

Cogent Skills Services Limited
Annual Report and Financial Statements
for the year ended 31 December 2020

Registered Number 07806185



Cogent Skills Services Limited

Annual report and financial statements

for the year ended 31 December 2020

Contents

Directors and advisers for the year ended 31 December 2020.....	1
Strategic report for the year ended 31 December 2020.....	2
Directors' report for the year ended 31 December 2020	4
Independent Auditors' report to the members of Cogent Skills Services Limited.....	6
Statement of income and retained earnings for the year ended 31 December 2020	9
Balance sheet as at 31 December 2020.....	10
Statement of accounting policies	11
Notes to the financial statements for the year ended 31 December 2020	14

Cogent Skills Services Limited

Directors and advisers

Directors

K Gorge

N Durrington

J Fosh appointed 4 May 2020

J Woolf resigned 1 May 2020

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 Services Limited

Strategic report for the year ended 31 December 2020

The directors present their Strategic report of the company for the year ended 31 December 2020.

Principal activities

The principal activity of the company is to support science industry employers to attract, retain and develop their people in addressing current and future skills gaps. Core activity is strongly aligned with the needs of employers, government priorities for apprenticeships, as well as being in sectors critical to economic growth. As a Registered Apprenticeship Training Agency (ATA) (approved by the National Apprenticeship Service), the principal function remains the outsourced employment of apprentices and graduates. The company can employ the apprentice on behalf of the employer and offers a sector-specific recruitment and placement service. By managing the relationships between employers, providers and the learner, using sector expertise, training interventions are effective and the risks of failure mitigated.

Review of business and future developments

Cogent Skills Services (CSS) is established as a specialist provider of a range of skills services supporting science industry employers to attract, retain and develop people who can contribute to business success. Clients are assured that investments in training and development are aligned with business needs and results.

We will continue to add value by offering support to employers with their understanding of the current marketplace regarding apprenticeship funding and apprenticeship levy rules. A shift to video interviewing enabled the business to fill vacancies for ATA apprenticeship and graduate placement offers and, despite travel restrictions, uncertainty and confidence across Europe – 84% of advertised opportunities were filled despite difficult operating conditions.

Our outsourced employment services (ATA) implemented a new support model at the start of 2020, increasing the amount of time our account managers spend on our host employers' sites, offering reassurance to line managers and mentors and creating a more inclusive and integrated employment model for our apprentices and graduates. This service was offered online during 2020 as a result of Covid-19.

As an ATA, we are in scope for the levy ourselves, the employers working with us have the facility to transfer up to 25% of their Levy to us for use with their ATA apprentices employed by us and placed in the employer's workplace. This allows employers to utilise their levy pot against the full cost of the apprenticeship delivery and assessment.

The public health pandemic did however create difficult and unprecedented trading conditions. Our Apprenticeship training agency starts missed target by 30% (44 learners). Our graduate placement service delivered against target for number of starts whilst cost savings and contract extensions improved bottom line performance. Overall, this led to income within the ATA declining slightly by 1.7% (£92,000) against the previous 12 months.

For 2021, management's expectations are for a modest recovery in learner starts of 12%.

COVID-19 update

Covid-19 had an impact on new starts in the key trading period during the second half of the year as government restrictions were extended. During 2020, we utilised the government's job retention scheme to support employment numbers during these restrictions for both our own staff and host employers. It is recognised as income in the period in which it becomes receivable within 'Other Income' (note 2).

As a result of the lower starts in 2020 income for 2021 is budgeted to decline. However, with continued support from the government's job retention scheme and tight cost control we anticipate a result similar to 2020 for the current year.

Results and dividends

The profit for the financial year was £108,000 (2019: £180,000). No dividend is proposed for the year (2019: £nil).

Net liabilities at 31 December 2020 were £116,000 (2019: £224,000) and the reserves were negative £116,000 (2019: £224,000).

Cogent Skills Services Limited

Strategic report for the year ended 31 December 2020 (continued)

Going concern

Forecasts have been prepared through until December 2022 which take account of the impact of the current coronavirus pandemic, possible future developments and further disruption. Despite the continuing uncertainties surrounding the social distancing measures required for some of our activities and any further disruption caused by Government guidelines, the cash balances and available facilities are sufficient to remove any concerns over liquidity and the going concern basis of preparation of the accounts.

The financial statements have been prepared on the going concern basis, which assumes that the company will continue in operational existence for the foreseeable future. The directors believe that it is appropriate for the financial statements to be prepared on the going concern basis having received a letter of support from Cogent Skills Limited, which indicates that it will continue to provide sufficient funds to enable the company to meet all of its financial obligations as they fall due for the foreseeable future, a period of at least 12 months from the date of signing the financial statements.

Future outlook and key performance indicators (“KPIs”)

Monthly data is collected to monitor performance and inform future strategy. Monthly management reports are produced, providing information that is reviewed at monthly team meetings and at Directors’ meetings. This facilitates the assessment and mitigation of risks and determines the future direction and activities required to meet targets. Given the straightforward nature of the business, the Company’s directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

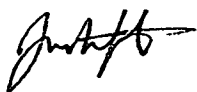
Principal risks and uncertainties

The main risk for CSS in the operation of the ATA is change of host employer policy in relation to the employment of apprentices and graduates. By nature of the services offered, we are providing continual knowledge and expertise to host employers in the support and management of apprentices and graduate programmes and the host employer may become sufficiently empowered to undertake the facilitation themselves and start to directly employ rather than using our agency.

Financial risk management

The company’s operations expose it to a variety of financial risks that primarily include the effects of credit risk and liquidity risk. These are discussed in more detail in the Directors’ report on page 4.

Approved by the board of directors and signed on its behalf by:



J Fosh
Director
22 June 2021

Cogent Skills Services Limited

Directors' report for the year ended 31 December 2020

The Directors present their report and the audited financial statements for the year ended 31 December 2020. 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. Close working relationships with our customers minimises our exposure in this area.

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 9. The company is limited by guarantee and no dividends are payable.

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 (2019: £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 Services Limited

Director's report for the year ended 31 December 2020 (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



J Fosh
Director
22 June 2021

Registered number: 07806185

Cogent Skills Services Limited

Independent Auditors' report to the members of Cogent Skills Services Limited

Opinion

We have audited the financial statements of Cogent Skills Services Limited (the 'company') for the year ended 31 December 2020 which comprise the Statement of Income and Retained Earnings, the Balance Sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2020 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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the directors 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 annual report, other than the financial statements and our auditor's report thereon. The directors 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 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.

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 or the directors' report.

Cogent Skills Services Limited

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

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement (set out on page 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.

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

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

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

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

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

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

Cogent Skills Services Limited

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

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006, tax legislation, those associated with the Register of Apprenticeship Training Agencies (ATA's) and those associated with the Apprenticeship Training Agency Framework.

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


The most significant laws and regulations that have an indirect impact on the financial statements are those relating to the Register of Apprenticeship Training Agencies (ATA's) and those relating to the Apprenticeship Training Agency Framework. Compliance with these requirements is required to remain on certain HM Government registers. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

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

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: 25 June 2021

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

Cogent Skills Services Limited

Statement of income and retained earnings for the year ended 31 December 2020

	Note	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Turnover	1	5,473	5,565
Other Income	2	155	-
Total Income		5,628	5,565
Administrative expenses		(5,520)	(5,385)
Operating Profit and Profit on ordinary activities before taxation	4	108	180
Tax on Profit on ordinary activities	5	-	-
Profit for the financial year	9	108	180
Retained losses at 1 January		(224)	(404)
Retained losses at 31 December		(116)	(224)

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 Services Limited

Balance sheet as at 31 December 2020

	Note	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Fixed assets			
Tangible assets	6	12	8
Current assets			
Debtors	7	1,351	1,940
Cash at bank and in hand		5	61
		1,356	2,001
Creditors: amounts falling due within one year	8	(1,484)	(2,233)
Net current liabilities		(128)	(232)
Total assets less current liabilities		(116)	(224)
Net liabilities		(116)	(224)
Capital and reserves			
Profit and loss account	9	(116)	(224)
Total shareholders' funds	12	(116)	(224)

The financial statements on pages 9 to 18 were approved by the board of directors on 22 June 2021 and were signed on its behalf by:



J Fosh
Director

Cogent Skills Services Limited
Company Number: 07806185

Cogent Skills Services Limited

Statement of accounting policies

General Information

The company is a private company limited by guarantee and is incorporated in England. 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 Services 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.

Going concern

Forecasts have been prepared through until December 2022 which take account of the impact of the current coronavirus pandemic, possible future developments and further disruption. Despite the continuing uncertainties surrounding the social distancing measures required for some of our activities and any further disruption caused by Government guidelines, the cash balances and available facilities are sufficient to remove any concerns over liquidity and the going concern basis of preparation of the accounts.

The financial statements have been prepared on the going concern basis, which assumes that the company will continue in operational existence for the foreseeable future. The directors believe that it is appropriate for the financial statements to be prepared on the going concern basis having received a letter of support from Cogent Skills Limited, which indicates that it will continue to provide sufficient funds to enable the company to meet all of its financial obligations as they fall due for the foreseeable future, a period of at least 12 months from the date of signing the financial statements.

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 14.

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:

Fixtures and fittings	3 years
Computer equipment	3 years

Cogent Skills Services Limited

Statement of accounting policies (continued)

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 as profit or loss in the statement of income and retained earnings.

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 course. All turnover derives in the UK.

Coronavirus Job Retention Scheme (CJRS) income

The CJRS grant is receivable as compensation for staff costs incurred and for the purpose of giving immediate financial support to the organisation with no future related costs. It is recognised as income in the period in which it becomes receivable within 'Other Income' (note 2).

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of income and retained earnings, 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.

Cogent Skills Services Limited

Statement of accounting policies (continued)

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 Services Limited

Notes to the financial statements for the year ended 31 December 2020

1 Turnover

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

2 Other Income

Coronavirus Job Retention Scheme (CJRS) income claimed for both internal and host employer staff.

3 Employee costs

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Wages and salaries	469	536
Social security costs	45	50
Other pension costs (note 10)	25	30
Staff costs	539	616

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

By activity	Year ended 31 December 2020 Number	Year ended 31 December 2019 Number
Administration	12	15

4 Operating Profit

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Operating Profit is stated after charging:		
Depreciation of tangible fixed assets		
- owned assets	4	2
Auditors' remuneration – audit	5	5

Cogent Skills Services Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

5 Tax on Profit on ordinary activities

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Current tax - UK corporation tax charge on result for the year	-	-
Tax on Profit on ordinary activities	-	-

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 2020 of 19% (2019: 19%). The differences are explained below:

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Profit on ordinary activities before taxation	108	180
Profit on ordinary activities multiplied by the standard rate in the UK corporation tax at 19% (2019: 19%)	21	34
Effects of:		
- Other timing differences	-	-
- Losses not utilised	-	-
- Losses utilised	(21)	(34)
Total tax charge for the year	-	-

Factors affecting future tax charges

The rate of UK corporation tax will remain at 19% from April 2021.

Cogent Skills Services Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

6 Tangible assets

	Fixtures and fittings	Computer equipment	Total
	£'000	£'000	£'000
Cost			
At 1 January 2020	7	39	46
Additions	-	8	8
At 31 December 2020	7	47	54
Accumulated depreciation			
At 1 January 2020	7	31	38
Charge for the year	-	4	4
At 31 December 2020	7	35	42
Net book amount			
At 31 December 2020	-	12	12
At 31 December 2019	-	8	8

7 Debtors

	2020 £'000	2019 £'000
Trade debtors	1,002	1,288
Amounts owed by group undertakings	335	590
Other	-	1
Prepayments and accrued income	14	61
	1,351	1,940

Cogent Skills Services Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

8 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	55	57
Amounts owed to group undertakings	325	1,351
Other creditors	10	386
Taxation and social security	677	291
Accruals and deferred income	417	148
	1,484	2,233

9 Reserves

	Profit and loss account £'000
At 1 January 2020	(224)
Profit for the financial year	108
At 31 December 2020	(116)

10 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 £25,000 (2019: £30,000).

11 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.

Cogent Skills Services Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

12 Reconciliation of movements in shareholders' funds

	2020 £'000	2019 £'000
Opening shareholders' funds	(224)	(404)
Profit for the financial year	108	180
Closing shareholders' funds	(116)	(224)

13 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.

14 Ultimate parent undertaking and ultimate controlling party

The immediate and 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 2020. The consolidated financial statements of Cogent Skills Limited are available from Unit 5, Mandarin Court, Centre Park, Warrington, WA1 1GG.