

Cogent Skills Training Limited
Annual Report and Financial Statements
for the year ended 31 December 2018

Registered Number 06430341



Cogent Skills Training Limited
Annual Report and Financial Statements
for the year ended 31 December 2018

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Cogent Skills Training Limited

Directors and advisers for the year ended 31 December 2018

Directors

J Woolf

J Murdock

K Gorge appointed 10 September 2018

Company secretary

K Gorge resigned 10 September 2018

Registered Office

Unit 5

Mandarin Court

Centre Park

Warrington

WA1 1GG

Chartered Accountants & Statutory Auditors

RSM UK Audit LLP

3 Hardman Street

Manchester

M3 3HF

Solicitors

GLP Solicitors

85 Chapel Street

Manchester

M3 5DF

Bankers

Bank of Scotland

31 High Street

Montrose

DD10 8LT

Cogent Skills Training Limited

Strategic report for the year ended 31 December 2018

The directors present their Strategic report of the company for the year ended 31 December 2018.

Principal activities

The principal activities of the company are to promote and provide vocational education, training and re-training to improve the skills of the science-based workforce and to promote the development of industry, commerce and enterprise of all forms primarily for the benefit of the science-based industries.

Review of business and future developments

On 1 April 2018 the non-apprenticeship training agency (ATA) business of Cogent Skills Services Limited primarily comprising of the courses, consultancy and training operations was transferred into Cogent Skills Training Limited. Whilst this need arose as Cogent Skills Services Limited operating as an ATA is not allowed to operate any other business functions it enabled all of the training requirements delivered by the Cogent group to be housed within Cogent Skills Training Limited.

The courses and consultancy business had a strong year recovering from 2017 levels, underpinned by a strategy to secure larger contracts with key customers. These customers are seeking solutions to complex needs, and the team has worked hard to deliver outstanding projects and outcomes.

During the year we also re-engineered our course sales, procurement responsibilities and operational processes, to create a team-wide approach in winning 25 consultancy projects in 2018. We will continue to identify new and high value customers and keep the pipeline buoyant throughout 2019, particularly with the uncertainty of Brexit.

Our strategy will now build on the release of the new Major Hazard Leadership inspection guidance from the HSE due to roll out in late Spring 2019. We are hosting several networking events with keynote speakers from the HSE and industry covering this topic, and supporting or speaking at key industry events, to encourage employers to take up the support we offer to embed the Process Safety standards and help their businesses meet the new inspection requirements.

We incurred further set up costs in the apprenticeship delivery area as we continued to grow steadily with a view on maintaining a quality service across the delivery of five apprenticeship standards covering science, manufacturing and management. Notable achievements have recently included the development of our own in-house provision for Laboratory Technician with the use of a blended learning platform.

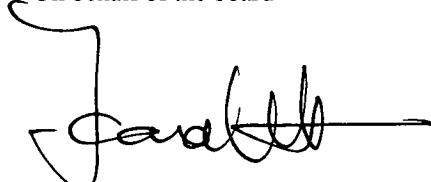
Results and dividends

The profit and loss account for the year is set out on page 7. The company is limited by guarantee and no dividends are paid (2017: £nil). Net assets at 31 December 2018 were £22,000 (2017: £11,000) and the reserves were £22,000 (2017: £11,000).

Principal risks and uncertainties

Due to limited transactions taking place during 2018 management believes that there were no principal risks. These will be reviewed during 2019 because of the planned future developments.

On behalf of the board



J Woolf
Director

18 June 2019

Cogent Skills Training Limited

Directors' report for the year ended 31 December 2018

The Directors present their report and the audited financial statements for the year ended 31 December 2018. The directors report has been prepared taking advantage of the small companies' exemption in Section 415a of the Companies Act 2006.

Future developments

A commentary on the company's progress during the year and its future developments are set out in the strategic report on page 2.

Financial risk management

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

Price risk: The company recognises products and services should be priced at a level that encourages take-up and all products and services are incorporated into the company's business plans and budgets.

Credit risk: The company has procedures in place to reduce exposure to the potential of non-payment of trade receivables.

Liquidity risk: The company has no long term borrowing.

Results and dividends

The profit and loss account for the year is set out on page 7. The company is limited by guarantee and no dividends have been paid (2017: £nil). The directors do not recommend a dividend for the year ended 31 December 2018.

Directors

The directors who held office during the year and up to the date of signing the financial statements are detailed on page 1.

Political and charitable donations

During the year, the company made no political and charitable donations (2017: £nil).

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Cogent Skills Training Limited

Director's report for the year ended 31 December 2018 (continued)

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware.

Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

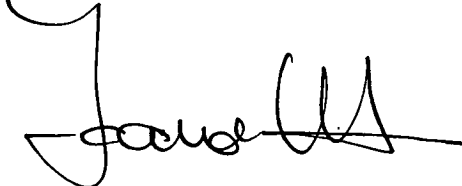
Independent Auditors

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

Qualifying third party and pension scheme indemnity provisions

At the time this report is approved, no qualifying third party indemnity provisions or qualifying pension scheme indemnity provisions are in place for the benefit of the director. At no time during the year were any such provisions in force for the benefit of the director.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'J Woolf', with a stylized flourish at the end.

J Woolf
Director
18 June 2019

Registered Number: 06430341

Cogent Skills Training Limited

Independent auditors' report to the members of Cogent Skills Training Limited

Opinion

We have audited the financial statements of Cogent Skills Training Limited (the 'company') for the year ended 31 December 2018 which comprise the Statement of Income and Retained Earnings, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit 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.

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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Cogent Skills Training Limited

Independent auditors' report to the members of Cogent Skills Training Limited (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement [set out on pages 3 and 4], the directors 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 directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.


Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

Date: 26 Jun 2019

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

Cogent Skills Training Limited

Statement of income and retained earnings for the year ended 31 December 2018

	Note	Year ended 31 December 2018 £'000	Year ended 31 December 2017 £'000
Turnover	1	1,588	2
Cost of sales		(678)	-
Gross profit		910	2
Administrative expenses		(898)	(1)
Operating profit and profit on ordinary activities before taxation	4	12	1
Tax on profit on ordinary activities	5	(1)	-
Profit for the financial year	11	11	1
Retained profits at 1 January		11	10
Retained profits at 31 December		22	11

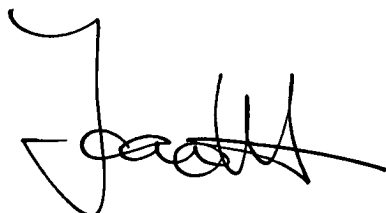
There are no recognised gains and losses for the financial years other than those included above. Accordingly, no separate statement of comprehensive income is presented.

Cogent Skills Training Limited

Balance sheet as at 31 December 2018

	Note	Year ended 31 December 2018 £'000	Year ended 31 December 2017 £'000
Fixed assets			
Intangible assets	6	5	-
Tangible assets	7	11	-
Net fixed assets		16	-
Current assets			
Debtors	8	541	-
Cash at bank and in hand		16	13
		557	13
Creditors: amounts falling due within one year	9	(547)	(2)
Net current assets		10	11
Total assets less current liabilities		26	11
Creditors : amounts falling due after more than one year	10	(4)	-
Net assets		22	11
Capital and reserves			
Profit and loss account	11	22	11
Total shareholders' funds	16	22	11

The financial statements on pages 7 to 17 were approved by the board of directors on 18 June 2019 and were signed on its behalf by:



J Woolf
Director

Cogent Skills Training Limited
Company Number: 06430341

Cogent Skills Training Limited

Statement of accounting policies

General Information

The company is a private company limited by guarantee and is incorporated in England and Wales. The address of its registered office is Unit 5 Mandarin Court, Centre Park, Warrington, Cheshire, United Kingdom, WA1 1GG.

Statement of compliance

The financial statements of Cogent Skills Training Limited have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102)" and the Companies Act 2006.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS102 in these financial statements.

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value. The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

Exemptions for qualifying entities under FRS102

FRS102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders. The Company has taken advantage of the following exemptions on the basis that the information is included in the consolidated financial statements of the Company's ultimate parent undertaking, Cogent Skills Limited, a company registered in England and Wales:

- from preparing a statement of cash flows;
- from the financial instrument disclosures, required under FRS102 paragraphs 11.39 to 11.48A and the paragraphs 12.26 to 12.29; and
- from disclosing the Company key management personnel compensation, as required by FRS102 paragraph 33.7.

The consolidated financial statements of Cogent Skills Limited can be obtained from the address given in note 16.

Tangible fixed assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price and costs directly attributable to bring the asset to its working condition for its intended use.

Depreciation is calculated using the straight-line method to allocate cost to the assets' residual values over their estimated useful lives, as follows:

Plant and machinery	4 to 10 years
Grant funded assets	4 to 10 years
Fixtures and fittings	6 to 10 years
Computer equipment	3 to 4 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit or loss.

Capital grants

Capital grants fund the purchase of capital equipment which is installed in providers' premises for their use in training learners within the process industries. Grants received are deferred and released in line with the depreciation policy for the related assets.

Cogent Skills Training Limited

Statement of accounting policies (continued)

Leases

The costs of operating leases are charged to the profit & loss account on a straight line basis over the lease term.

Employee benefits

The company provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

Short term benefits

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

Defined contribution plan

The Company operates a salary sacrifice defined contribution pension scheme for the benefit of the employees. The contributions to the plan are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the scheme are held separately from those of the company in an independently administered fund.

Turnover

Turnover represents revenue grants and the invoiced value of goods and services. Revenue grants are recognised to the extent that they match related expenditure. Invoiced value of goods and services, excludes value added tax and is recognised on the delivery of the goods and service, generally being the delivery of the service. All turnover derives in the UK.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities of other future taxable profits.

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

Deferred income

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

Provisions for liabilities

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

Cogent Skills Training Limited

Notes to the financial statements for the year ended 31 December 2018

1 Turnover

The company's activities consist solely of the principal activities referred to on page 2 which arise in the United Kingdom.

2 Employee costs

	Year ended 31 December 2018 £'000	Year ended 31 December 2017 £'000
Wages and salaries	523	-
Social security costs	49	-
Other pensions costs (note 14)	30	-
Staff costs	602	-

The average monthly number of persons (including executive directors) employed by the company during the year was:

By activity	Year ended 31 December 2018 Number	Year ended 31 December 2017 Number
Administration	14	-

3 Directors' emoluments

	Year ended 31 December 2018 £'000	Year ended 31 December 2017 £'000
Aggregate emoluments	63	-
Company pension contributions to money purchase scheme	3	-

Retirement benefits are accruing to one director (2017: no) under a defined contribution scheme.

Cogent Skills Training Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

4 Operating profit

	Year ended 31 December 2018 £'000	Year ended 31 December 2017 £'000
Operating profit is stated after charging:		
Depreciation of tangible fixed assets		
- owned assets	6	-
Operating lease rentals – other than plant and machinery	7	-
Auditors' remuneration – audit	6	-

Fees paid to RSM UK Audit LLP for non-audit services in the UK were £nil (2017: £nil).

5 Tax on profit on ordinary activities

	Year ended 31 December 2018 £'000	Year ended 31 December 2017 £'000
Current tax - UK corporation tax charge on profit for the year	1	-
Tax on profit on ordinary activities	1	-

The tax assessed for the year is different to the standard effective rate of corporation tax in the UK for the year ended 31 December 2018 of 19% (2017: 19.25%). The differences are explained below:

	Year ended 31 December 2018 £'000	Year ended 31 December 2017 £'000
Profit on ordinary activities before taxation	12	1
Profit on ordinary activities multiplied by the standard rate in the UK corporation tax at 19% (2017: 19.25%)	(2)	-
Effects of:		
- Losses (utilised)	(1)	-
Current tax for the year	1	-

Factors affecting future tax charges

The rate of UK corporation tax will reduce to 17% from April 2020.

Cogent Skills Training Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

6 Intangible assets

	Computer software £'000	Total £'000
Cost		
At 1 January 2018	-	-
Additions	5	5
At 31 December 2018	5	5
Accumulated depreciation		
At 1 January 2018	-	-
Charge for year	-	-
At 31 December 2018	-	-
Net book value		
At 31 December 2018	5	5
At 31 December 2017	-	-

7 Tangible assets

	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost			
At 1 January 2018	-	-	-
Additions	1	15	16
At 31 December 2018	1	15	16
Accumulated depreciation			
At 1 January 2018	-	-	-
Charge for the year	1	4	5
At 31 December 2018	1	4	5
Net book value			
At 31 December 2018	-	11	11
At 31 December 2017	-	-	-

Cogent Skills Training Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

8 Debtors

	2018 £'000	2017 £'000
Trade debtors	169	-
Amounts owed by group undertakings	38	-
Prepayments and accrued income	334	-
	541	-

9 Creditors: Amounts falling due within one year

	2018 £'000	2017 £'000
Trade Creditors	81	-
Amounts owed to group undertakings	354	1
Other creditors	3	-
Taxation and social security	20	-
Accruals and deferred income	89	1
	547	2

10 Creditors: amounts falling due after more than one year

	2018 £'000	2017 £'000
Rent	4	-

11 Reserves

	Profit and loss account £'000
At 1 January 2018	11
Profit for the financial year	11
At 31 December 2018	22

Cogent Skills Training Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

12 Capital and other commitments

	2018 £'000	2017 £'000
Contracts placed for future capital expenditure not provided in the financial statements	-	-

13 Financial commitments

At 31 December the company had annual commitments under non-cancellable operating leases expiring as follows:

	Land and buildings		Other	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Within one year	-	-	-	-
Within two to five years	26	-	3	-
	26	-	3	-

14 Pension commitments

The company operates a salary sacrifice contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company and amounted to £30,000 (2017: £nil). Contributions totalling £3,000 (2017: £nil) were payable to the fund at the year end and are included in creditors.

15 Related party disclosures

The company has taken advantage of the exemption contained within FRS102 and not disclosed transactions or balances with companies that are fellow wholly owned subsidiaries of Cogent Skills Limited. Copies of the Cogent Skills Limited group consolidated financial statements can be obtained from the Company Secretary, Unit 5, Mandarin Court, Centre Park, Warrington, Cheshire, WA1 1GG.

16 Reconciliation of movements in shareholders' funds

	2018 £'000	2017 £'000
Opening shareholders' funds	11	10
Profit for the financial year	11	1
Closing shareholders' funds	22	11

Cogent Skills Training Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

17 Status of the company

The company is limited by guarantee and has no share capital. The liability of the directors as members is limited by guarantee to not more than £1.

18 Ultimate parent undertaking and ultimate controlling party

The ultimate parent undertaking and controlling party is Cogent Skills Limited, a company incorporated in England and Wales.

Cogent Skills Limited is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 December 2018. The consolidated financial statements of Cogent Skills Limited are available from Unit 5, Mandarin Court, Centre Park, Warrington, WA1 1GG.