, will help us realise our growth ambitions-all the time delivering an exceptional level of B2B customer satisfaction and loyalty.



Innovating for a safer industry

iTEC & VTCT became the first Awarding Organisation to introduce sector specific, Government regulated COVID-19 Infection Prevention qualifications for a variety of different industries.

Our COVID-19 Infection Prevention qualifications were developed as prerequisites for all of our qualifications involving close contact services to support businesses re-opening and continuation of learning. We undertook an in-depth review of our portfolio of qualifications, focusing on almost 300 qualifications that contained relevant practical content. As the leading specialist awarding organisation in the sector, we knew we were best placed to use our dynamic and extensive network of experts to support the recovery of the personal care sector during a time that businesses in the sector saw an average loss in turnover of 45%. This, coupled with our responsibility to ensure all learners entering the industry are equipped with the most valid, current and essential knowledge required to safely and effectively perform treatments and services, meant that we had a duty to create qualifications that could help acclimatise the industry to new working practices within the landscape of the COVID-19 pandemic. We worked with global public health and industry experts to determine the risks that might exist and how we could mitigate them in learning and professional environments. Utilising this combination of industry expertise, international public health consultation and our proficiency in qualification design and development, iTEC & VTCT put to market the first and only regulated and Education and Skills Funding Agency (ESFA) funded COVID-19 qualifications that are specific to the needs iTEC & VTCT qualification holders will now be ready for employment, without the need for further 'on the job' training relating to specific treatment adaptations for COVID-19.

Prior to the UK Government's publication of any industry sector guidance for personal services, iTEC & VTCT's committee had gathered the very best of world research and experienced experts within their sectors. These individuals analysed each treatment technique step-by-step and determined the changes that were recommended for infection prevention protocols, based predominantly on successful outcomes in Asia with both COVID-19 and SARS.

What our centres had to say:

RACHEL LOWDEN

**Lead Internal Quality Assurer at
The National Beauty Academy**

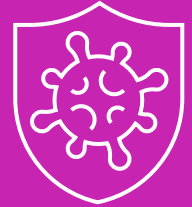
190 learners have completed the Infection Prevention Qualification at our centre. Safe Infection Prevention practices are important for learners to gain knowledge of industry standards, and then understand the importance of adhering to procedures when they go out into the industry. Many of our learners will go into self-employment so are required to have a comprehensive understanding and can implement procedures. These qualifications allow learners to present a certification of qualification to future employers and salons, as well as provide a good understanding of the infection prevention procedures/practices in the industry.

RIANNA FARBEY

**Student Liaisons and Business Development
at Omni Academy**

168 learners have achieved the qualification across Hair, Beauty, Complementary Therapies and Clinical Aesthetics and more are in progress. During the pandemic, the qualification helped to support and evidence safe working practices to encourage the reopening of the industry and encourage client confidence when returning to the salon. At the height of the pandemic, it served a purpose to educate the learners/therapists about safe practices in relation to the virus to maintain high professional standards and practice responsibly in the industry.

COVID-19 recovery support in numbers



66,968

INFECTION PREVENTION COVID-19 QUALIFICATION REGISTRATIONS



30

WEBINARS FOCUSED ON CURRICULUM DELIVERY AND ASSESSMENT



237

REMOTE APPROVALS

2,582

PARTICIPANTS



1,155

REMOTE VISITS AND SUPPLEMENTARY CHECKS



Teaching and learning

VTCT group has been uniquely well-placed to enhance teaching outcomes by providing centres with the expansive online teaching resource, Pivot Point LAB. This resource features over 200 hours of learning materials covering over 40 tailored subject areas in the hair, beauty and barbering sectors. Pivot Point LAB was especially beneficial during the Covid-19 pandemic, allowing centres to enrich education for learners throughout this period of uncertainty.

Looking beyond the pandemic, the flexibility and expertise offered by Pivot Point LAB has continued to supplement guided learning. In 2021/22, 8253 learners have utilised the Pivot Point LAB resource as an instrumental addition to support their qualifications. As well as this, over 2000 educators have accessed the resource, with numbers of educators and learners continuing to grow.

Mainstream qualifications

Working with Skillsfirst, we have developed a Level 2 Certificate in Embedding Sustainability in the Workplace (RQF), aligned with the United Nation's Sustainability Goals and developed collaboratively with Capita, Thames Water and others – this generic qualification can be tailored to any sector and is expected to be popular with customers given the current sustainability agenda in education and skills.



T Level update

NCFE was awarded the T Level in Hairdressing, Barbering and Beauty Therapy contract, with VTCT as a sub-contracted partner to enable NCFE to fulfil their obligations to the DfE and the Institute.

The Technical Qualification design process is currently going through the government's approval process so that live production of qualification materials can begin, for first delivery in September 2023. We have worked with a number of individual contracted experts in the validation of the Technical Qualification design proposals and recommendations put forward by VTCT to the DfE. VTCT is engaging very

positively with the T Level Action Group for the sector where ongoing consideration is being given to issues such as content, progression, placements and awareness of the Hairdressing, Barbering and Beauty Therapy T Level. We anticipate that this will be released into the public domain in 2023, with the Institute and NCFE leading communications around the Hair, Beauty and Barbering T Level, due to this being a government contract.





Shaping the future of medical aesthetics

In response to concerns regarding a lack of regulation within the non-surgical cosmetic industry, Parliament recently amended the Health and Care Bill (2022) which gives powers to introduce a national licensing regime for aesthetic treatments.

The bill proposes that any scheme introduced will call for national, mandatory education and training standards for all practitioners in these fields.

These regulation changes will undoubtedly drive demand for qualifications availability. We have therefore been proactive in using our reputation as standard-setters within the beauty industry to answer this call for safer practices and put to market the VTCT (iTEC) Level 7 Diploma in Clinical Aesthetic Injectable Treatments to create a safer industry for practitioners and consumers.

Patient safety and protection should be at the forefront of any clinical healthcare qualification, and ours reflects this obligation. There are serious risks involved with administering cosmetic injectable products, such as infection, skin necrosis, visual disturbances, blindness and stroke. Therefore, there cannot be any shortcuts to the design and development of this qualification.

VTCT has a longstanding and specialist history of standards setting and development in the beauty and aesthetic industry and since 2001 has participated in sector councils as part of the European Commission for Health and Consumer Services. As a qualification with a high academic level and extensive clinical skill requirements, the design and development involved an extensive amount of time, resources and expertise from multiple personnel and agencies. Before the qualification launch, continuous collaboration with relevant experts and agencies was conducted over two years.

Our progress so far

- Two-year development, design and consultation with medical and industry practitioners from across the globe to ensure that all regulatory, professional and ethical standards relevant to the non-surgical cosmetic practice were considered.
- The formation of a global medical expert panel to inform present and future developments with representation from: Joint Council for Cosmetic Practitioners (JCCP), Cosmetic Practice Standards Authority, British Association of Aesthetic Plastic Surgeons, British Association of Cosmetic Nurses, Welsh Aesthetic and Cosmetic Society, Private providers, such as Ailesbury Clinics Ltd. and Harley Academy.
- Became one of the first Awarding Organisations to receive approval for a Level 7 Clinical Injectable qualification from the industry standard-setter, Joint Council for Cosmetic Practitioners (JCCP).
- Galvanised the industry to adopt safety protocols and further education with an in-depth live webinar attracting nearly 200 clinical professionals with speakers including Professor David Sines, Sally Taber, Ben Spring and Dr Tapan Patel.





The qualification has been reviewed by multiple subject matter experts to ensure the content remains valid, current and aligned to the most up-to-date scientific evidence base practice. The assessments are fair and streamlined, and I think it hits the right balance of being very academically rigorous, but also, it doesn't take up endless amounts of time for learners.

DR TRISTAN MEHTA
CEO of Harley Academy

Our global impact

We work across the world in 49 different countries and our international team has supported customers in their recovery from the coronavirus pandemic and is now exploring growth opportunities. International sales now account for 21% of all income and are up 20.4% year-to-date versus the prior year. This growth is a testament to utilising the skills and expertise of our current quality assurance team.

A Case Study: AFRICA

The VTCT group has a close working partnership with over 650 approved centres worldwide with offices within the UK, Ireland, and South Africa. We champion improved outcomes and possibilities for all learners, offering centres and learners high-quality regulated qualifications for employability, specialist subjects and skills enhancement.

Training providers from across Southern Africa, one of our key international locations, speak about the impact our iTEC qualification suite has had on them and their learners.

SURITA BLAAUW

Programme Manager Beauty Therapy Department, College of Cape Town

iTEC is recognised in our Industry in South Africa and there is a good balance between practical and theoretical components which our TVET college students can benefit from. The vast variety of qualifications and different levels makes it easy for us to choose what we as a centre want to offer to the students. It also gives centres/training schools the opportunity to put courses together that will service their markets and give them an edge over the competition.

We started offering the Diploma in Nail Technology in 2004 and added more qualifications as the years went on. We are currently offering 8 different qualifications, so in total, we have been offering the iTEC qualifications for 18 years.

It opens a lot of doors for them locally, as most of the salons/spas want iTEC-qualified therapists. They also have an opportunity to be interviewed and accepted to go onto the cruise liners. Since iTEC is so well recognised all over the world, the students have the opportunity to travel the world and find work anywhere they choose.



SANDY FUHR

**Director of Beauty Therapy Institute
Franchise group, Beauty Therapy Institute**

We have been with iTEC since 1998 and currently have over 1900 students across 19 colleges. iTEC qualifications benefit our learners by giving them ample career options and equipping them with the tools to achieve their aspirations.

Quality education is very important to us and iTEC ensures we remain on track with the requirements for our students. If we don't offer quality training to our students in a properly packed facility with the correct teaching and assessment tools, we are not doing the best for an ever-advancing industry.



GRACE ZICHAWO

**Business Development Manager,
Elite School of Beauty Zimbabwe**

iTEC qualifications are the passport to the world. Our students are able to work overseas, in the Middle East and on cruise ships after they have obtained their qualifications. Some past students have gone to open up their own spas and salons because an iTEC qualification gives them the confidence to pursue their dreams.

We have been an iTEC training provider for over 15 years and this has given us a good clientele of new learners and prospective students who trust us because they know they can trust the iTEC brand. Knowing that we are internationally accredited sets us apart from other schools in the market.

Working with iTEC means we always have access to qualifications that are competitive and very much in demand in the market. Our 15-year relationship with iTEC has been a very pleasant and supportive journey.

MMATHABO MPHELA

**Project Manager,
The Beauty Hub Academy**

iTEC has proven itself within the South African market as the sought-after awarding organisation for reputable salons and spas to hire therapists in their space. Therefore, we have been able to provide nearly 2000 learners with the quality that iTEC is associated with and give them a qualification that will give them a high chance of employment.

As a centre that specifically targets learners that come from disadvantaged backgrounds, with limited opportunities, we would like to thank iTEC for their understanding and providing an equal opportunity to those learners to be able to qualify and enter the market.

Our people

We believe in doing the very best for our outstanding people and that is why we are so pleased to have achieved IIP Silver in the last year. Our HR team have targeting areas for improvement such as induction and recruitment, sustainability, employee engagement, mental health awareness and wellbeing. We have rolled out 'Insights Discovery' training so that all new and existing staff, including Skillsfirst colleagues have had their 'Insights' done and this can become a tool that aids communication across the business through the language of colour.

We have developed 'Everymind' app which allows all staff to find information and proactively support their mental health. This sits alongside iAspire, our internal e-learning platform containing safeguarding, cyber security awareness and additional learning paths and educational videos. We provide ongoing learning and development opportunities, including a Managers Passport, which is an opportunity for managers to develop soft skills and management and leadership skills. Organisation skills matrices are in the final stages of production using a third-party platform. This platform will provide complex data enabling us to perform gap analyses while better understanding our talent pool, ensuring we have the right skills in the right places at the right time and, more importantly, to plan for when we may need these skills within the business.





Networks and partnerships

As one of the most dynamic Awarding Organisations, being connected to industry experts as well as qualifications is key. In the last year and as part of our COVID re-emergence plan, we have re-energised our Sector Advisory Boards so that they can have an even more pivotal role in shaping our product and service offers. This activity is alongside our work with leading figures in hairdressing and barbering, as we worked with key stakeholders, including the Lion's Barber Collective, M Squared Media, and the National Hair and Beauty Federation (NHBF).

We continue to engage frequently with statutory and voluntary regulators, trade bodies, and professional associations, including Ofqual, Qualifications Wales, SQA, CCEA, IfATE, the DfE, the Joint Council for Cosmetic Practitioners (JCCP), NHBF, CIMPSA, UK Active and the Federation of Holistic Therapists.

We are working with a number of key employers to support the expansion of their current qualification and EPA offer, including Capita, DHL, BT, Busy Bees and Parenta.





Financial overview

The Finance and Audit Committee ("FAC") comprises five Trustees and five senior staff members. The purpose of the FAC is to review and provide independent oversight to the Board of Trustees of VTCT on the adequacy and effectiveness of the company's financial reporting, asset management and risk management procedures. The FAC met four times in the Reporting Period of this report. In the financial year 21/22, they have reviewed financial performance, annual budgets, the risk register, and various financial and ICT audits.

As Chair of the FAC, I am pleased with the financial performance this year. Despite the challenges emerging from the pandemic, the acquisition of Skillsfirst provides a great opportunity to broaden our delivery and strengthen the achievement of our charitable objectives. To further assist our development, we invested in our Marketing and Sales functions, planning for future growth.

I would like to thank everyone that has contributed to the FAC, including our outgoing FAC Chair, Julian Glicher.

ANDREW MONDON

Chair of Finance and Audit committee



Structure, governance and management

The Charity is committed to a continuous programme of governance review and improvement. The trustee board has reviewed the Charity Governance Code for Large Charities and its application to VTCT. The trustees have formally adopted the Code and, for each of the seven principles, to apply the Code and ensure that VTCT policies are updated to reflect current practice.

VTCT is a company limited by guarantee, incorporated in 1986 under the Companies Act 1985, and registered under the Charities Act 2011 on 30 September 1986.

VTCT registered with the Office of the Scottish Charity Regulator, on 25 July 2019.

The company's Articles of Association were last updated on 13 July 2020.

All trustees give their time voluntarily and, save as disclosed below, receive no benefits from the Charity. Any expenses reclaimed from the Charity are set out in note 7 to the accounts.

Appointment of trustees

The Charity's Articles of Association do not limit the number of trustees. However, the level of reform taking place in the educational sector, together with the growing complexity of VTCT as an organisation, means the trustees consider the optimum number of trustees to be up to fifteen, to reflect the skill sets required by trustees based on an annual skills assessment of the Board.

In line with good practice, the Charity will continue to seek and appoint trustees with appropriate skills to enable strong governance. New trustees are recruited by open advertisement, advertising and search; promising candidates are interviewed by the Chair, Vice-Chair and Chief Executive with recommendations to the Board of Trustees.

Trustee induction and training

New trustees undergo an induction period to brief them on their obligations under charity and company law, the content of the Articles of Association, the committee structure and decision-making process, the operational strategy, current issues and the recent financial performance of the Charity. During the induction, they meet key employees and other trustees. Trustees attend board workshops and appropriate external training events where these activities will facilitate the undertaking of their role. Examples of these training events include investment management and governance.

Trustees and Governance

Under the terms of the articles, Trustees may be appointed for a maximum of three, three-year terms. The period of service as a Trustee may be extended upon the appointment of a Trustee as Chair of the Board of Trustees.

We recently welcomed the appointment of Debbie Houghton, Daniel Carlin, John Winkley, Lee Mandley and Lysa Schwart to the Trustee board. In addition, Andrew Mondon has taken over as Chair of the Finance and Audit committee following the retirement of Julian Glicher from the Trustee Board.

During the period under review, Barbara Mitchell, Meri Huws, Stephanie Fosh (previously Barnett) and Stephen Dennison resigned or retired as Trustees, and we thank them for their valuable contributions over many years of service.

Related parties and relationships with other organisations

VTCT has three wholly-owned subsidiaries:

- 1) Education & Media Services Ltd (Active), trading as iTEC
- 2) Skillsfirst Awards Ltd (Active)
- 2) Skillsfirst Holdings Ltd (Active)

During the year, VTCT engaged with Pure HR, a company owned by trustee Stephanie Fosh (previously Barnett), to provide HR consultancy. The Charity has paid £6,800 (2021: £5,875) for the HR consultancy service.

The share capital of Education & Media Services Ltd was acquired on 8 November 2016. Any transactions and management charges between VTCT and Education & Media Services Ltd are supported by a Shared Services Agreement and are on an arm's length basis.

The share capital of Skillsfirst Awards Ltd was acquired on 3 March 2022. Any transactions and management charges between VTCT and Skillsfirst Awards Ltd are supported by a Shared Services Agreement and are on an arm's length basis.

Remuneration policy for key management personnel

Key management personnel are remunerated based on an assessment of market rates applicable to the role. Salary benchmarking is undertaken using the Korn Ferry Hay salary data sets. All key staff have had their roles independently reviewed by Korn Ferry Hay and are remunerated within the banded scales.

Statement of trustees' responsibilities

The trustees (who are also directors of Vocational Training Charitable Trust for the purposes of company law) are responsible for preparing the trustees' annual report, including the strategic 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 that give a true and fair view of the state of affairs of the charitable company and

group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue in operation

The trustees are responsible for keeping adequate 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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.

Members of the charity guarantee to contribute an amount not exceeding £10 to the Charity's assets in the event of winding up. The total number of such guarantees on 31 July 2022 was 11 (2020: 13). The trustees are members of the Charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the Charity.

Financial review

The trustees are pleased with the outturn for the financial year as we saw centres returning to pre-pandemic levels. However, many centres face challenging circumstances with increased costs and a higher inflation rate. While a loss of £165k (2021: surplus £2.183m) is reported, this is after accounting for the amortisation of the new Skillsfirst acquisition (£218k for 5 months impairment). The strategic acquisition of Skillsfirst Awards Ltd and its Holding Company, Skillsfirst Holdings Ltd, will allow the Group to grow in the future, particularly in the apprenticeship assessment market.

Total income from charitable activities exceeded the previous year by £1.733m, a combined result of centres gradually returning to pre-pandemic levels of learners and income generated from Skillsfirst qualifications (£997k), post-acquisition.

Total expenditure on charitable activities increased by 21% to £10.581m (2020: £8.708m). This increase resulted from increased marketing & events costs, travel, and added staff headcount as we return to normal activity levels post-pandemic and additional Skillsfirst costs of £803k.

Due to global economic conditions, income from our external managed investments fell by 4% to £168k, and the investment portfolio's value decreased by £669k.

Net cash deficit from operating activities was -£51k (2021: £2.218k), and the net cash decrease after managed fund investment activities in the year was -£1.318m (2021: £2.395m) with a closing cash balance of £2.786m (2021: £ 4.104m). This closing balance was after the acquisition costs detailed in the notes to the financial statements.

VTCT is in a strong position with continued investment in the Charity to improve the quality and range of education provision and benefit to learners.


Fundraising compliance

Under the fundraising reporting requirements for The Charities (Protection and Social Investment) Act 2016, the Charity confirms that it does not engage in public fundraising and does not use professional fundraisers or commercial participators. The Charity has not received any complaints relating to the Act during the year.

Investment policy and objectives

VTCT operates a total return approach to its investment portfolios. Under the articles of association, the Charity has the power to invest monies not immediately required for the furtherance of its objects in or upon such investments as may be thought fit. The trustees delegate the investment management to external investment managers Evelyn Partners (formerly Smith & Williamson Investment Management), whose performance is monitored by the Board of Trustees and the Finance and Audit Committee.

Portfolio performance is measured against the performance of the Markit iBoxx Index, the MSCI and the FTSE 100. The target return set for the investment portfolio was



a total return of CPI + 1.5%. CPI at July 2022 was 10.1% leading to a total return target of 11.6% for the year. During the year, global markets faced many challenges, including the results of the Russian invasion of Ukraine and high inflation levels, which has had an effect worldwide. Subsequently, we have seen a loss of 8.6% on our portfolio against a benchmark of 7.2%. The Trustees are reasonably confident that long term, the investments will see a recovery, and performance will improve.

The mandate for the Evelyn Partners investment portfolio is a Conservative Approach. The trustees anticipate that this will reduce the level of volatility exposure within the portfolio by having a reduced investment in equities.

Reserves policy and going concern

On 31 July 2022, the Charity and the Group had reserves totalling £16.4m (2021: £17.4m) and £16.7m (2021: £16.9m), respectively. Free reserves for the Charity and the Group totalled £9.6m (2021: £13.6m) and £11.5m (2021: £14.1m), respectively. There were no Reserves held in restricted funds (2021: nil). The trustees consider the level of reserves to be appropriate to support the ongoing activities of the Charity.

The VTCT Reserves Policy targets a free reserves range of £8.6m to £14.6m. The reserves range is calculated to enable the Charity to mitigate the monetary impact of a significant disruption to charitable activities and to allow the Trustees to ensure funds are available for current and future commitments and obligations. The trustees are pleased to report that the reserves level continues to sit within the range set out in the policy.

Furthermore, the trustees acknowledge that VTCT indirectly relies on public funding as Further Education Colleges and private training providers are funded

by governments and associated bodies. VTCT's income is thus partially reliant on this funding, which exposes the Charity to government policy changes and any government spending changes. Ensuring reserves are kept in line with the reserves policy enables VTCT to continue to diversify its income sources through increasing private training provision, higher-level qualification development, apprenticeship assessment and international activity, both through organic growth as well as through partnership / joint venturing and acquisition. The trustees confirm that they conclude VTCT is a going concern as appropriate for the 2021/22 statutory accounts.

Risk management

We must understand the risks we face to ensure we can effectively mitigate and manage such matters accordingly so that we can continue to deliver our strategy and have a more significant impact on our customers and beneficiaries.

VTCT has a clear risk management framework that supports risk monitoring and management throughout the organisation, with departmental, functional and corporate risks monitored in real-time. Our corporate risk register is monitored explicitly by the Finance and Audit Committee, with risk management also a critical feature of the Regulatory Oversight Committee, HR and Remuneration Committee and Board. Trustees formally review the Corporate Risk Register bi-annually. Various thematic audits are conducted each year, focusing on financial management, general systems and processes and our compliance with qualification and assessment regulator Conditions and Principles.

The following principal risks and uncertainties facing VTCT and mitigations are summarised opposite.

- The rising costs of living against a backdrop of economic uncertainty, including increased food prices, utilities and rising inflation and interest rates, will negatively impact the sector given the array of challenges facing colleges, schools and independent training providers. There are also concerns over the impact these matters will have on potential learners, especially those looking to fund their own training. Thus, VTCT will: continue to focus on supporting the sector through its grants and bursaries scheme; review future pricing and the bundling of qualifications to support effective, blended teaching and learning; and ensure that pricing does not impact accessibility.
- The increase in cyber security and data breaches continues to be a significant concern. While VTCT has taken all the necessary measures regarding IT and cyber security, including the technologies used and our processing and management of data, a cyber-attack continues as a potential threat to all businesses, including VTCT. VTCT is sharing best practices with a range of other awarding organisations and working with a range of external experts to ensure we minimise the potential risk of any cyber threat, while continuing to effectively manage and store our data in line with industry gold standards.
- The skills sector continues to be relatively underfunded compared to other education sectors by the current government. This situation is set against the backdrop of a funding moratorium for newly approved qualifications and a pending cull of Level 2 and 3 qualifications over time. We believe this mix will inevitably bring a more significant challenge to the whole skills eco-system, potentially resulting in fewer learners accessing and benefiting from the skills, learning and qualifications. VTCT will sign post learners to alternative funded provision where applicable, while embracing new policies concerning the funding of newly developed qualifications.
- Given our global activity and breadth of qualification offer, there is a risk, albeit of exceptionally low probability, that VTCT will fail to comply with its obligations to qualification and assessment regulators worldwide. VTCT continues to operate robustly and prides itself on its commitment to compliance and quality assurance, underpinned by a rigorous quality management system and an effective departmental and corporate governance system.



Administrative information

Company number	2050044
Country of incorporation	United Kingdom
Charity number	295192
Country of registration	England & Wales
Charity number	SC049476
Country of registration	Scotland
Registered office and operational address	Aspire House, Annealing Close, Eastleigh, Hampshire, SO50 9PX

Trustees

Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Jennifer Swarder	Chair of the Board of Trustees
Isabel Sutcliffe	Vice Chair & Chair of Regulatory Oversight Committee
Andrew Mondon	Chair of Finance and Audit Committee
Jayne Lewis-Orr	Chair of HR and Remuneration Committee
Katherine Quinn	
Lesley Shepperson	
Debbie Houghton	Appointed 25/08/2022
Daniel Carlin	Appointed 05/01/2022
John Winkley	Appointed 27/07/2022
Lee Mandley	Appointed 30/08/2022
Lysa Schwartz	Appointed 21/07/2022
Meri Huws	Resigned 28/11/2021
Stephanie Fosh (previously Barnett)	Retired 24/05/2022
Stephen Dennison	Resigned 31/03/2022
Barbara Mitchell	Resigned 13/04/2022
Julian Glicher	Retired 06/10/2022

Key management personnel Alan Woods OBE Chief Executive
Ashley Barnes Deputy Chief Executive
Carina Fagan Chief Academic Officer
Cheryl Collett Operations Director (Appointed 4/3/2022)
Collette Lux Chief Marketing Officer (Appointed 16/03/2022)
Fraser Ingham Chief Business Development Officer (Appointed 4/3/2022)
Janet Field Chief Financial Officer
Marcus Bull Chief Commercial Officer (resigned 15/10/2021)

Bankers NatWest Bank Plc
34 Southampton Road
Eastleigh
Hampshire
SO50 9XN

Solicitors Blake Morgan LLP
New Kings Court
Tollgate
Chandler's Ford
Eastleigh
SO53 3LG

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
Invicta House
108-114 Golden Lane
London
EC1Y 0TL

Investment manager Evelyn Partners
(formally Smith & Williamson Investment Management Limited)
25 Moorgate
London
EC2R 6AY

Business and financial advisors Grant Thornton UK LLP
No 1 Dorset Street
Southampton
Hampshire
SO15 2DP

Independent auditor's report

Opinion

We have audited the financial statements of Vocational Training Charitable Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2022 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 July 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
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulation 2006 (as amended)

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 Vocational Training Charitable Trust'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' annual report, including the strategic report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether

the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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' annual report, including the strategic report, the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has 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 its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent 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 the 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 the 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

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

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.


Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is



removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 and section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005. 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.

JUDITH MILLER

Senior statutory auditor

December 2022

for and on behalf of Sayer Vincent LLP,
Statutory Auditor

Invicta House, 108-114 Golden Lane,
LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006



Financial statements

Vocational Training Charitable Trust

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(incorporating an income and expenditure account)

FOR THE YEAR ENDED 31 JULY 2022

				2022			2021
	Note	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
INCOME FROM							
Donations and grant Income	2	-	-	-	-	188,288	188,288
Charitable activities							
Qualification and assessment income and other educational income	3	10,976,084	-	10,976,084	9,243,083	-	9,243,083
Investments	4	167,814	-	167,814	174,846	-	174,846
Total income		11,143,898	-	11,143,898	9,417,929	188,288	9,606,217
EXPENDITURE ON							
Charitable activities							
Qualification and assessment costs	5	10,581,338	-	10,581,338	8,506,416	201,376	8,707,792
Investment managers' fees		57,616	-	57,616	57,899	-	57,899
Total expenditure		10,638,954	-	10,638,954	8,564,315	201,376	8,765,691
Net expenditure before net gains on investments	6	504,944	-	504,944	853,614	(13,088)	840,526
Net gains/(losses) on investments		(669,533)	-	(669,533)	1,342,383	-	1,342,383
Net income for the year and net movement in funds		(164,589)	-	(164,589)	2,195,997	(13,088)	2,182,909
Reconciliation of funds:							
Total funds brought forward		16,857,531	-	16,857,531	14,661,534	13,088	14,674,622
Total funds carried forward		16,692,942	-	16,692,942	16,857,531	-	16,857,531

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 20 to the financial statements.

BALANCE SHEETS

Company no. 2050044

AS AT 31 JULY 2022

	Note	THE GROUP		THE CHARITY	
		2022 £	2021 £	2022 £	2021 £
Fixed assets:					
Tangible assets	11	2,471,010	2,535,044	2,432,355	2,532,493
Intangible assets including goodwill	12	2,719,293	227,614	91,658	227,614
Investments	13	8,362,194	10,588,230	8,362,194	10,588,230
Investment in subsidiaries	14	-	-	4,172,158	1,019,509
		13,552,497	13,350,888	15,058,365	14,367,846
Current assets:					
Inventories	15	6,773	-	-	-
Debtors	17	1,927,768	1,358,610	1,721,343	1,249,267
Cash at bank and in hand		2,785,999	4,103,590	774,138	3,680,928
		4,720,540	5,462,200	2,495,481	4,930,195
Liabilities:					
Creditors: amounts falling due within one year	18	(1,580,095)	(1,955,557)	(1,196,290)	(1,854,341)
Net current assets		3,140,445	3,506,643	1,299,191	3,075,854
Total net assets		16,692,942	16,857,531	16,357,556	17,443,700
Funds					
Restricted income funds	20	-	-	-	-
Unrestricted income funds:					
General funds		16,692,942	16,857,531	16,357,556	17,443,700
Total unrestricted funds		16,692,942	16,857,531	16,357,556	17,443,700
Total funds		16,692,942	16,857,531	16,357,556	17,443,700

Approved by the trustees on 8 December 2022 and signed on their behalf by

JENNY SWORDER

Chairman

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2022

Reconciliation of net expenditure to net cash flow from operating activities

	2022	2021
	£	£
Net income/(expenditure) for the reporting period	(164,589)	2,182,909
(as per the statement of financial activities)	-	
Depreciation charges	159,512	155,376
Amortisation charges	404,144	775,338
Gains /(Loss) on investments	669,533	(1,342,383)
Dividends and interest from investments	(167,814)	(174,846)
Loss/(Profit) on the disposal of fixed assets	63	(605)
Increase in stocks	(6,773)	-
Increase in debtors	(569,158)	(577,029)
(Decrease) / Increase in creditors	(375,462)	1,199,274
Net cash provided by operating activities	(50,544)	2,218,034

	Note	2022		2021	
		£	£	£	£
Cash flows from operating activities					
Net cash used provided by/(used by) operating activities			(50,544)		2,218,034
Cash flows from investing activities:					
Dividends and interest from investments		167,814		174,846	
Proceeds from the sale of fixed assets		550		630	
Purchase of fixed assets		(53,446)		(32,078)	
Purchase of intangible assets		(6,387)		(37,264)	
Proceeds from sale of investments		2,465,348		1,658,623	
Purchase of investments		(1,122,354)		(1,797,078)	
Acquisition of subsidiary net of cash acquired		(2,932,081)		-	
Change in cash in investment portfolio		213,509		209,006	
Net cash used in investing activities			(1,267,047)		176,685
Change in cash and cash equivalents in the year			(1,317,591)		2,394,719
Cash and cash equivalents at the beginning of the year			4,103,590		1,708,871
Cash and cash equivalents at the end of the year			2,785,999		4,103,590

Notes to the financial statements

For the year ended 31 July 2022

1 Accounting policies

a) Statutory information

Vocational Training Charitable Trust is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office and operational address is Aspire House, Annealing Close, Eastleigh, Hampshire, SO50 9PX.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)- (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiaries, Education & Media Services Ltd, Skillsfirst Awards Ltd and Skillsfirst Holdings Ltd on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the group has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred

f) Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Dividend income receivable from the charity's investment portfolio is recognised when declared.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs of qualifications and assessments undertaken to further the purposes of the charity and their associated support costs
- Investment managers' fees represent amounts charged to manage the charity's investment portfolio

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Support costs are re-allocated to each of the activities on the following basis:

- Qualification and assessment costs 100%

Governance costs are re-allocated to each of the activities on the following basis which is the ratio of expenditure between activities:

- Qualification and assessment costs 100%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Intangible assets

Intangible assets include trademarks acquired, goodwill arising from the acquisition of business and trade assets, and cost incurred in developing software to be used by the company.

Software development is amortised over four years on a straight-line basis.

Trademarks acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the statement of financial activities using the straight line method over 10 years. This is the shorter of their estimated useful lives and periods of contractual rights.

Goodwill represents the difference between the cost of acquisition of business trade and the fair value of the net assets. Goodwill is recognised separately as intangible assets and carried at cost less accumulated amortisation. Goodwill is amortised over five years on a straight-line basis.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Freehold Land Not depreciated
- Buildings 2% straight line
- Property Improvements 5% straight line
- Fixtures 20% straight line
- Computer equipment and software 25% straight line

l) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be included within general funds in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

m) Investments in subsidiaries

Investments in subsidiaries are at cost.

n) Inventories

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. In general, cost is determined on a first in first out basis and includes transport and handling costs. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

q) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

r) **Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

s) **Pensions**

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of those contributions.

2 Income from donations and grant income

	2022			2021		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Government grant income CJRS*	-	-	-	-	188,288	188,288
*(Coronavirus Job Retention Scheme)						
	-	-	-	-	188,288	188,288

3 Income from charitable activities

	2022			2021		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Qualification and assessment income and other educational income	10,976,084	-	10,976,084	9,243,083	-	9,243,083
	10,976,084	-	10,976,084	9,243,083	-	9,243,083

4 Income from investments

	2022	2021
	Total	Total
	£	£
Smith & Williamson Investment Management	167,814	174,846
	167,814	174,846

5a Analysis of expenditure

Charitable activities

	Qualification and assessment costs	Support Costs	Governance Costs	2022 Total	2021 Total
	£	£	£	£	£
Staff costs (Note 7)	3,238,210	2,233,248	111,662	5,583,120	4,695,905
Verifier, examination fees & expenses	879,758	606,730	30,336	1,516,824	890,175
Premises costs	109,442	75,477	3,775	188,694	102,146
Telephone & fax	20,812	14,353	717	35,882	26,994
Postage, stationery & assessment materials	453,693	312,892	15,644	782,229	824,575
Other office costs	61,065	42,114	2,105	105,284	103,109
Travelling, meeting & committee expenses	181,778	125,364	6,268	313,410	122,593
Marketing & publicity	256,551	176,932	8,847	442,330	147,137
Legal & professional	28,504	19,658	984	49,146	56,125
Audit & accountancy	23,239	16,027	801	40,067	31,682
Depreciation	92,517	63,805	3,190	159,512	155,127
Amortisation	234,404	161,658	8,082	404,144	775,307
Profit on disposal of fixed assets	37	25	1	63	(604)
Bank charges & foreign exchange	15,494	10,686	534	26,714	23,855
Sundry expenses	78,493	54,133	2,706	135,332	57,239
ICT Hosting & support	431,760	297,766	14,888	744,414	679,883
Consultancy support	31,420	21,669	1,084	54,173	16,544
	6,137,177	4,232,537	211,624	10,581,338	8,707,792
Support costs	4,232,537	(4,232,537)	-	-	-
Governance costs	211,624	-	(211,624)	-	-
Total expenditure 2022	10,581,338	-	-	10,581,338	-
Total expenditure 2021	8,707,792	-	-	-	8,707,792

5b Analysis of expenditure (prior year)

Charitable activities

	Qualification and assessment costs	Support Costs	Governance Costs	2021 Total
	£	£	£	£
Staff costs (Note 7)	2,723,625	1,831,403	140,877	4,695,905
Verifier, examination fees & expenses	516,301	347,168	26,706	890,175
Premises costs	59,245	39,837	3,064	102,146
Telephone & fax	15,657	10,528	809	26,994
Postage, stationery & assessment materials	478,254	321,584	24,737	824,575
Other office costs	59,803	40,213	3,093	103,109
Travelling, meeting & committee expenses	71,104	47,811	3,678	122,593
Marketing & publicity	85,340	57,384	4,413	147,137
Legal & professional	32,553	21,889	1,683	56,125
Audit & accountancy	18,375	12,356	951	31,682
Depreciation	89,974	60,499	4,654	155,127
Amortisation	449,678	302,370	23,259	775,307
Profit on disposal of fixed assets	(350)	(236)	(18)	(604)
Bank charges & foreign exchange	13,836	9,303	716	23,855
Sundry expenses	33,199	22,323	1,717	57,239
ICT Hosting & support	394,332	265,154	20,397	679,883
Consultancy support	9,595	6,452	497	16,544
	5,050,521	3,396,038	261,233	8,707,792
Support costs	3,396,038	(3,396,038)	-	-
Governance costs	261,233	-	(261,233)	-
Total expenditure 2021	8,707,792	-	-	8,707,792

6 Net (expenditure)/ income for the year

This is stated after charging / (crediting):

	2022	2021
	£	£
Depreciation	159,512	155,127
Amortisation	404,144	775,307
Loss or (profit) on disposal of fixed assets	63	(604)
Operating lease rentals:		
Property	58,653	14,479
Other	62,758	66,023
Auditor's remuneration (excluding VAT):		
Audit	31,000	25,000
Other services	2,000	950
Foreign exchange (gains) or losses	(1,461)	3,548

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022	2021
	£	£
Salaries and wages	4,502,878	3,765,434
Redundancy and termination costs paid in the year	74,679	116,109
Social security costs	478,855	379,792
Employer's contribution to defined contribution pension schemes	301,500	258,398
Other forms of employee benefits	225,208	176,172
	5,583,120	4,695,905

The following number of employees received employee benefits (excluding employer pension costs and national insurance) during the year between:

	2022	2021
	No.	No.
£60,000 - £69,999	2	1
£70,000 - £79,999	2	1
£90,000 - £99,999	1	-
£100,000 - £109,999	-	1
£110,000 - £119,999	1	-
£120,000 - £129,999	-	1
£130,000 - £139,999	-	-
£140,000 - £149,999	-	-
£150,000 - £159,999	1	2
£170,000 - £179,999	1	-
£180,000 - £189,999	-	-
£190,000 - £199,999	1	1

The total employee benefits including pension contributions and employer's national insurance of the key management personnel were £1,013,068 (2021: £871,320)

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil) save as disclosed in note 9 below.

Trustees' expenses represents the payment or reimbursement of travel and subsistence totalling £10,707 (2021: £2,640) incurred by 12 (2021: 10) trustees relating to attendance at Board meetings.

Trustee indemnity insurance is now included within the charitable company's indemnity insurance.

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2022 No.	2021 No.
Qualifications and Assessment	122	94
Support	41	30
Governance	2	2
	165	126

9 Related party transactions

Related party transactions with the charity's subsidiary company are disclosed within note 14.

During the year the Charity engaged with Pure HR, a company owned by Trustee Stephanie Fosh, to provide HR consultancy. The Charity paid £6,800 whilst Stephanie was in post (2021: £5,875) for the consultancy service. All payments have been made prior to year end.

There are nil donations from related parties.

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiaries Education & Media Services Limited, Skillsfirst Awards Ltd and Skillsfirst Holdings Ltd will gift aid profits earned in year to the parent charity.

11 Tangible fixed assets

THE GROUP

	Freehold property £	Property Improvements £	Fixtures and fittings £	Computer equipment & Software £	Total £
Cost					
At the start of the year	1,289,458	1,889,769	136,756	1,172,778	4,488,761
Acquired with subsidiaries	-	-	26,424	492,638	519,062
Additions in year	-	-	745	52,701	53,446
Disposals in year	-	-	(15,679)	(373,353)	(389,032)
At the end of the year	1,289,458	1,889,769	148,246	1,344,764	4,672,237
Depreciation					
At the start of the year	131,883	594,860	130,567	1,096,407	1,953,717
Acquired with subsidiaries	-	-	21,314	455,104	476,418
Charge for the year	17,628	87,060	3,484	51,339	159,512
Eliminated on disposal	-	-	(15,679)	(372,740)	(388,419)
At the end of the year	149,511	681,920	139,686	1,230,110	2,201,228
Net book value					
At the end of the year	1,139,947	1,207,849	8,560	114,654	2,471,010
At the start of the year	1,157,575	1,294,909	6,189	76,371	2,535,044

Land with a value of £407,232 (2021: £407,232) is included within freehold property and not depreciated.

All of the above assets are used for charitable purposes.

THE CHARITY

	Freehold property £	Property Improvements £	Fixtures and fittings £	Computer equipment & Software £	Total £
Cost					
At the start of the year	1,289,458	1,889,769	136,756	1,160,610	4,476,593
Additions in year	-	-	745	47,109	47,854
Disposals in year	-	-	-	(2,915)	(2,915)
At the end of the year	1,289,458	1,889,769	137,501	1,204,804	4,521,532
Depreciation					
At the start of the year	131,883	594,860	130,567	1,086,789	1,944,099
Charge for the year	17,628	87,060	2,761	39,930	147,379
Eliminated on disposal	-	-	-	(2,302)	(2,302)
At the end of the year	149,511	681,920	133,328	1,124,417	2,089,176
Net book value					
At the end of the year	1,139,947	1,207,849	4,173	80,387	2,432,356
At the start of the year	1,157,575	1,294,909	6,189	73,821	2,532,494

12 Intangible fixed assets

THE GROUP

	Software & Resources £	Goodwill £	Trademarks £	Total 2022 £
Cost				
At the start of the year	1,511,408	4,720,540	4,800	6,236,748
Acquired with subsidiaries	496,260	-	-	496,260
Acquisition of subsidiary (note 14)	-	2,621,291	-	2,621,291
Additions in year	6,387	-	-	6,387
At the end of the year	2,014,055	7,341,831	4,800	9,360,686
Amortisation				
At the start of the year	1,285,434	4,720,540	3,160	6,009,134
Acquired with subsidiaries	228,115	-	-	228,115
Charge for the year	185,223	218,441	480	404,144
At the end of the year	1,698,772	4,938,981	3,640	6,641,393
Net book value				
At the end of the year	315,283	2,402,850	1,160	2,719,293
At the start of the year	225,974	-	1,640	227,614

Further information of the goodwill recognised on the purchase of Skillsfirst Holdings and Skillsfirst Awards is provided in note 14.

THE CHARITY

	Software & Resources £	Goodwill £	Trademarks £	2022 Total £
Cost				
At the start of the year	1,511,408	87,500	4,800	1,603,708
Additions in year	4,391	-	-	4,391
At the end of the year	1,515,799	87,500	4,800	1,608,099
Amortisation				
At the start of the year	1,285,434	87,500	3,160	1,376,094
Charge for the year	139,867	-	480	140,347
At the end of the year	1,425,302	87,500	3,640	1,516,442
Net book value				
At the end of the year	90,498	-	1,160	91,658
At the start of the year	225,974	-	1,640	227,614

13 Listed investments

	THE GROUP		THE CHARITY	
	2022 £	2021 £	2022 £	2021 £
Fair value at the start of the year	10,588,230	9,316,398	10,588,230	9,316,398
Additions at cost	1,122,354	1,797,078	1,122,354	1,797,078
Disposal proceeds	(2,465,348)	(1,658,623)	(2,465,348)	(1,658,623)
Change in cash in the portfolio	(213,509)	(209,006)	(213,509)	(209,006)
Net gain in fair value	(669,533)	1,342,383	(669,533)	1,342,383
Fair value at the end of the year	8,362,194	10,588,230	8,362,194	10,588,230

Listed investments comprise:

	THE GROUP		THE CHARITY	
	2022 £	2021 £	2022 £	2021 £
Property Funds	-	-	-	-
UK Common investment funds	2,659,637	3,256,017	2,659,637	3,256,017
Shares listed on the London Stock Exchange	1,529,076	2,040,863	1,529,076	2,040,863
Cash and short term deposits held by fund manager	468,774	839,806	468,774	839,806
Other Investments Including Overseas Equities, Alternatives and Multi-Asset	3,704,707	4,451,544	3,704,707	4,451,544
Fair value at the end of the year	8,362,194	10,588,230	8,362,194	10,588,230

14 Subsidiary undertakings

	THE CHARITY	
	2022	2021
	£	£
Investments held in subsidiary undertakings		
At the start of the year	1,019,509	1,422,095
Additions during the year	3,371,090	-
Amortisation recognised	(218,441)	(402,586)
At the end of the year	4,172,158	1,019,509

Education & Media Services Ltd

VTCT acquired the share capital of Education & Media Services Ltd (EMS) on 8 November 2016. The cost of acquisition along with associated professional support and advice totalled £5,600,049. The cost of the share capital was settled through a cash payment, with a retention amount paid in March 2017 based on EMS's performance. The goodwill has been fully amortised.

A summary of the results of the subsidiary shown below.

	2022	2021
	£	£
Turnover	2,481,082	2,140,524
Cost of sales	(410,276)	(253,007)
Gross profit	2,070,806	1,887,517
Administrative expenses	(1,196,052)	(976,622)
Operating profit / (loss)	874,754	910,895
Interest receivable	1,772	2,153
Profit on ordinary activities	876,526	913,048
Gift aid to parent undertaking	-	(967,131)
Profit/(Loss) for the period	876,526	(54,083)

The aggregate of the assets, liabilities and reserves was:

	2022	2021
	£	£
Assets	1,824,208	646,223
Liabilities	(514,342)	(217,629)
Reserves	1,309,866	428,594

During the year, intercompany charges were made from VTCT to EMS totalling £1,083,957 (2021: £886,379) for management time and support.

Skillsfirst Awards & Skillsfirst Holdings Limited

VTCT acquired the share capital of Skillsfirst Holdings who own Skillsfirst Awards Ltd on 3 March 2022. The cost of the acquisition along with associated professional support and advice totalled £3,371,090. The trustees consider the useful economic life of Skillsfirst Awards Ltd to be 5 years and the goodwill has will be amortised over this period.

The Net Assets of Skills first Awards Ltd at the date of acquisition were as follows;

	Book Values	Adjustment	Fair Value
	£	£	£
Fixed Assets	310,789	-	310,789
Stock	8,555	-	8,555
Trade Debtors	284,634	-	284,634
Other Debtors	102,895	-	102,895
Bank & Cash	187,244	-	187,244
Trade Creditors	(73,383)	-	(73,383)
Other Creditors	(70,935)	-	(70,935)
Total Net Assets	749,799	-	749,799
Goodwill arising on Acquisition			2,621,291
			3,371,090

Skillsfirst Holdings Limited

Skillsfirst Holdings Limited is non trading and therefore the balance sheet only is shown below.

The aggregate of the assets, liabilities and reserves was:

	2022	2021
	£	£
Assets	200,000	200,000
Liabilities	-	
Reserves	200,000	200,000

During the year there were no intercompany charges made from VTCT to Skillsfirst Holdings.

Skillsfirst Awards Limited

A summary of the results of the subsidiary shown below. The accounting date for Skillsfirst was 31st December therefore this year's results show for a 7 month period.

	7 month period to 31 July 2022	Pre acquisition to 31st December 2021
	£	£
Turnover	1,325,185	1,744,762
Cost of sales	(334,045)	(332,278)
Gross profit	991,140	1,412,484
Administrative expenses	(943,501)	(1,425,140)
Other operating income	-	79,986
Operating profit / (loss)	47,639	67,330
Interest receivable	41	1,028
Interest payable and similar charges	(1,299)	(3,299)
Profit on ordinary activities	46,381	65,059
Gift aid to parent undertaking	-	-
Profit/(Loss) for the period	46,381	65,059

Continued overleaf

The aggregate of the assets, liabilities and reserves was:

	2022 £	2021 £
Assets	1,110,664	968,452
Liabilities	(315,838)	(220,007)
Reserves	794,826	748,445

During the year, intercompany charges were made from VTCT to Skillsfirst Awards totalling £149,586 (2021: nil) for management time and support.

15 Inventories

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. In general, cost is determined on a first in first out basis and includes transport and handling costs. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

16 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2022 £	2021 £
Gross income	8,899,027	8,352,072
Net result for the year	(1,086,144)	2,236,992

17 Debtors

	THE GROUP		THE CHARITY	
	2022 £	2021 £	2022 £	2021 £
Trade debtors	1,290,543	890,878	762,156	715,814
Amounts due from other group entities	-	-	421,437	87,230
Other debtors and prepayments	637,225	467,732	537,750	446,223
	1,927,768	1,358,610	1,721,343	1,249,267

Other Debtors includes a non current debtor of £138k (2021: £144k) comprising of a loan made in 2014 to Truro & Penwith College contributing to the provision of specialist teaching facilities.

18 Creditors: amounts falling due within one year

	THE GROUP		THE CHARITY	
	2022 £	2021 £	2022 £	2021 £
Trade creditors	336,029	180,000	229,336	178,767
Taxation and social security	272,806	203,383	259,357	232,567
Other creditors	752,809	400,291	650,806	378,695
CBILs Loan	-	1,000,000	-	1,000,000
Deferred income (note 18)	218,451	171,883	56,791	64,312
	1,580,095	1,955,557	1,196,290	1,854,341

A £1,000,000 coronavirus business interruption loan (CBILs) in 2021 was repaid in full on 9/8/2021.

19 Deferred income

Deferred income comprises of payments received for qualification services supplied after the year end date.

	THE GROUP		THE CHARITY	
	2022 £	2021 £	2022 £	2021 £
Balance at the beginning of the year	171,883	152,995	64,312	45,711
Amount released to income in the year	(171,883)	(152,995)	(64,312)	(45,711)
Amount deferred in the year	218,451	171,883	56,791	64,312
	218,451	171,883	56,791	64,312

20a Analysis of group net assets between funds (current year)

	General unrestricted £	Restricted funds £	Total funds £
Tangible fixed assets	2,471,010	-	2,471,010
Intangible assets including goodwill	2,719,293	-	2,719,293
Investments	8,362,194	-	8,362,194
Net current assets	3,140,445	-	3,140,445
Net assets at 31 July 2021	16,692,942	-	16,692,942

20b Analysis of group net assets between funds (prior year)

	General unrestricted £	Restricted funds £	Total funds £
Tangible fixed assets	2,535,044	-	2,535,044
Intangible assets including goodwill	227,614	-	227,614
Investment properties	-	-	-
Investments	10,588,230	-	10,588,230
Net current assets	3,506,643	-	3,506,643
Long term liabilities	-	-	-
Defined benefit pension asset / (liability)	-	-	-
Net assets at 31 July 2021	16,857,530	-	16,857,530

21a Movements in funds (current year)

	At 1 August 2021 £	Income & net gains £	Expenditure & losses £	Transfers £	At 31 July 2022 £
Restricted funds					
Qualifications Wales	-	-	-	-	-
Government grant income CJRS*	-	-	-	-	-
*(Coronavirus Job Retention Scheme)	-	-	-	-	-
Unrestricted funds:					
General funds	16,857,531	11,143,898	(11,308,487)	-	16,692,942
Total unrestricted funds	16,857,531	11,143,898	(11,308,487)	-	16,692,942

The narrative to explain the purpose of each fund is given at the foot of the note below.

21b Movements in funds (prior year)

	At 1 August 2020 £	Income & net gains £	Expenditure & losses £	Transfers £	at 31 July 2021 £
Restricted funds					
Qualifications Wales	13,088	-	(13,088)	-	-
Government grant income CJRS*	-	188,288	(188,288)	-	-
*(Coronavirus Job Retention Scheme)					
	13,088	188,288	(201,376)	-	-
Unrestricted funds:					
General funds	14,661,534	9,417,929	(7,221,932)	-	16,857,531
Total unrestricted funds	14,661,534	9,417,929	(7,221,932)	-	16,857,531
Total funds	14,674,622	9,606,216	(7,423,308)	-	16,857,531

Restricted funds for the year comprise of:

Qualifications Wales – for Welsh translations of qualification materials and a short term appointment of a bilingual officer.

*Government Scheme – Coronavirus Job Retention Scheme (CJRS) - to cover a percentage of salary, pension and NI costs incurred for furloughed workers.

22 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment/Other	
	2022 £	2021 £	2022 £	2021 £
Less than one year	72,157	14,300	64,454	39,495
One to five years	230,167	16,327	92,844	26,308
More than 5 years	9,507	-	-	-
	311,831	30,627	157,298	65,803

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment/Other	
	2022 £	2021 £	2022 £	2021 £
Less than one year	47,534	-	61,046	39,495
One to five years	228,162	-	92,844	26,308
More than 5 years	9,506	-	-	-
	285,202	-	153,890	65,803

23 Post Balance Sheet Events

On the 1st August 2022 the transfer of business and assets of both Skillsfirst Holdings Ltd and Skillsfirst Awards Ltd were transferred to VTCT.

24 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.



vtct.org.uk



itecworld.co.uk



skillsfirst.co.uk

Aspire House
Annealing Close
Eastleigh
Hampshire
SO50 9PX
United Kingdom

T +44 (0) 23 8068 4500

E customersupport@vtct.org.uk

VOCATIONAL TRAINING CHARITABLE TRUST

England & Wales - Charity number 295192

Accounts

Company number: 2050044
Charity Commission number: 295192
OSCR number: SC049476

Vocational Training Charitable Trust

Report and financial statements
for the year ended 31 July 2021

Vocational Training Charitable Trust

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Vocational Training Charitable Trust

Reference and administrative information

For the year ended 31 July 2021

Company number 2050044
Country of incorporation United Kingdom

Charity number 295192
Country of registration England & Wales

Charity number SC049476
Country of registration Scotland

Registered office
and operational address Aspire House
Annealing Close
Eastleigh
Hampshire
SO50 9PX

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Jennifer Sworder	Appointed as Chair (from 03/12/2020)
Isabel Sutcliffe	Appointed as Vice Chair (from 03/12/2020)
Julian Glicher	Vice Chair (to 03/12/2020)
Andrew Mondon	Appointed 23/05/2021
Barbara Mitchell	
Jayne Lewis-Orr	
Katherine Quinn	Appointed 01/06/2021
Lesley Shepperson	Appointed 21/05/2021
Meri Huws	
Stephanie Barnett	
Stephanie Richardson	
Stephen Dennison	
Dr Christopher Laws	Resigned as Chair and Trustee on 03/12/2020

Key management personnel	Alan Woods OBE	Chief Executive
	Ashley Barnes	Deputy Chief Executive
	Janet Field	Chief Financial Officer (appointed 01/03/2021)
	Marcus Bull	Chief Commercial Officer (resigned 15/10/2021)
	Carina Fagan	Chief Academic Officer

Vocational Training Charitable Trust

Reference and administrative information

For the year ended 31 July 2021

Bankers	NatWest Bank Plc 34 Southampton Road Eastleigh Hampshire SO50 9XN
Solicitors	Blake Morgan LLP New Kings Court Tollgate Chandler's Ford Eastleigh SO53 3LG
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108-114 Golden Lane LONDON EC1Y 0TL
Investment manager	Smith & Williamson Investment Management Limited 25 Moorgate London EC2R 6AY
Business and financial advisors	Grant Thornton UK LLP No 1 Dorset Street Southampton Hampshire SO15 2DP

Vocational Training Charitable Trust

Trustees' annual report

For the year ended 31 July 2021

The trustees present their report and the audited financial statements for the year ended 31 July 2021.

This last year (2020/21) was an extremely challenging year for the education and skills sector with the coronavirus (COVID-19) pandemic continuing to impact the sector. Specifically, extraordinary measures were implemented by the qualification regulators throughout the UK and other agencies across the sector. We also implemented an organisational restructure of VTCT, to align with our coronavirus recovery strategy.

Despite these challenges we effectively and efficiently navigated the business, continuing to deliver our charitable purpose. Our continuing ability to provide support and services to all customers was only made possible by our talented, motivated, and dedicated workforce. The trustees would like to thank the whole of the VTCT team and other colleagues who support the organisation, as well as all centre staff for their continued support, professionalism, and commitment in what has been another challenging year. As designated key workers, they should be proud of their continuing efforts to support providers and learners.

The support that VTCT has been able to give to beneficiaries has only been possible because of the dedication and sheer hard work of everyone involved. We very much look forward to next year and the implementation of the new 2021–26 corporate strategy 'Leading. Growing. Supporting', which has been developed with our staff. This strategy will ensure we continue to support centres to recover from the impact of the coronavirus, ensuring learners continue to receive an outstanding experience, while pursuing a range of exciting growth initiatives through the delivery of our core activities of awarding, assessment, accreditation, research, and digital education. This growth of the organisation is significantly aided by VTCT being successful in its partnership bid with the Awarding Organisation NCFE to Department for Education, to design and deliver the new government T-Level in Hairdressing and Beauty Therapy for delivery from 2023.

Reference and administrative information set out on pages 1 and 2 form part of this report. The financial statements comply with current statutory requirements, the articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102. This trustees' annual report includes a directors' report as required by company law."

Objectives and activities

Purposes and aims

VTCT is the UK's leading specialist technical and professional awarding organisation and examination/ apprenticeship assessment board for the hairdressing and beauty therapy sector. It also has a growing presence in other sectors, including sport, leisure and fitness, aesthetics and learning and development. VTCT operates within all these sectors in over fifty countries worldwide.

Vocational Training Charitable Trust

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The charity's objects, being for the public benefit throughout the United Kingdom and Internationally, are the advancement of education by:

- a. assessment of education and skills for accreditation
- b. setting standards of education and skills as an awarding and assessment organisation
- c. the promotion of skills and knowledge for vocational and technical employment
- d. advancing digital research and other educational techniques

The strategies employed to achieve the charity's aims and objectives are:

- 1) Supporting recovery: Embracing digital, advanced analytics incorporating large data sets and relationship marketing to develop credible insight into customer need, building loyalty and supporting centre growth and learner achievement.
- 2) Driving growth: Co-creating new products and services with customers and key stakeholders, whilst also strengthening our position in hairdressing and barbering.
- 3) Leading Technical Education: Inclusively innovating and leading technical education in the hair, beauty, and aesthetics sector, engaging more centres and learners through high-stakes qualifications.

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to support and achieve their qualification ambition. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Strategic report

Achievements and performance

The charity's main activities and whom it seeks to support are described below. All of its charitable activities focus on providing learners with the skills and qualifications necessary to obtain employment or to become self-employed; or to enable learners to add to their skills and knowledge, thereby improving their career prospects or progression to a higher level of education. All charitable activities are undertaken to further VTCT's purpose of advancing education for public benefit.

The trustees consider a variety of key performance indicators and targets when considering how the organisation has performed, including the number of new learners and newly approved and

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active centres. In 2020/21 learner registrations increased significantly to 166,796 (2019/20: 92,239). This increase should be noted with caution given the detrimental impact of the coronavirus on 2019/20 learner registrations. However, this is still a significant increase versus the 111,014 learner registrations seen in 2018/19. VTCT continues to be the largest market share holder of the hair and beauty awarding market, increasing to 58.5% in 2021 (2019/20: 54.5%).

The trustees review the ongoing regulatory status of VTCT with qualification regulators and compliance against regulatory conditions and principles. VTCT is audited by Ofqual and other regulators and self-assesses against Ofqual's "General Conditions of Recognition," the Vocational and Technical Qualification (VTQ) Contingency Regulatory Framework and other regulatory principles and documents from other UK regulators. The trustees consider the various regulators' audit findings as positive and demonstrate the ongoing success and compliance of VTCT.

The 2020/21 academic year was the second successive year to be impacted by the coronavirus, given global and regional 'lockdowns', closure of education and training providers and businesses, ongoing restrictions related to social distancing and other public health measures. VTCT was supported by Ofqual and other regulators during this period in the implementation of a range of risk mitigation strategies to ensure the reliable, accurate and timely award of qualification results to enable learners to progress to the next stage of their learning journey. These strategies included awarding qualifications based on Teacher Assessed Grades and previously Centre Assessed Grades which were quality assured by VTCT, as well as adapted assessments. These adaptations were permitted under the Vocational Contingency Regulatory Framework (VCRF) published by Ofqual and approved by CCEA Regulation, Scottish Qualifications Authority and Qualifications Wales.

VTCT continues to contribute to policy implementation groups set up by Ofqual, including the Vocational and Technical Qualifications Oversight Board which consists of senior representatives from Ofqual and regulators in Wales, Northern Ireland and Scotland, the Department for Education, the Federation of Awarding Bodies (FAB), Joint Council for Qualifications and a small selection of awarding organisations.

The Apprenticeship End Point Assessment (EPA) activity was once again interrupted by lockdown restrictions and sector closures over the last year. VTCT worked with colleagues at the Institute for Apprenticeships and Technical Education and the regulator Ofqual, to agree COVID-19 flexibilities and dispensations for apprentices affected by pandemic disruption to their learning and assessment plans. Despite the disruption, most apprentices were able to complete their apprenticeships as planned. VTCT continues to seek additional approvals from the Education and Skills Funding Agency to offer EPA services for additional standards. These additional apprenticeship standards, including those in Hairdressing, will allow VTCT to support and assess apprentices to develop a repertoire of skills to enable them to gain valuable employment.

Technical education reforms continue in England, and in particular the awarding of exclusive sector licences to deliver T-Level qualifications in Further Education. VTCT partnered with NCFE, a large, general awarding organisation based in Newcastle to collaboratively produce a bid for the

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Hairdressing and Beauty Therapy contract. We were informed in September 2021 that we had been successful in our joint bid with NCFE. VTCT will develop the technical content of the qualification ready for delivery in colleges and schools from September 2023.

VTCT continued its focus on the continual improvement of the quality of its provision and maintained its external accreditations (ISO27001 Information Security; ISO9001 Quality Management; Cyber Security Essentials Plus) while also achieving the Investors in People Silver Award. These accreditations will ensure VTCT continues to maintain the high quality of its provision, whilst safeguarding the charity's information assets. The Investor in People Award continues our strong desire to invest in our staff and this has been further developed over the past year with a new Learning and Development Manager position, Employee Engagement Manager and a renewed focus on equality, diversity, and inclusion. Over the next year, VTCT is planning a major upgrade of its CRM platform, in addition to streamlining and, where possible automating, many of the business processes concerned with customer on-boarding and retention. There are also plans to embrace big-data more extensively to better understand our customers' needs and to inform decision making, specifically those related to the development of new products and services. VTCT continues to enhance the quality of its data, enabling better decision making and tailored marketing campaigns, focusing specifically on customer needs and benefits sought.

VTCT now has staff working internationally in both business development and quality assurance roles in Australia, Africa, South-East Asia and Hong Kong, and continues to support its centres in South Africa through its office and staff in Johannesburg. The office in Ireland services not only Irish centres who deliver our qualifications, but also acts as our European hub.

The VTCT Skills Advisory Board (SAB) is a VTCT sponsored advisory panel that brings together the industry leaders and employers with our sector awarding teams. The SAB helps VTCT to better understand the current and future skills needs, and to shape, review and design our qualifications. This direct industry expert advice enables VTCT to ensure that our vocational and technical qualifications align with current employment opportunities and employer needs. The VTCT SAB strengthens the partnership that VTCT has directly with employers, as the market leading awarding and assessment organisation in the sector. We are seeking to extend this approach to include an array of consortia, which cover each of our major consumer segments to drive intelligence and inform our approach.

Beneficiaries of our services

We consider the beneficiaries of our services to be the learners undertaking study or apprenticeships with our approved training providers, which includes, schools, further education colleges and private training providers. We measure the benefit provided through both the number of learners on active programmes and the number achieving a regulated qualification. During the year, 70,395 (2020: 44,489) learners were awarded with a regulated VTCT qualification and 22,089 (2020: 13,055) learners were awarded a regulated iTEC qualification, which are our primary, but not exclusive, international branded qualifications.

Financial review

The trustees are pleased with the outturn for the financial year given the continuation of the difficult circumstances faced in the period under review. While a surplus of £2.183m (2020: deficit £2.755m) is reported, this is after accounting for the amortisation of historic acquisitions (£403k annual impairment). The total reserves of the Group are £16.9m, (2020: £14.7m) with free reserves within the range specified within the charity's reserves policy.

Total operating income exceeded previous year by £1.295m which was a result of centres starting to recover from the effects of the pandemic and new income generated from the infection control qualifications. These were developed in response to the pandemic and deemed essential to enable centres and salons to maintain the necessary protocols to carry on teaching. VTCT also benefited from a government grant of £188k under the Coronavirus Job Retention Scheme.

Qualification and Assessment income for the year was up on previous year by 18% to £8.439m and Apprenticeship End Point Assessment income increased by 22% to £327k, despite the effects of the lockdown periods. The trustees consider this is an excellent result given the challenges faced.

Operational expenditure fell by 6% to £7.796m (2020: £8.291m). This was due to the regional travel restrictions preventing centre visits and planned marketing events being cancelled due to the pandemic, and also to the benefit of the grant referred to above.

The second year of our bursary scheme has been well received by centres. The bursaries are being used to enhance the learners' journey in many different ways from paying for guest speakers to come into the centres conducting master classes to paying for student kits. We are seeing more students struggling financially after the pandemic and the programme has given them the opportunity to follow in their chosen career without the challenge of the financial burden. The grants and bursary programme also allows the charity to promote its products and services to a wider group of centres and learners. Due to the success of the scheme VTCT have doubled the contribution under the scheme to £150,000 in 2021/22.

Income from investments fell by 7% to £175k but the value of the investment portfolio increased. Investment funds are held under discretionary management with a total return mandate, as detailed below.

The investment portfolio increased in value recovering the losses sustained in the previous year, with net gains in the year of £1.342m. The trustees highlight that the expenditure during the year includes amortisation of £403k for the historic acquisition of iTEC, which was a non-cash transaction. Net cash provided by operating activities was £2.218m (2020: £281k) and the net cash increase after managed fund investment activities in the year was £2.395m (2020: £339k) with a closing cash balance of £4.1m. This included a £1m coronavirus business interruption loan (CBILS) received from NatWest Bank in September 2020. This has subsequently been repaid in August 2021.

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Despite another challenging year VTCT remains in a strong position with continued investment in the charity to improve the quality and range of education provision and benefit to learners.

Investment policy and objectives

VTCT operates a total return approach to its investment portfolios. Under the articles of association, the Charity has the power to invest monies not immediately required for the furtherance of its objects in or upon such investments as may be thought fit. The trustees delegate the investment management to external investment managers (Smith & Williamson Investment Management), whose performance is monitored by the Board of Trustees and the Finance and Audit Committee.

Portfolio performance is measured against the performance of the WMA Balanced (TR) Index (formally APCIMS) and the FTSE 100. The target return set for the investment portfolio was a total return of CPI + 1.5%. Year on year CPI at July 2021 was 0.7% leading to a total return target of 2.2% for the year. Due to the recovery of the effects of the coronavirus, performance was significantly up with a positive return of 6% over the year.

The minimal investment (£11k) held in the COIF Property Fund was liquidated in full and funds transferred to the bank.

Following a review last year of the investment portfolio and the charity's approach to asset risk, the trustees have amended the mandate for the SWIM investment portfolio from a Balanced Approach to a Conservative Approach. The trustees anticipate that this will reduce the level of volatility exposure within the portfolio by a reduced investment in equities.

Principal risks and uncertainties

VTCT will continue to respond to the government's programme of education and skills agenda, specifically, technical and professional education reform. In parallel, VTCT will continue to support centres throughout this unprecedented and uncertain period given the impact of the coronavirus pandemic.

VTCT's principle risks are captured on the Corporate Risk Register and updated and regularly reviewed by the Finance and Audit Committee. They are risk rated and mitigations put in place where possible.

T (Technical) Levels

In September 2021, the Institute for Apprenticeships and Technical Education (IfATE) awarded the contract for the T Level in Hairdressing and Beauty Therapy. As the lead AO and market share holder of the UK qualifications we are delighted in the success of our bid, in partnership with the educational charity NCFE, who were awarded the contract to deliver the T Level in this pathway. The public sector, in particular Further Education colleges, contribute significantly to VTCT's overall income and it is vital that this revenue stream is maintained for the foreseeable future with the award of this contract. It is imperative that all milestones set by IfATE are met to enable delivery of the qualification in 2023. We have taken steps to ensure we have the resources to mitigate the risk of not meeting our obligations under our partnership.

Whilst the Further Education sector is a significant contributor to VTCT's income, the UK and global private segments are also important markets for VTCT and will continue to be supported with a strong focus on customer service, with specific market segments targeted to contribute to overall growth.

Coronavirus pandemic

The coronavirus pandemic continues to challenge the global economy on an unprecedented scale. More specifically, the impact and disruption on the education and skills sector has been significant. Despite this impact, there is a feeling that the sector is now in a period of recovery and is returning to some sort of normality, which is the result of a widespread vaccination programme in the UK. Schools and colleges in general, have resumed, many of which continue to observe social distancing measures and/or require students to wear masks. Perhaps the biggest shift concerns qualification delivery whereby many colleges and training providers are now delivering blended learning programmes using technology. This mass migration towards embracing digital is now becoming commonplace and more natural to providers who were initially forced to change their delivery models at speed. Providers continue to develop and improve these solutions to ensure learners receive a high-quality learning experience. The move to on-line teaching has been a significant challenge to vocational learning and one in which our relationship with our on-line learning platform partner Pivot Point has been key to our organisational success.

Notwithstanding the ongoing risk of further national and regional lockdowns, the future impact of the coronavirus now appears to be lower and more manageable based on the lessons learned over the last 18 months. However, VTCT continues to maintain sufficient resources to support and protect learners. It also has sufficient reserves and liquidity in excess to what might be required to manage this risk. But challenges remain for the near future because of the pandemic.

VTCT has developed a range of digital products and platforms, such as Pivot Point to support its customers through this challenging period. However, given the technical nature of many personal services qualifications, where human contact is a necessity, face-to-face assessments remain a formal requirement.

Impact of changes in Government policy

VTCT continues to monitor changes in Government policy and spending as many VTCT centres draw funding from public funds and there is a risk that change in policy could have an adverse effect on income.

Reserves policy and going concern

On 31 July 2021 the Charity and the Group had reserves totalling £17.4m (2020: £15.2m) and £16.9m (2020: £14.7m), respectively. Free reserves for the Charity and the Group totalled £13.6m (2020: £10.6m) and £14.1m (2020: £11m) respectively. There were no Reserves held in restricted funds (2020: £13k). The trustees consider the level of reserves to be appropriate to support the ongoing activities of the Charity.

The VTCT Reserves Policy targets a free reserves range of £9.1m to £16.6m. The reserves range is calculated to enable the charity to mitigate the financial impact of a significant disruption to charitable activities and to allow the trustees to ensure funds are available for current commitments and obligations. The trustees are pleased to report that the reserves level continues to sit within the ranges set out in the policy.

Furthermore, the trustees acknowledge that VTCT has an indirect reliance on public funding as Further Education colleges and private training providers are funded by government and associated bodies. VTCT's income is thus partially reliant on this funding, which exposes the charity to government policy changes and any government spending changes. Ensuring reserves are maintained in line with the reserves policy enables VTCT to continue to diversify its income sources through increasing private training provision, higher-level qualification development, apprenticeship assessment and international activity, both through organic growth as well as through partnership / joint venturing and acquisition. The trustees confirm that they conclude VTCT is a going concern as appropriate for the 2020/21 statutory accounts.

Plans for the future

Our new vision and strategy entitled, 'Leading. Growing. Supporting', focuses on building on our core purpose of advancing education, providing a direct line of sight to a job to more learners, and improving career prospects. We are acutely aware that the coronavirus will continue to threaten education and skills and, specifically, our core sector areas of hair, beauty, aesthetics, and sport – as they are often the first industries required to lockdown and amongst the very last to open.

The need for us to continue to support our learners, apprentices and centres in this initial post-pandemic recovery phase is the most significant thread of our actions. While delivering this support to the best of our ability, we are also navigating various external factors, including political reform and increasing challenges from new competitors and alternative provision. In response to these challenges, we will extend our reach to new learners by diversifying our current apprenticeship offer, championing higher-level qualifications and supporting a range of other

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exciting initiatives.

Over the course of the next year VTCT will continue to support centres to recover from the impact of the coronavirus. In parallel, the company is working in partnership with a range of stakeholders to develop a range of new products and services while building stronger relationships as the business focusses on providing a best-in-class customer service; listening, supporting and responding to customer needs and demands.

Specifically, VTCT will work towards the following strategic pillars:

Supporting recovery: Embracing digital, big-data and relationship marketing to develop credible insight into customer need, building loyalty and supporting centre growth and learner achievement.

Driving Growth: Co-creating new products and service with customers and key stakeholders and strengthening our position in hairdressing and barbering.

Leading technical education: Inclusively innovating and leading technical education in the hair, beauty and aesthetics sector, engaging more centres and learners through high-stakes qualifications.

Structure, governance and management

The charity is committed to a continuous programme of governance review and improvement. The trustee board has reviewed the Charity Governance Code for Large Charities and how it applies to VTCT. The trustees have formally adopted the Code and, for each of the seven principles, to apply the Code and ensure that VTCT policies are updated to reflect current practice.

VTCT is a company limited by guarantee, incorporated in 1986 under the Companies Act 1985, and registered under the Charities Act 2011 on 30 September 1986.

VTCT registered with the Office of the Scottish Charity Regulator, on 25 July 2019.

The company's Articles of Association were updated on 13 July 2020.

All trustees give their time voluntarily and, save as disclosed below, receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 6 to the accounts.

Appointment of trustees

The number of trustees is not limited by the charity's Articles of Association. However, the level of reform taking place in the educational sector together with the growing complexity of VTCT as an organisation means the trustees consider the optimum number of trustees to be up to fifteen, to reflect the skill sets required by trustees based on an annual skills assessment of the Board.

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In line with good practice the charity will continue to seek and appoint trustees with appropriate skills for strong governance. New trustees are sought by advertising and by more informed methods of search; promising candidates are interviewed by trustees and briefed by senior staff.

Trustee induction and training

New trustees undergo an induction period to brief them on their obligations under charity and company law, the content of the Articles of Association, the committee structure and decision-making process, the operational strategy, current issues and recent financial performance of the charity. During the induction they meet key employees and other trustees. Trustees attend board workshops and appropriate external training events where these will facilitate the undertaking of their role. Examples of these include investment management and governance.

Trustees and Governance

Under the terms of the articles, Trustees may be appointed for a maximum of three three-year terms. This period of service as Trustee may be extended upon appointment as Chair.

Jenny Sworder was appointed Chair of VTCT in December 2020 and brings with her 8 years of service as Trustee of VTCT, as well as considerable experience in the commercial and retail sectors in her earlier career. We welcome Jenny's appointment as Chair and Isabel Sutcliffe's appointment as Vice Chair. We also welcome the appointment of Katherine Quinn, Andrew Mondon and Lesley Shepperson to the trustee board.

Following Jenny's appointment as Chair, the trustees have now reviewed the trustee governance of VTCT and have established the following committees to strengthen VTCT governance and trustee oversight:

Remuneration Committee:	Chair – Jayne Lewis–Orr
Regulatory Committee:	Chair – Isabel Sutcliffe
Finance and Audit Committee:	Chair – Julian Glicher

During the period under review, Dr Chris Laws resigned as Chair and Trustee, and we thank him for his valuable contributions.

Related parties and relationships with other organisations

VTCT has five wholly owned subsidiaries:

- 1) Action for Lifelong Learning Ltd (Dormant)
- 2) Vocational Awards International Ltd (Dormant)
- 3) Digital Assess Software Ltd, trading as Digital Assess (Dormant)
- 4) Education & Media Services Ltd (Active), trading as iTEC
- 5) Guild Of Hair, Beauty And Wellbeing Professionals Ltd (Dormant)

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During the year the VTCT engaged with Pure HR, a company owned by trustee Stephanie Barnett, to provide HR consultancy. The Charity has paid £5,875 (2020: £4,291) for the HR consultancy service.

The share capital of Education & Media Services Ltd was acquired on 8 November 2016. Any transactions and management charges between VTCT and Education & Media Services Ltd are supported by a Shared Services Agreement and are on an arm's length basis.

Remuneration policy for key management personnel

Key management personnel are remunerated based on an assessment of market rates applicable for the role. Salary benchmarking is undertaken using the Korn Ferry Hay salary data sets and all key staff have had their roles independently reviewed by Korn Ferry Hay and are remunerated within the banded scales.

Fundraising compliance

Under the fundraising reporting requirements for The Charities (Protection and Social Investment) Act 2016 the Charity confirms that it does not engage in public fundraising and does not use professional fundraisers or commercial participators. The Charity has not received any complaints relating to the Act during the year.

Statement of responsibilities of the trustees

The trustees (who are also directors of Vocational Training Charitable Trust for the purposes of company law) are responsible for preparing the trustees' annual report, including the strategic 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 that give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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The trustees are responsible for keeping adequate 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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.

Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 July 2021 was 13 (2020: 13). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 2 December 2021 and signed on their behalf by

Jenny Sworder
Chair

Independent auditor's report

To the members of

Vocational Training Charitable Trust

Opinion

We have audited the financial statements of Vocational Training Charitable Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 July 2021 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 July 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulation 2006 (as amended)

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 Vocational Training Charitable Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Independent auditor's report

To the members of

Vocational Training Charitable Trust

Other Information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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' annual report, including the strategic report, the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has 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 its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

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

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

Independent auditor's report

To the members of

Vocational Training Charitable Trust

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent 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 the 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 the 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

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Independent auditor's report

To the members of

Vocational Training Charitable Trust

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Independent auditor's report

To the members of

Vocational Training Charitable Trust

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. 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.

Judith Miller (Senior statutory auditor)

8 February 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Vocational Training Charitable Trust

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 July 2021

	Note	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Income from:							
Donations and grant Income	2	–	188,288	188,288	–	565,129	565,129
Charitable activities							
Qualification and assessment income and other educational income	3	9,243,083	–	9,243,083	7,895,250	–	7,895,250
Investments	4	174,846	–	174,846	188,601	–	188,601
Total income		9,417,929	188,288	9,606,217	8,083,851	565,129	8,648,980
Expenditure on:							
Charitable activities							
Qualification and assessment costs	5	8,506,416	201,376	8,707,792	10,310,697	552,041	10,862,738
Investment managers' fees		57,899	–	57,899	52,978	–	52,978
Total expenditure		8,564,315	201,376	8,765,691	10,363,675	552,041	10,915,716
Net expenditure before net gains on investments	6	853,614	(13,088)	840,526	(2,279,824)	13,088	(2,266,736)
Net gains/(losses) on investments		1,342,383	–	1,342,383	(487,838)	–	(487,838)
Net income for the year and net movement in funds		2,195,997	(13,088)	2,182,909	(2,767,662)	13,088	(2,754,574)
Reconciliation of funds:							
Total funds brought forward		14,661,534	13,088	14,674,622	17,429,196	–	17,429,196
Total funds carried forward		16,857,531	–	16,857,531	14,661,534	13,088	14,674,622

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 20 to the financial statements.

Vocational Training Charitable Trust

Balance sheets

Company no. 2050044

As at 31 July 2021

	Note	The group 2021 £	2020 £	The charity 2021 £	2020 £
Fixed assets:					
Tangible assets	11	2,535,044	2,658,367	2,532,493	2,653,397
Intangible assets including goodwill	12	227,614	965,688	227,614	563,102
Investments	13	10,588,230	9,316,398	10,588,230	9,316,398
Investment in subsidiaries	14	–	–	1,019,509	1,422,095
		13,350,888	12,940,453	14,367,846	13,954,992
Current assets:					
Debtors	16	1,358,610	781,581	1,249,267	763,139
Cash at bank and in hand		4,103,590	1,708,871	3,680,928	1,119,229
		5,462,200	2,490,452	4,930,195	1,882,368
Liabilities:					
Creditors: amounts falling due within one year	17	(1,955,557)	(756,283)	(1,854,341)	(630,652)
		3,506,643	1,734,169	3,075,854	1,251,716
Net current assets		3,506,643	1,734,169	3,075,854	1,251,716
Total net assets		16,857,531	14,674,622	17,443,700	15,206,708
Funds:					
Restricted income funds	19	–	13,088	–	13,088
Unrestricted income funds:					
General funds		16,857,531	14,661,534	17,443,700	15,193,620
Total unrestricted funds		16,857,531	14,661,534	17,443,700	15,193,620
Total funds		16,857,531	14,674,622	17,443,700	15,206,708

Approved by the trustees on 2 December 2021 and signed on their behalf by

Jenny Sworder
Chairman

Vocational Training Charitable Trust

Consolidated statement of cash flows

For the year ended 31 July 2021

Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	2,182,909	(2,754,574)
Depreciation charges	155,376	167,651
Amortisation charges	775,338	2,063,102
Gains on investments	(1,342,383)	487,838
Dividends and interest from investments	(174,846)	(188,601)
(Profit) / Loss on the disposal of fixed assets	(605)	(37)
(Increase) / Decrease in debtors	(577,029)	677,652
Increase / (Decrease) in creditors	1,199,274	(171,830)
Decrease in long term creditors	-	-
Net cash provided by operating activities	2,218,034	281,201

	Note	2021 £	£	2020 £	£
Cash flows from operating activities					
Net cash used provided by/(used by) operating		2,218,034		281,201	
Cash flows from investing activities:					
Dividends and interest from investments		174,846		188,601	
Proceeds from the sale of fixed assets		630		1,673	
Purchase of fixed assets		(32,078)		(28,736)	
Purchase of intangible assets		(37,264)		(112,322)	
Proceeds from sale of investments		1,658,623		5,343,209	
Purchase of investments		(1,797,078)		(4,911,957)	
Change in cash in investment portfolio		209,006		(422,344)	
Net cash used in investing activities		176,685		58,124	
Change in cash and cash equivalents in the year		2,394,719		339,325	
Cash and cash equivalents at the beginning of the year		1,708,871		1,369,546	
Cash and cash equivalents at the end of the year		4,103,590		1,708,871	

Vocational Training Charitable Trust

Notes to the financial statements

For the year ended 31 July 2021

1 Accounting policies

a) Statutory information

Vocational Training Charitable Trust is a charitable company limited by guarantee and is incorporated in the United Kingdom.

The registered office and operational address is Aspire House, Annealing Close, Eastleigh, Hampshire, SO50 9PX.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)– (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary, Education & Media Services Ltd, on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that despite the impact of COVID-19 on the Income there are no material uncertainties about the charitable company's ability to continue as a going concern. The Charity have addressed the anticipated reduced income in the next reporting period by restructuring and therefore reducing the operating costs.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the group has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred

f) Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Dividend income receivable from the charity's investment portfolio is recognised when declared.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

1 Accounting policies (continued)

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs of qualifications and assessments undertaken to further the purposes of the charity and their associated support costs
- Investment managers' fees represent amounts charged to manage the charity's investment portfolio

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Support costs are re-allocated to each of the activities on the following basis:

- Qualification and assessment costs 100%

Governance costs are re-allocated to each of the activities on the following basis which is the ratio of expenditure between activities:

- Qualification and assessment costs 100%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Intangible assets

Intangible assets include trademarks acquired, goodwill arising from the acquisition of business and trade assets, and cost incurred in developing software to be used by the company.

Software development is amortised over four years on a straight-line basis.

Trademarks acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the statement of financial activities using the straight line method over 10 years. This is the shorter of their estimated useful lives and periods of contractual rights.

Goodwill represents the difference between the cost of acquisition of business trade and the fair value of the net assets. Goodwill is recognised separately as intangible assets and carried at cost less accumulated amortisation. Goodwill is amortised over five years on a straight-line basis.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- | | |
|-----------------------------------|-------------------|
| ● Freehold Land | Not depreciated |
| ● Buildings | 2% straight line |
| ● Property Improvements | 5% straight line |
| ● Fixtures | 20% straight line |
| ● Computer equipment and software | 25% straight line |

l) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be included within general funds in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

Vocational Training Charitable Trust

Notes to the financial statements

For the year ended 31 July 2021

1 Accounting policies (continued)

m) Investments in subsidiaries

Investments in subsidiaries are at cost.

n) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

p) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

q) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

r) Pensions

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of those contributions.

2 Income from donations and grant income

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Qualification Wales grant income	-	-	-	-	52,354	52,354
Government grant income CJRS* (Coronavirus Job Retention Scheme)	-	188,288	188,288	-	512,775	512,775
	-	188,288	188,288	-	565,129	565,129

3 Income from charitable activities

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Qualification and assessment income and other educational income	9,243,083	-	9,243,083	7,895,250	-	7,895,250
	9,243,083	-	9,243,083	7,895,250	-	7,895,250

4 Income from investments

	2021 Total £	2020 Total £
Smith & Williamson Investment Management	174,846	164,161
CCLA – COIF Property Fund	-	24,440
	174,846	188,601

Vocational Training Charitable Trust

Notes to the financial statements

For the year ended 31 July 2021

5a Analysis of expenditure

	Charitable activities			2021 Total £	2020 Total £
	Qualification and assessment costs £	Support Costs £	Governance Costs £		
Staff costs (Note 7)	2,723,625	1,831,403	140,877	4,695,905	4,851,988
Verifier, examination fees & expenses	516,301	347,168	26,706	890,175	1,203,320
Premises costs	59,245	39,837	3,064	102,146	116,337
Telephone & fax	15,657	10,528	809	26,994	36,673
Postage, stationery & assessment materials	478,254	321,584	24,737	824,575	660,938
Other office costs	59,803	40,213	3,093	103,109	106,839
Travelling, meeting & committee expenses	71,104	47,811	3,678	122,593	291,497
Marketing & publicity	85,340	57,384	4,413	147,137	245,049
Legal & professional	32,553	21,889	1,683	56,125	57,879
Audit & accountancy	18,375	12,356	951	31,682	30,656
Depreciation	89,974	60,499	4,654	155,127	167,614
Amortisation	449,678	302,370	23,259	775,307	2,063,139
Profit on disposal of fixed assets	(350)	(236)	(18)	(604)	(37)
Bank charges & foreign exchange	13,836	9,303	716	23,855	64,256
Sundry expenses	33,199	22,323	1,717	57,239	196,797
ICT Hosting & support	394,332	265,154	20,397	679,883	694,084
Consultancy support	9,595	6,452	497	16,544	75,709
	5,050,521	3,396,038	261,233	8,707,792	10,862,738
Support costs	3,396,038	(3,396,038)	-	-	-
Governance costs	261,233	-	(261,233)	-	-
Total expenditure 2021	8,707,792	-	-	8,707,792	-
Total expenditure 2020	10,862,738	-	-	-	10,862,738

Vocational Training Charitable Trust

Notes to the financial statements

For the year ended 31 July 2021

5b Analysis of expenditure (Prior year)

	Charitable activities			2020
	Qualification and assessment costs	Support Costs	Governance Costs	Total
	£	£	£	£
Staff costs (Note 7)	2,862,673	1,892,275	97,040	4,851,988
Verifier, examination fees & expenses	1,203,320	-	-	1,203,320
Premises costs	68,639	45,371	2,327	116,337
Telephone & fax	21,637	14,302	734	36,673
Postage, stationery & assessment materials	389,954	257,766	13,218	660,938
Other office costs	63,035	41,667	2,137	106,839
Travelling, meeting & committee expenses	171,984	113,684	5,829	291,497
Marketing & publicity	144,579	95,569	4,901	245,049
Legal & professional	34,149	22,573	1,157	57,879
Audit & accountancy	-	-	30,656	30,656
Depreciation	98,892	65,369	3,353	167,614
Amortisation	1,217,252	804,624	41,263	2,063,139
Profit on disposal of fixed assets	(22)	(15)	-	(37)
Bank charges & foreign exchange	37,911	25,060	1,285	64,256
Sundry expenses	116,110	76,751	3,936	196,797
ICT Hosting & support	409,510	270,693	13,881	694,084
Consultancy support	44,668	29,526	1,515	75,709
	6,884,291	3,755,215	223,232	10,862,738
Support costs	3,755,215	(3,755,215)	-	-
Governance costs	223,232	-	(223,232)	-
Total expenditure 2020	10,862,738	-	-	10,862,738

Vocational Training Charitable Trust

Notes to the financial statements

For the year ended 31 July 2021

6 Net (expenditure)/ income for the year

This is stated after charging / (crediting):

	2021 £	2020 £
Depreciation	155,127	167,651
Amortisation	775,307	2,063,102
Loss or (profit) on disposal of fixed assets	(604)	(37)
Operating lease rentals:		
Property	14,479	14,302
Other	66,023	87,524
Auditor's remuneration (excluding VAT):		
Audit	25,000	24,500
Other services	950	900
Foreign exchange (gains) or losses	3,548	44,686
	<u>1,000,000</u>	<u>2,308,232</u>

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	3,765,434	3,932,343
Redundancy and termination costs paid in the year	116,109	3,082
Social security costs	379,792	395,638
Employer's contribution to defined contribution pension schemes	258,398	276,221
Other forms of employee benefits	176,172	244,704
	<u>4,695,905</u>	<u>4,851,988</u>

The following number of employees received employee benefits (excluding employer pension costs and national insurance) during the year between:

	2021 No.	2020 No.
£60,000 – £69,999	1	5
£70,000 – £79,999	1	1
£80,000 – £89,999	–	1
£100,000 – £109,999	1	–
£110,000 – £119,999	–	1
£120,000 – £129,999	1	–
£130,000 – £139,999	–	1
£140,000 – £149,999	–	1
£150,000 – £159,999	2	–
£180,000 – £189,999	–	1
£190,000 – £199,999	1	–
	<u>7</u>	<u>10</u>

The total employee benefits including pension contributions and employer's national insurance of the key management personnel were £871,320 (2020: £860,002)

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil) save as disclosed in note 9 below.

Trustees' expenses represents the payment or reimbursement of travel and subsistence totalling £2,640 (2020: £7,968) incurred by 10 (2020: 11) trustees relating to attendance at Board meetings.

Trustee indemnity insurance is now included within the charitable company's indemnity insurance.

Vocational Training Charitable Trust

Notes to the financial statements

For the year ended 31 July 2021

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2021 No.	2020 No.
Qualifications and Assessment	94	117
Support	30	36
Governance	2	2
	<u>126</u>	<u>155</u>

9 Related party transactions

Related party transactions with the charity's subsidiary company are disclosed within note 14.

During the year the Charity engaged with Pure HR, a company owned by Trustee Stephanie Barnett, to provide HR consultancy. The Charity paid £5,875 (2020: £4,291) for the consultancy service. All payments have been made prior to year end.

There are no donations from related parties.

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Education & Media Services Limited will gift aid profits earned in year to the parent charity.

11 Tangible fixed assets

The group

	Freehold property £	Property Improvements £	Fixtures and fittings £	Computer equipment & Software £	Total £
Cost					
At the start of the year	1,289,458	1,889,769	138,076	1,226,079	4,543,382
Additions in year	-	-	-	32,078	32,078
Disposals in year	-	-	(1,320)	(85,379)	(86,699)
At the end of the year	<u>1,289,458</u>	<u>1,889,769</u>	<u>136,756</u>	<u>1,172,778</u>	<u>4,488,761</u>
Depreciation					
At the start of the year	114,254	507,676	129,008	1,134,077	1,885,015
Charge for the year	17,629	87,184	2,879	47,683	155,376
Eliminated on disposal	-	-	(1,320)	(85,353)	(86,673)
At the end of the year	<u>131,883</u>	<u>594,860</u>	<u>130,567</u>	<u>1,096,407</u>	<u>1,953,717</u>
Net book value					
At the end of the year	<u>1,157,575</u>	<u>1,294,909</u>	<u>6,189</u>	<u>76,371</u>	<u>2,535,044</u>
At the start of the year	<u>1,175,204</u>	<u>1,382,093</u>	<u>9,068</u>	<u>92,002</u>	<u>2,658,367</u>

Land with a value of £407,232 (2020: £407,232) is included within freehold property and not depreciated.

All of the above assets are used for charitable purposes.

Vocational Training Charitable Trust

Notes to the financial statements

For the year ended 31 July 2021

11 Tangible fixed assets (continued)

The charity

	Freehold property £	Property Improvements £	Fixtures and fittings £	Computer equipment & Software £	Total £
Cost					
At the start of the year	1,289,458	1,889,769	138,076	1,213,910	4,531,213
Additions in year	-	-	-	32,079	32,079
Disposals in year	-	-	(1,320)	(85,379)	(86,699)
At the end of the year	1,289,458	1,889,769	136,756	1,160,610	4,476,593
Depreciation					
At the start of the year	114,254	507,676	129,008	1,126,878	1,877,816
Charge for the year	17,629	87,184	2,879	45,264	152,956
Eliminated on disposal	-	-	(1,320)	(85,353)	(86,673)
At the end of the year	131,883	594,860	130,567	1,086,789	1,944,099
Net book value					
At the end of the year	1,157,575	1,294,909	6,189	73,820	2,532,493
At the start of the year	1,175,204	1,382,093	9,068	87,032	2,653,397

12 Intangible fixed assets

The Group

	Software & Resources £	Goodwill £	Trademarks £	Total 2021 £
Cost				
At the start of the year	1,474,144	4,720,540	4,800	6,199,484
Additions in year	37,264	-	-	37,264
At the end of the year	1,511,408	4,720,540	4,800	6,236,748
Amortisation				
At the start of the year	913,162	4,317,954	2,680	5,233,796
Charge for the year	372,272	402,586	480	775,338
At the end of the year	1,285,434	4,720,540	3,160	6,009,134
Net book value				
At the end of the year	225,974	-	1,640	227,614
At the start of the year	560,982	402,586	2,120	965,688

Vocational Training Charitable Trust

Notes to the financial statements

For the year ended 31 July 2021

12 Intangible fixed assets (continued)

The Charity

	Software & Resources £	Goodwill £	Trademarks £	2021 Total £
Cost				
At the start of the year	1,474,144	87,500	4,800	1,566,444
Additions in year	37,264	-	-	37,264
At the end of the year	1,511,408	87,500	4,800	1,603,708
Amortisation				
At the start of the year	913,162	87,500	2,680	1,003,342
Charge for the year	372,272	-	480	372,752
At the end of the year	1,285,434	87,500	3,160	1,376,094
Net book value				
At the end of the year	225,974	-	1,640	227,614
At the start of the year	560,982	-	2,120	563,102

13 Listed investments

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
Fair value at the start of the year	9,316,398	9,813,144	9,316,398	9,813,144
Additions at cost	1,797,078	4,911,957	1,797,078	4,911,957
Disposal proceeds	(1,658,623)	(5,343,209)	(1,658,623)	(5,343,209)
Change in cash in the portfolio	(209,006)	422,344	(209,006)	422,344
Net gain in fair value	1,342,383	(487,838)	1,342,383	(487,838)
Fair value at the end of the year	10,588,230	9,316,398	10,588,230	9,316,398

Listed investments comprise:

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
Property Funds		11,307	-	11,307
UK Common investment funds	3,256,017	2,930,685	3,256,017	2,930,685
Shares listed on the London Stock Exchange	2,040,863	1,735,013	2,040,863	1,735,013
Cash and short term deposits held by fund manager	839,806	740,109	839,806	740,109
Other Investments Including Overseas Equities, Alternatives and Multi-Asset	4,451,544	3,899,284	4,451,544	3,899,284
Fair value at the end of the year	10,588,230	9,316,398	10,588,230	9,316,398

14 Subsidiary undertakings

	The charity	
	2021	2020
	£	£
Investments held in subsidiary undertakings		
At the start of the year	1,422,095	3,100,203
Amortisation recognised	(402,586)	(1,678,108)
At the end of the year	1,019,509	1,422,095

14 **Subsidiary undertakings (continued)**

Education & Media Services Ltd

VTCT acquired the share capital of Education & Media Services Ltd (EMS) on 8 November 2016. The cost of acquisition along with associated professional support and advice totalled £5,600,049. The cost of the share capital was settled through a cash payment, with a retention amount paid in March 2017 based on EMS's performance. The trustees consider the useful economic life of EMS to be 5 years and the goodwill has been amortised.

A summary of the results of the subsidiary shown below.

	2021 £	2020 £
Turnover	2,140,524	1,814,989
Cost of sales	(253,007)	(420,571)
Gross profit	<u>1,887,517</u>	1,394,418
Administrative expenses	(976,622)	(1,361,240)
Operating profit / (loss)	910,895	33,178
Interest receivable	2,153	2,327
Profit on ordinary activities	<u>913,048</u>	35,505
Gift aid to parent undertaking	(967,131)	-
Profit/(Loss) for the period	<u><u>(54,083)</u></u>	<u><u>35,505</u></u>

The aggregate of the assets, liabilities and reserves was:

	2021 £	2020 £
Assets	646,223	712,532
Liabilities	(217,629)	(225,108)
Reserves	<u><u>428,594</u></u>	<u><u>487,424</u></u>

During the year, intercompany charges were made from VTCT to EMS totalling £886,379 (2020: £1,134,608) for management time and support.

15 **Parent charity**

The parent charity's gross income and the results for the year are disclosed as follows:

	2021 £	2020 £
Gross income	8,352,072	7,968,599
Net result for the year	<u><u>2,236,992</u></u>	<u><u>(2,790,080)</u></u>

Vocational Training Charitable Trust

Notes to the financial statements

For the year ended 31 July 2021

16 Debtors

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	890,878	372,682	715,814	295,534
Amounts due from other group entities	-	-	87,230	81,327
Other debtors and prepayments	467,732	408,899	446,223	386,278
	1,358,610	781,581	1,249,267	763,139

Other Debtors includes a non current debtor of £144k comprising of a loan made in 2014 to Truro & Penwith College contributing to the provision of specialist teaching facilities.

17 Creditors: amounts falling due within one year

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	180,000	193,317	178,767	191,661
Taxation and social security	203,383	199,577	232,567	217,726
Other creditors	400,291	210,394	378,695	175,554
CBILs Loan	1,000,000	-	1,000,000	-
Deferred income (note 18)	171,883	152,995	64,312	45,711
	1,955,557	756,283	1,854,341	630,652

Other Creditors includes a £1,000,000 coronavirus business interruption loan (CBILS) received from Nat West Bank on 2/9/2020. This was on a 72 month term with a 12 month interest free period in the initial year. If repayment was not made at the end of the first year interest would be charged at 2.62% over base rate. Note 22 details the repayment of the loan in full, post balance sheet.

18 Deferred income

Deferred income comprises of payments received for qualification services supplied after the year end date.

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
Balance at the beginning of the year	152,995	154,930	45,711	54,036
Amount released to income in the year	(152,995)	(154,930)	(45,711)	(54,036)
Amount deferred in the year	171,883	152,995	64,312	45,711
	171,883	152,995	64,312	45,711

19a Analysis of group net assets between funds (current year)

	General unrestricted £	Restricted funds £	Total funds £
Tangible fixed assets	2,535,044	-	2,535,044
Intangible assets including goodwill	227,614	-	227,614
Investments	10,588,230	-	10,588,230
Net current assets	3,506,643	-	3,506,643
Net assets at 31 July 2021	16,857,530	-	16,857,530

Vocational Training Charitable Trust

Notes to the financial statements

For the year ended 31 July 2021

19b Analysis of group net assets between funds (prior year)

	General unrestricted £	Restricted funds £	Total funds £
Tangible fixed assets	2,658,367	–	2,658,367
Intangible assets including goodwill	965,688	–	965,688
Investments	9,316,398	–	9,316,398
Net current assets	1,721,081	13,088	1,734,169
Net assets at 31 July 2020	14,661,534	13,088	14,674,622

20a Movements in funds (current year)

	At 1 August 2020 £	Income & net gains £	Expenditure & losses £	Transfers £	At 31 July 2021 £
Restricted funds					
Qualifications Wales	13,088	–	(13,088)	–	–
Government grant income CJRS* *(Coronavirus Job Retention Scheme)	–	188,288	(188,288)	–	–
	13,088	188,288	(201,376)	–	–
Unrestricted funds:					
General funds	14,661,534	9,417,929	(7,221,932)	–	16,857,531
Total unrestricted funds	14,661,534	9,417,929	(7,221,932)	–	16,857,531
Total funds	14,674,622	9,606,217	(7,423,308)	–	16,857,531

The narrative to explain the purpose of each fund is given at the foot of the note below.

20b Movements in funds (prior year)

	At 1 August 2019 £	Income & net gains £	Expenditure & losses £	Transfers £	at 31 July 2020 £
Restricted funds					
Qualifications Wales	–	52,354	(39,266)	–	13,088
Government grant income CJRS*	–	512,775	(512,775)	–	–
	–	565,129	(552,041)	–	13,088
Unrestricted funds:					
General funds	17,429,196	8,083,852	(10,851,513)	–	14,661,534
Total unrestricted funds	17,429,196	8,083,852	(10,851,513)	–	14,661,534
Total funds	17,429,196	8,648,980	(11,403,554)	–	14,674,622

Restricted funds for the year comprise of:

Qualifications Wales – for Welsh translations of qualification materials and a short term appointment of a bilingual officer.

*Government Scheme – Coronavirus Job Retention Scheme (CJRS) – to cover a percentage of salary, pension and NI costs incurred for furloughed workers.

Vocational Training Charitable Trust

Notes to the financial statements

For the year ended 31 July 2021

21 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment/Other	
	2021	2020	2021	2020
	£	£	£	£
Less than one year	14,300	10,362	39,495	44,316
One to five years	16,327	-	26,308	66,715
	<u>30,627</u>	<u>10,362</u>	<u>65,803</u>	<u>111,031</u>

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment/Other	
	2021	2020	2021	2020
	£	£	£	£
Less than one year	-	-	39,495	44,316
One to five years	-	-	26,308	66,715
	<u>-</u>	<u>-</u>	<u>65,803</u>	<u>111,031</u>

22 Post Balance Sheet Events

The Charity repaid the Coronavirus Business Interruption Scheme (CBILS) of £1,000,000 from NatWest Bank on 9th August 2021.

23 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.