



VTCT



ITEC



SKILLSFIRST

SKILLS
FOR LOGISTICS

vtct.org.uk

*Amended statutory accounts,
replacing original submission*

Leading Growing Supporting

2022-2023

Annual Report





Contents

Summary review	04	Deepening industry links	24	Grants and Bursaries	40
Our vision	06	Enhancing outcomes with Pivot Point LAB	25	Financial Overview	48
We support learners	08	Growing the VTCT group	27	Statement of trustees' responsibilities	56
We grow Colleges and Training Providers	12	Product development	28	Financial Review	58
We lead on qualifications, end-point assessments and services	16	Equity, Diversity and Inclusion within Hair and Skin	31	Administrative information	64
We collaborate with employers	18	Our ambitions for the next year	32	Independent auditor's report	66
Performance against strategy	23	VTCT Excellence Awards	34	Financial statements	72

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

Jenny Swarder
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.

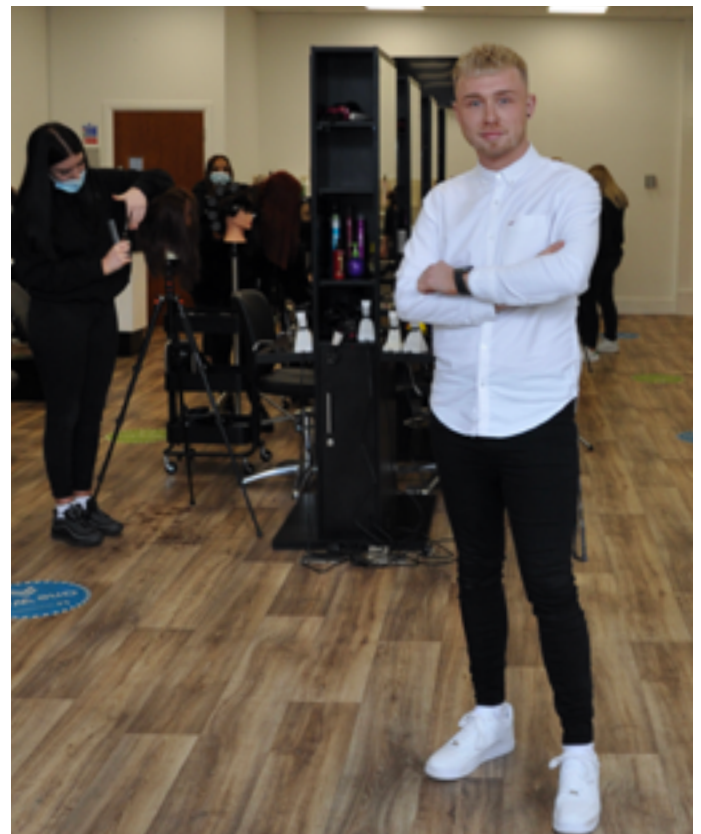
I do a lot of initial assessments with the students and they are really anxious and shy but the nice thing about VTCT qualifications is that they have a qualification that will meet everybody's needs.”



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.

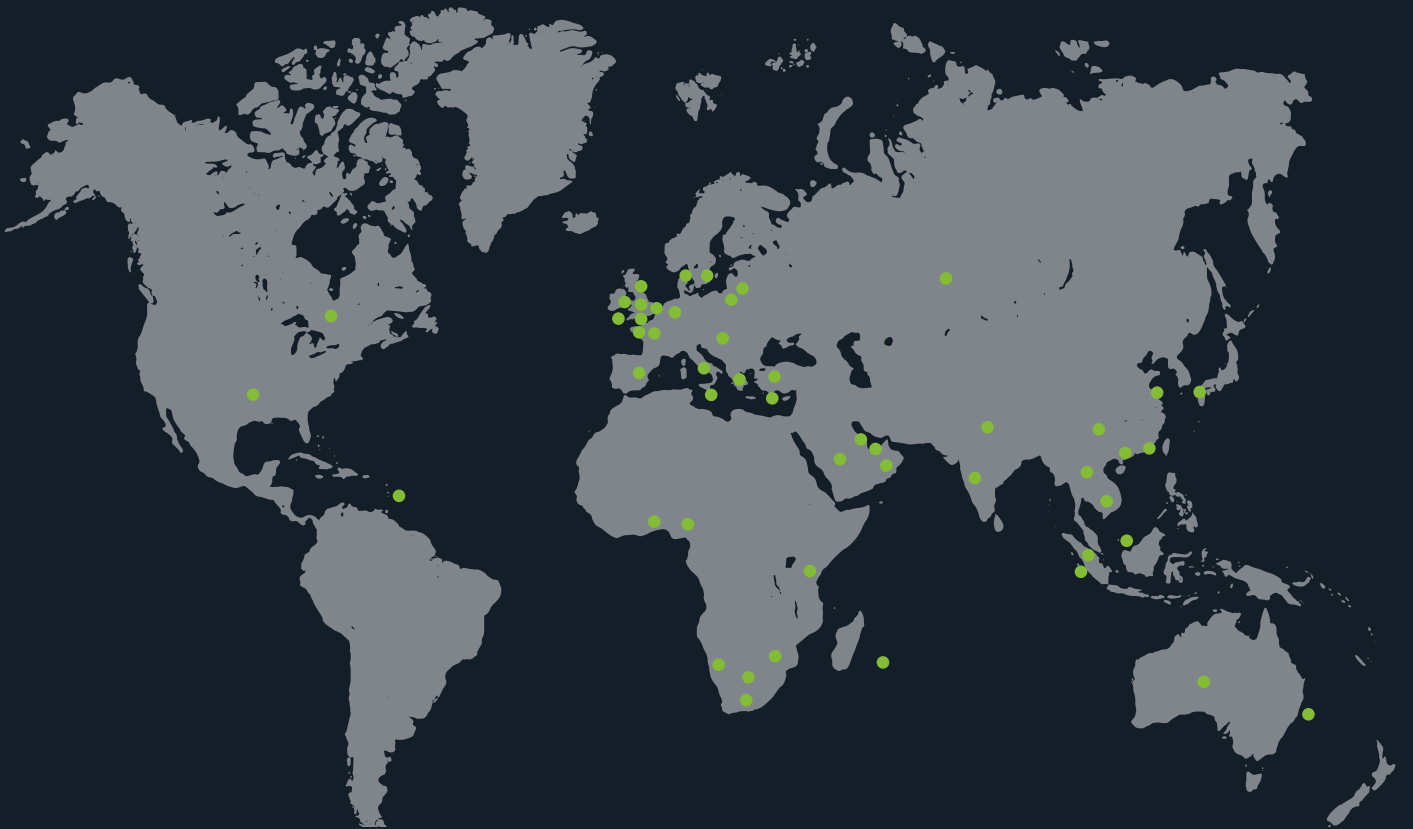


We grow Colleges and Training Providers

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.

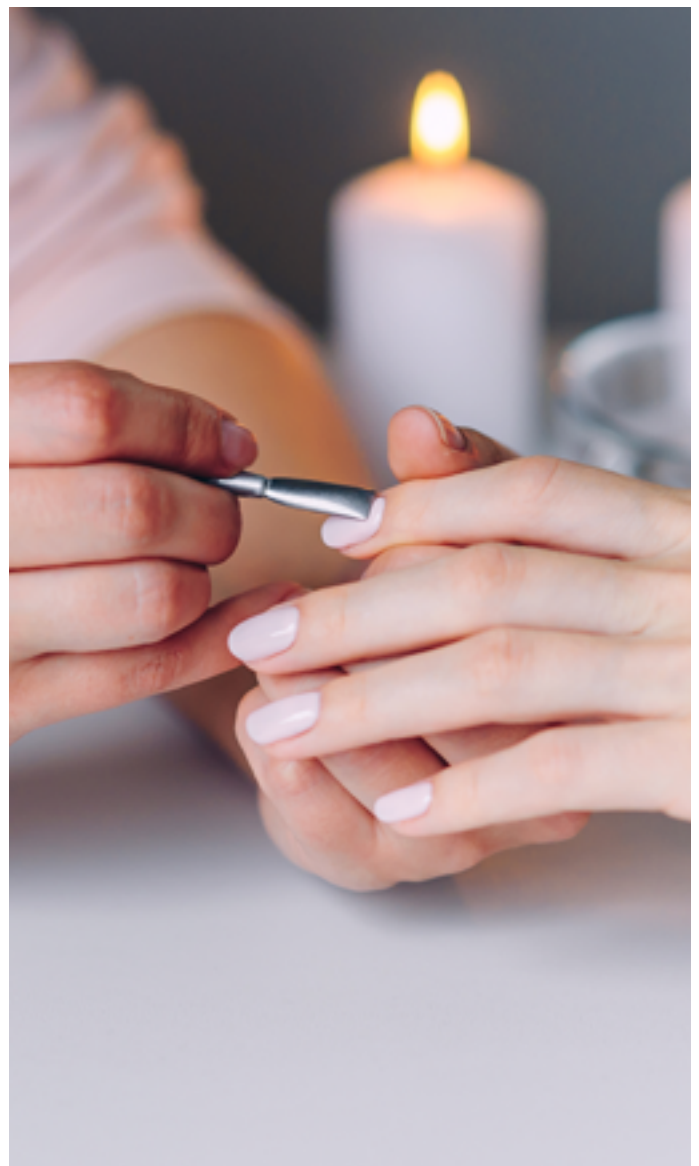


Enhancing outcomes with Pivot Point LAB

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.



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 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



Finance & Audit Committee



HR & Rem. 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.

Sayer Vincent LLP

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

		2023	2022
	Note	Total £	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

		THE GROUP		THE CHARITY	
	Note	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