



**Cogent SSC Limited**  
**Annual Report and Financial Statements**  
**for the year ended 31 December 2018**

**Company Registered Number SC129351**

**Charity Registration Number SC003435**



# Cogent SSC Limited

## Annual report and financial statements

### for the year ended 31 December 2018

## Contents

Strategic report for the year ended 31 December 2018 .....	1
Trustees' report for the year ended 31 December 2018 .....	7
Independent Auditors' report to the members and trustees of Cogent SSC Limited .....	12
Statement of Financial Activities for the year ended 31 December 2018 .....	14
Balance sheets as at 31 December 2018 .....	15
Income and expenditure account for the year ended 31 December 2018 .....	16
Cash flow statement for the year ended 31 December 2018 .....	17
Notes to the financial statements for the year ended 31 December 2018 .....	18

# **Cogent SSC Limited**

## **Strategic report for the year ended 31 December 2018**

The trustees, who are also directors of the charitable company, present their strategic report of the company for the year ended 31 December 2018.

### **1. Review of business**

The results on page 14 show a surplus for the financial year before taxation of £43,000 (2017: £1,000) with total income of £2,177,000 (2017: £3,837,000).

Cogent SSC continues to make excellent progress pursuing its mission to be the Skills and Talent Partner to Science Industry Companies. The business is organised into Business Units, Membership Services and end point assessment through the Science Industry Assessment Service (SIAS).

Our Membership Business Unit embraces a strong, employer-led and in demand skills proposition to both science industry employers and nuclear employers.

The Science Industry Partnership (SIP) includes some of the biggest names in the sector, and it is our continued aim to have more joining, to ensure a broad and cohesive sector voice on skills. The Nuclear Skills Strategy Group (NSSG), while a smaller, more contained membership of employers who represent all parts of the sector, continues to thrive; it is very much driven by the ambition of its members. 2018 saw additional companies joining NSSG representing the Nuclear Supply Chain. Both these Strategic Memberships are influencing and delivering the People dimension of the Government's Industrial Strategy via the Life Science and Nuclear Sector Deals.

The SIAS business performance remains very strong and we continue to build a team of industry professionals to be our Independent end-point Assessors; during the year we also received excellent feedback following External Quality Assurance inspection by the Institute for Apprenticeships (IfA). SIAS plays an important, and at times resource intensive role, in helping its customers understand Apprenticeship reform and the EPA process. The business is gearing up for significant growth and all that entails.

### **2. Strategic objectives**

Cogent SSC's purpose is entirely focused on skills and supporting the skills needs and ambitions of individual employers and their employees. Cogent is sector-based working with companies from across the Science Industries embracing Life Sciences, Industrial Sciences and Nuclear.

Our mission is to be: -

The Skills and Talent Partner for Science Industry Companies - Developing today's workforce, creating tomorrow's.

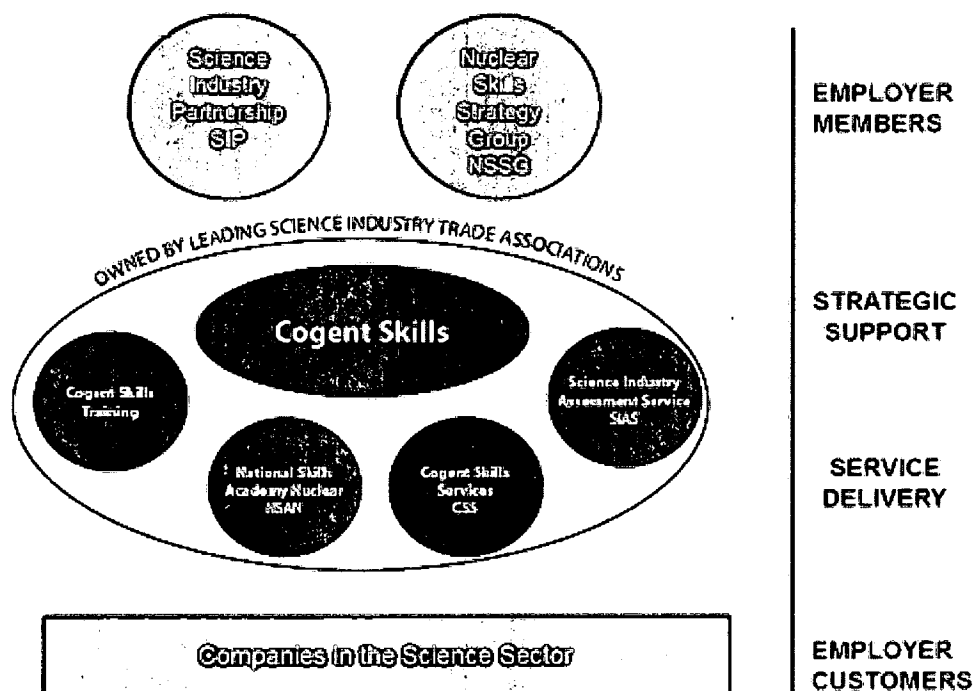
Cogent has particular expertise in STEM vocational education and industry regulation with respect to skills and competence. Cogent SSC is a wholly owned subsidiary of Cogent Skills. Cogent Skills is owned by the key Trade Associations from the science industries. This is a partnership relationship from which the Trade Organisations and Cogent seek to deliver common objectives with respect to skills to the benefit of science industry employers.

# Cogent SSC Limited

## Strategic report for the year ended 31 December 2018 (continued)

### 2. Strategic objectives (continued)

#### Cogent Structure



### 3. Development and performance

#### Membership Business Unit

##### Science Industry Partnership (SIP)

The Life Sciences Sector Deal 2 was published at the end of last year, and sees the SIP, with key partners including the Association of the British Pharmaceutical Industry (ABPI) and the BioIndustry Association (BIA), leading and delivering a Life Sciences 2030 Skills Strategy. This will be published in December 2019, made possible due to funding from all parties involved.

The new SIP Strategy will build a clear evidence base of the status of life science skills and future scenarios to 2030, focusing on medicines manufacturing, as well as other key emerging technologies, such as Artificial Intelligence (AI), to identify the provision required. The Skills Strategy 2030 will deliver the Blueprint for the “People Pillar” of the Life Sciences Sector Deal. The deal also references an Apprenticeship Pilot to support better SME Apprenticeship take-up.

The SIP hosted a very successful Artificial Intelligence Workshop after the SIP Board in November with over 30 attendees from member companies and partners. Expert Speakers from Benevolent AI and Tech Partnership Degrees presented, following which the participants debated the skills required.

The Chemistry Council has now produced its strategy for delivery of chemistry fuelled growth to the UK economy. Education and skills is identified as a key enabler and the strategy identifies 11 skills priorities including working with the SIP to ensure the Apprenticeship Levy delivers for the sector and promoting qualifications and training to industry standards including the Gold Standard.

# Cogent SSC Limited

## Strategic report for the year ended 31 December 2018 (continued)

### 3. Development and performance (continued)

The SIP's highly successful Apprenticeship Survey was launched through SIP in the regions, at Medimmune in Cambridge and Fujifilm in the North East, with both past and present apprentices talking about their experiences. In the light of its survey findings, the SIP welcomed the Government's recent proposed levy consultation with employers, as well as the Chancellor's announcement that employers will be allowed to transfer up to 25% of their levy to another organization. The SIP's survey has received considerable interest, including a detailed response from Skills Minister Anne Milton.

SIP Process Industries Working Group (SIPPI) is to take the coordinating lead role for competence, working in close collaboration with the COMAH Strategic Forum, Process Safety Forum and The Chemicals and Downstream Oil Industries Forum (CDOIF) and other stakeholders, including Process Safety Management Competence Programme Board and IChemE. This places SIPPI as the body responsible for reviewing competence and standards.

#### Nuclear Skills Strategy Group (NSSG)

The Nuclear Skills Strategy Group launched an updated Strategic Skills Plan at Nuclear 2018, the Nuclear Industry Association's (NIA) Annual Conference in London. The Updated Plan takes action on one of the five foundations of the Government's Industrial Strategy – People.

Following the curtailment of new build nuclear announcements made by Toshiba/Westinghouse and more recently Hitachi, work has begun to understand the impact of various workforce demand scenarios for nuclear new build. At the same time, the skills implications for next generation reactor technologies are being developed, to capture the capabilities required to support these new areas. By mapping conventional demand scenario, alongside future nuclear generation skills requirements, we have started to form a comprehensive picture for the NSSG's Nuclear Workforce Assessment 2019.

A second seminar, UK/ French Innovative Approaches to Nuclear Skills was held in November at the French Ambassador's residence in London. It was opened by Jean-Pierre Jouyet, Ambassador of France to the United Kingdom and closed by Stephen Speed, Nuclear Directorate, Department for BEIS. A 3rd seminar will be organised in May 2019 in Normandy to coincide with the 75th anniversary of D-Day.

Cogent is organising an NSSG Skills Conference in Manchester on 21st March 2019. This is the same day of the Nuclear Skills Awards event in the evening. During the year we made good progress on a Nuclear Sector Deal themed Conference Programme and over 250 delegates have signed up; Industry Minister, Richard Harrington will be doing the keynote speech.

A new Nuclear Career Pathways platform is in development, and will give job role and pathway information to those seeking to enter or move within the nuclear sector. It will be hosted on the new NSSG website.

#### Projects

The Downstream Oil Distribution Forum & the Petroleum Driver Passport Scheme still continues to grow with 11,410 petroleum product drivers having passed their assessments and been issued with passports during 2018. Meetings continued to be held with driver agencies to promote PDP and understand any issues that agencies face in it operation. A request to licence PDP training from a Greek Training Provider is being actively progressed. An enquiry from Bahrain is also being followed up.

A couple of substantial bids for project funding were progressed, including; an ESF Greater Cambridge & Greater Peterborough bid for a Science apprenticeship promotion, connection and support service and supporting careers outreach activity.

A Cambridge funding proposal to the Combined Authority was submitted in July and Cogent is also in regular dialogue with the Liverpool Combined Authority about establishing SIP Liverpool and a draft proposal is being worked up between the LCA and Cogent. The aim is to submit a bid to LCA for funding to support SIP Liverpool in Spring 2019.

In addition, the three Federation of Industry Skills and Standards (FISSS) projects for which Cogent secured £85k project investment were underway and on target as planned.

# **Cogent SSC Limited**

## **Strategic report for the year ended 31 December 2018 (continued)**

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

#### Standards

During the year we continued to facilitate the development of new apprenticeship standards to support the sector's skills agenda, via the Life Sciences & Industrial Sciences (LSIS) Trailblazer Group. We also continued to track and monitor the development and progress of other science, health and engineering standards led by other Trailblazer Groups which may also be of interest to employers.

LSIS level 3 Standards are now due for review, a program is in place to review the Science Industry Maintenance Technician, (SMT), Science Manufacturing Technician (SMT) and the Laboratory Technician. The aim is to submit the reviewed standards to IfA first quarter 2019.

The Life Science and Industrial Science Trailblazer (LSIS) achieved approval for the Level 7 Bioinformatics Standard; the Standard will be approved for delivery by the IfA by early 2019. The Level 7 research scientist standard was approved and the LSIS working group submitted the final EPA and costs to the IfA for approval. A new proposal to develop a level 7 Clinical Pharmacology Scientist has met with considerable interest from employers.

A level 2 Signmaking standard was prepared for submittal in January 2019. This will replace the last apprenticeship framework when the new standard becomes available early next year.

Cogent continues to undertake Apprenticeship Framework work for the Devolved Nations. The review of the Process Engineering Maintenance SVQs is now completed. The portfolio of work for 2018-19 is ongoing and includes; new NOS development for Bio-processing Engineers and Regulation, a Downstream NOS Review, development of a Radiation Protection new MA and SVQ qualification for Scotland, and a Level 2 & Level 3 Laboratory and Science Technicians review of qualifications for Northern Ireland. The process for identifying 2019-20 NOS, qualifications and framework activity is underway with Skills Development Scotland and the employer bodies.

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

SIAS performance remains strong. There has been a steady flow of registrations for end-point assessment for apprentices who started training in the 2018/19 academic year. We still face something of a delay between apprentice starts and registration with SIAS, as the lead provider has to first contract with employers and gather the required data for the individual's learner record. Interest from employers and their lead providers in using SIAS for end-point assessment remains strong and many new providers have registered learners with SIAS. End-Point Assessment volumes are on course to increase from just over 50 in 2018 to approximately 300 for 2019. A large number of these will be for L5 and L6 Laboratory Scientist Standards, which is a growth area for many training providers. The SIAS offer now includes eight standards and work has started on our application to the register for Level 7 Bioinformatics Scientist. Alongside this a development plan has been created for 2019 in order to investigate the potential for offering End-Point Assessment for a wider range of Standards. SIAS is busily gearing up for the very steep growth in end-point assessments in the coming year.

#### **Cogent in the Devolved Administrations**

During 2018 Cogent worked with a number of employers and interested organisations in consultation on the review and development of National Occupational Standards and Frameworks products across all the Devolved Administrations - Scotland, Wales, England and Northern Ireland.

These included: Laboratory and Science Technicians L2 & L3, Downstream Operations, Process Safety Management, Process Control Engineers (Bioscience), Health Physics Monitor, and a NOS Database data cleanse project for Skills Development Scotland.

In addition, Cogent have submitted a public procurement tender to become the preferred supplier for Standards and Frameworks in the devolved regions for the next three years.

# **Cogent SSC Limited**

## **Strategic report for the year ended 31 December 2018 (continued)**

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

#### **Scotland**

Cogent has continued to undertake project funded standards and frameworks work on the review of SVQs for Scotland in the following areas: Health Physics Radiation Protection Monitoring.

In addition, employers and partners in Scotland were consulted with during the creation of new National Occupational Standards (NOS) in the following areas: Downstream Operations, Process Safety Management, Process Control Engineers (Bioscience).

We also secured an MOU with the Life and Chemical Sciences Skills Group in Scotland regarding working in partnership on skills development and on all our Standards and Frameworks projects.

Cogent have also submitted a collaborative funding proposal with SEMTA and Energy & Utility Skills to Skills Development Scotland and Zero Waste Scotland for a NOS review project to support Scottish Government's policy Making Things Last – a Circular Economy Strategy for Scotland as outlined the Government's commitment to making the transition to a circular economy by maximising resource efficiency and retaining value. The outcome of the proposal is awaited and will be taken forward in 2019.

#### **Wales**

Employers and partners in Wales were consulted with during the creation of new National Occupational Standards (NOS) in the following areas: Downstream Operations, Process Safety Management, Process Control Engineers (Bioscience).

We have continued to work with Welsh Government on the Nuclear Skills Strategy Group , including offering support via them to assist in the placement of employees affected by the suspension of Horizon's new nuclear build project at Wylfa.

#### **Northern Ireland**

Employers and partners in Northern Ireland were consulted with during the review of the National Occupational Standards (NOS) in the following areas: Laboratory and Science Technicians L2 & L3. In addition, they were consulted with during the creation of new UK NOS in the following areas: Downstream Operations, Process Safety Management, Process Control Engineers (Bioscience).

#### **Cogent People**

We have entered an exciting phase where we are building up our current workforce to continue to build on the success of 2018 and support delivery of each business unit's objectives.

We are also continuing to invest in training and development with one employee completing their apprenticeship in CIPD and most employees undertaking some form of professional development over the coming year.

The ASPIRE recognition scheme for all Cogent employees is now in its second year and this scheme has been successful in linking behaviours back to Cogent's vision and supporting the values of the company.

This year will see Cogent reapply for Investors in People and we are hopeful of a successful outcome as indicated through an employee survey which took place in October.

#### **Looking Ahead**

Following on from the group restructuring in 2017 where Cogent Skills Limited became the sole member of Cogent SSC Limited, it remains the Trustees intention to transfer the business operations of Cogent SSC Limited into Cogent Skills Limited and SIAS Limited. Management expect this to take place within the next year.

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

The trustees consider the principal risks and uncertainties to be related to financial risk and these are discussed on page 9 in the Trustees report.

# Cogent SSC Limited

## Strategic report for the year ended 31 December 2018 (continued)

### 5. Financial review

The company's performance during 2018 reflected a year of recovery. The results for the year show a pre-tax surplus of £43,000 (2017: £1,000) including a restructuring provision of £nil (2017: £13,000). Total income decreased by 43 per cent to £2,177,000 (2017: £3,837,000) as we continue to run down the closure of the Employer Ownership Programme. SIAS had another strong year of growth and we expect income here to substantially increase during 2019. Our membership income was similar to last year and have budgeted for further growth during 2019.

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

#### Reserves policy

As at 31 December 2018, the unrestricted reserves of the company amounted to £1,088,000 (2017: £1,045,000). The target level of reserves of the charitable group is £2,000,000 representing a minimum six months operating costs and ensuring that sufficient funds are available to sustain the group. The reserves policy is reviewed annually.

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

#### Income generation

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

#### Resources expended

The main expenditure continues to be remuneration costs amounting to 54 per cent (2017:36) of total expenditure.

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

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

- Net surplus
- Cash balances
- Income streams

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



J Haigh  
Trustee

18/1/19



# **Cogent SSC Limited**

## **Trustees' report for the year ended 31 December 2018**

The trustees present their report and the audited financial statements for the year ended 31 December 2018. The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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

The charity, Cogent SSC Limited is registered with Companies House with Company registration number SC129351 and charity registration number SC003435 with the Office of the Scottish Charity Regulator (OSCR).

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

#### **Chairman**

J Haigh

#### **Trustees**

J Woolf

K Gorge

A Burke

M Kenrick\*

#### **Company Secretary**

K Gorge

Other trustees who served during the financial year:

A Handley      resigned 13 March 2019

C Lewis        resigned 6 July 2018

\* indicates membership of the Audit Committee

#### **Chief Executive Officer and Principal Office**

J Woolf

Unit 5, Mandarin Court

Centre Park

Warrington

WA1 1GG

#### **Company secretary and Registered Office**

K Gorge

C/O Cogent SSC Ltd

Blue Square House

272 Bath Street

Glasgow

Scotland

G2 4JR

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

RSM UK Audit LLP

3 Hardman Street

Manchester

M3 3HF

# **Cogent SSC Limited**

## **Trustees' report for the year ended 31 December 2018 (continued)**

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

#### **Solicitors**

GLP Solicitors  
85 Chapel Street  
Manchester  
M3 5DF

#### **Bankers**

Bank of Scotland  
31 High Street  
Montrose  
DD10 8LT

# **Cogent SSC Limited**

## **Trustees' report for the year ended 31 December 2018 (continued)**

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

#### **Governing document**

Cogent SSC Limited (Cogent) is a company limited by guarantee with charitable status, registered in Scotland with the Office of the Scottish Charity Regulator. Cogent is licensed by the UK government to be the Sector Skills Council for the chemicals, pharmaceuticals, nuclear, petroleum and polymer industries. Cogent is governed by its revised Memorandum and Articles of Association to allow for its current governance arrangements. There is currently 1 (2017: 9) member, who agrees to contribute £1 in the event of the charity winding up.

#### **Appointment of trustees**

As set out in the Articles of Association, the trustees are appointed by the members through the nominations committee. There are employer nominated trustees (from the industry sectors that Cogent represents), up to two trade union trustees and other experts who are involved within the industry sectors.

The nominations committee is made up of up to five trustees. It considers the requirement for specialist skills and appropriate regional representation when recommending trustees to the Board.

#### **Training and induction for trustees**

All trustees receive an induction pack on joining the Board which includes the Memorandum and Articles of Association, the Cogent business plan, annual report and market assessment on the sector industries. Training for trustees takes place to brief them on their legal obligations under charity and company law and the Scottish Charity Regulator's guidance on trustees duties.

#### **Organisation**

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

#### **Key management personnel remuneration policy**

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

#### **Internal control**

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

#### **Public benefit requirement**

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

#### **Financial risk management**

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

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

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

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

# **Cogent SSC Limited**

## **Trustees' report for the year ended 31 December 2018 (continued)**

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

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

#### **Activities**

Cogent SSC Limited promotes an employer owned skills system based on the sectors needs and is a source of information and intelligence on skills. It is also a standards setting authority and facilitates the Trailblazer for standards development, as well as providing careers information on jobs in the science industries.

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

#### **Results and Dividends**

The results on pages 14 and 16 show a surplus for the financial year before taxation of £43,000 (2017: £1,000) with total income of £2,177,000 (2017: £3,837,000).

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

Following on from the group restructuring in 2017 where Cogent Skills Limited became the sole member of Cogent SSC Limited, it remains the Trustees intention to transfer the business operations of Cogent SSC Limited into Cogent Skills Limited and SIAS Limited. Management expect this to take place within the next year.

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

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

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

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

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

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

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

The trustees (who are also directors of Cogent SSC Limited 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).

# **Cogent SSC Limited**

## **Trustees' report for the year ended 31 December 2018 (continued)**

### **6. Statement of trustees' responsibilities (continued)**

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

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

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- 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.

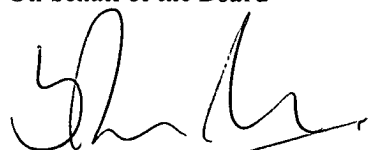
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **7. Independent Auditors**

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

**The Report of the Trustees and the Strategic Report were approved by the Board of Trustees on 18 September 2019.**

**On behalf of the Board**



J. Haigh  
Trustee

# **Cogent SSC Limited**

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

### **Opinion**

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### **Basis for opinion**

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

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

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

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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable 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 trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 matter prescribed by the Companies Act 2006**

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

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

# Cogent SSC Limited

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

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

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

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

- the charitable company has not kept proper and adequate accounting records, 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on pages 10 and 11, the trustees' (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

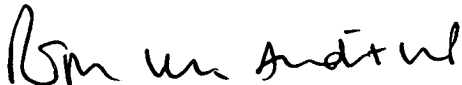
### Auditor's responsibilities for the audit of the financial statements

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 exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's trustees 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 charity, its members as a body, and its trustees 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: 19 September 2019

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

# Cogent SSC Limited

## Statement of Financial Activities for the year ended 31 December 2018

	Note	2018 £'000	2018 £'000	2017 £'000	2017 £'000
<b>Income and endowments from:</b>					
Investment income	2		1		-
Charitable activities	3		2,176		3,837
<b>Total income</b>			<b>2,177</b>		<b>3,837</b>
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Occupational standards, education and qualifications	4	701		1,105	
Research, policy and engaging with employers	4	1,409		2,715	
			2,110		3,820
Governance costs	4		24		28
(Release) against Inter Company Receivables			-		(12)
<b>Total expenditure</b>	4		<b>2,134</b>		<b>3,836</b>
<b>Net income and net movement in funds</b>			<b>43</b>		<b>1</b>
Fund balances brought forward at 1 January			1,045		1,044
<b>Fund balances carried forward at 31 December</b>			<b>1,088</b>		<b>1,045</b>

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

The trustees consider all the fund balances as being unrestricted.




# Cogent SSC Limited

## Balance Sheet as at 31 December 2018

	Note	2018 £'000	2017 £'000
<b>Fixed assets</b>			
Intangible assets	8	18	71
Tangible assets	9	11	20
<b>Total fixed assets</b>		<b>29</b>	<b>91</b>
<b>Current assets</b>			
Debtors	10	2,375	2,043
Cash at bank and in hand		670	1,152
<b>Total current assets</b>		<b>3,045</b>	<b>3,195</b>
<b>Creditors: amounts falling due within one year</b>	11	<b>(1,695)</b>	<b>(1,779)</b>
<b>Net current assets</b>		<b>1,350</b>	<b>1,416</b>
<b>Total assets less current liabilities</b>		<b>1,379</b>	<b>1,507</b>
<b>Creditors: amounts falling due after one year</b>	12	<b>(43)</b>	<b>(58)</b>
<b>Defined benefit pension scheme liability</b>	13 & 16	<b>(248)</b>	<b>(404)</b>
<b>Net assets</b>		<b>1,088</b>	<b>1,045</b>
<b>The funds of the Charity</b>			
Unrestricted income funds	17	1,088	1,045
<b>Total charity funds</b>	18	<b>1,088</b>	<b>1,045</b>

The financial statements on pages 14 to 30 were approved by the Board of Trustees on 18 September 2019 and were signed on its behalf by:



**J-Haigh**  
Trustee

Company Registered Number SC129351  
Charity Registration Number SC003435

## **Cogent SSC Limited**

### **Income and expenditure account for the year ended 31 December 2018**

<b>Continuing operations</b>	<b>Note</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
<b>Income</b>			
Charitable income	3	2,176	3,837
<b>Total income</b>		<b>2,176</b>	<b>3,837</b>
<b>Expenditure</b>			
Charitable expenditure	4	2,134	3,836
<b>Total expenditure</b>		<b>2,134</b>	<b>3,836</b>
Surplus for the financial year before interest and taxation		42	1
Interest receivable	2	1	-
Surplus for the financial year before taxation		43	1
Taxation on surplus		-	-
<b>Surplus for the financial year</b>		<b>43</b>	<b>1</b>

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

# Cogent SSC Limited

## Cash flow statement for the year ended 31 December 2018

	Note	2018 £'000	2018 £'000	2017 £'000	2017 £'000
<b>Net cash outflow from operating activities</b>	20		(458)		(11)
<b>Return on investments and servicing of finance</b>					
Interest received		1		-	
<b>Net cash inflow from returns on investments and servicing of finance</b>			1		-
<b>Capital expenditure and financial investment</b>					
Purchase of intangible fixed assets		(14)		-	
Purchase of tangible fixed assets		(11)		-	
<b>Net cash inflow/(outflow) for capital expenditure and financial investment</b>			(25)		-
<b>Net decrease in cash and cash equivalents</b>			(482)		(11)
<b>Cash and cash equivalents at the beginning of the year</b>			1,152		1,163
<b>Cash and cash equivalents at the end of the year</b>	21		670		1,152

# **Cogent SSC Limited**

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

### **1 Principal accounting policies**

The financial statements have been prepared under the historic cost convention, on a going concern and accruals basis, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities and preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2018) – (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

#### **Going concern**

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

#### **Company status**

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

#### **Fund accounting**

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

#### **Incoming resources**

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

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

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

#### **Deferred income**

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

#### **Provisions**

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

#### **Reduced disclosures**

The Company has taken advantage of the exemption from disclosing the following information, as permitted by the reduced disclosure regime within FRS 102:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flows and related notes and disclosures.
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts for financial instruments measured at amortised cost or cost less impairment, interest income/expense and net gains/losses for financial instruments measured at amortised cost, loan defaults or breaches, and descriptions of hedging relationships.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

# Cogent SSC Limited

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

### 1 Principal accounting policies (continued)

The financial statements of the Company are consolidated in the financial statements of Cogent Skills Limited. The consolidated financial statements of Cogent Skills Limited are available from its registered office, Unit 5, Mandarin Court, Centre Park, Warrington, Cheshire, WA1 1GG.

#### Expenditure

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

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

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

#### Investments

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

#### Intangible fixed assets

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

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

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

#### Tangible fixed assets

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

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

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

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

#### Impairment

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

# **Cogent SSC Limited**

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

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

#### **Leases**

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

#### **Irrecoverable VAT**

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

#### **Deferred taxation**

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

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

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

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

#### **Employee benefits**

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

#### *Short term benefits*

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

#### *Multi-employer pension plan*

Cogent SSC Limited participates in the ITB Pension Scheme, a multi-employer pension plan defined benefit scheme. The company is not legally responsible for the plan and does not have sufficient information to use defined benefit accounting. Where the plan is in deficit and where the entities have agreed with the plan to participate in a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the contributions payable under the agreement that relate to the deficit. Payments made to the plan are offset against this creditor. Where there is a change in the value of the contributions to be paid to the plan as a result of the deficit funding arrangement the change is recognised in the Statement of Financial Activities in the period in which the agreement is signed by both parties. The unwinding of the discount is recognised as a finance cost. Further pension details can be found in notes 13 and 16 to the financial statements.

From 1 April 2017 the remaining employees who participated in the defined benefit scheme were transferred into the defined contribution scheme for future service benefits.

#### **Financial instruments**

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

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

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

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

# **Cogent SSC Limited**

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

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

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

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

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

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

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

##### *Debtor provision*

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

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

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

# Cogent SSC Limited

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

### 2 Investment income

	2018 £'000	2017 £'000
Bank deposit income	1	-

### 3 Charitable activities

	2018 £'000	2017 £'000
Government and other grants	686	1,417
Membership fees	612	614
Other income	878	1,806
	<b>2,176</b>	<b>3,837</b>

### 4 Analysis of expenditure

	Research, policy and engaging with employers £'000	Occupational standards, education and qualifications £'000	Governance costs £'000	Total 2018 £'000
<b>Cost directly allocated to activities</b>				
Salaries and other staff costs	155	675	-	830
Specific projects	366	225	-	591
Other costs	12	26	-	38
	<b>533</b>	<b>926</b>	<b>-</b>	<b>1,459</b>
<b>Support costs</b>				
Salaries and other staff costs	105	376	-	481
Marketing and communications	9	16	-	25
Premises costs	31	53	-	84
Other costs	23	38	24	85
	<b>168</b>	<b>483</b>	<b>24</b>	<b>675</b>
<b>Total expenditure</b>	<b>701</b>	<b>1,409</b>	<b>24</b>	<b>2,134</b>

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



# Cogent SSC Limited

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

### 4 Analysis of total expenditure (continued)

The comparative numbers for 2017 are:

	Research, policy and engaging with employers £'000	Occupational standards, education and qualifications £'000	Governance costs £'000	Total 2017 £'000
<b>Cost directly allocated to activities</b>				
Salaries and other staff costs	327	693	-	1,020
Specific projects	2,032	170	-	2,202
Other costs	11	20	-	31
	<b>2,370</b>	<b>883</b>	-	<b>3,253</b>
<b>Support costs</b>				
Salaries and other staff costs	170	158	-	328
Marketing and communications	22	8	-	30
Premises costs	66	24	-	90
Other costs	87	32	28	147
	<b>345</b>	<b>222</b>	<b>28</b>	<b>595</b>
<b>Total expenditure</b>	<b>2,715</b>	<b>1,105</b>	<b>28</b>	<b>3,848</b>

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

### 5 Net incoming resources

	2018 £'000	2017 £'000
Net incoming resources is stated after charging:		
Amortisation of intangible fixed assets – owned	67	115
Depreciation of tangible fixed assets – owned	20	40
Auditors' remuneration: audit services	12	14
: other services	4	6
Operating lease rentals – other	65	63

# Cogent SSC Limited

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

### 6 Trustees' emoluments

Two trustees (2017: two) received aggregate emoluments of £253,473 (2017: £265,481) including pension contributions of £8,297 (2017: £16,086) during the year for their services as employees, in accordance with the articles of the charity. No trustees (2017: nil) have received reimbursement (2017: £nil) for travel and subsistence expenses. Professional indemnity insurance, which cost the charity £4,798 (2017: £4,712) is in place with a limit of £2 million.

### 7 Employee information

	Year ended 31 December 2018 £'000	Year ended 31 December 2017 £'000
Wages and salaries	1,002	1,175
Social security costs	103	119
Other pension costs	50	81
<b>Staff costs</b>	<b>1,155</b>	<b>1,375</b>

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	19	22

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

Salaries and benefits	2018 Pension costs £'000	2018 Number	2017 Number
£60,000 - £70,000	7	2	2
£80,001 - £90,000	5	1	3
£160,001 - £170,000	8	1	-
£170,001 - £180,000	-	-	1

#### Directors' remuneration

The highest paid director (and trustee), Joanna Woolf received emoluments of £164,076 (2017: £177,793) and had an accrued pension value of £22,713 at 31 December 2018 (2017: £22,148). Retirement benefits are accruing to one (2017: one) director under the defined benefit scheme.

# Cogent SSC Limited

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

### 8 Intangible assets

	Computer software £'000	Total £'000
<b>Cost</b>		
At 1 January 2018	580	580
Additions	14	14
<b>At 31 December 2018</b>	<b>594</b>	<b>594</b>
<b>Accumulated depreciation</b>		
At 1 January 2018	509	509
Charge for year	67	67
<b>At 31 December 2018</b>	<b>576</b>	<b>576</b>
<b>Net book value</b>		
<b>At 31 December 2018</b>	<b>18</b>	<b>18</b>
At 31 December 2017	71	71

### 9 Tangible assets

	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
<b>Cost</b>			
At 1 January 2018	65	152	217
Additions	5	6	11
<b>At 31 December 2018</b>	<b>70</b>	<b>158</b>	<b>228</b>
<b>Accumulated depreciation</b>			
At 1 January 2018	65	132	197
Charge for year	-	20	20
<b>At 31 December 2018</b>	<b>65</b>	<b>152</b>	<b>217</b>
<b>Net book value</b>			
<b>At 31 December 2018</b>	<b>5</b>	<b>6</b>	<b>11</b>
At 31 December 2017	-	20	20

# Cogent SSC Limited

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

### 10 Debtors

	2018 £'000	2017 £'000
Trade debtors	302	268
Amounts owed by group undertakings	1,844	1,418
Other debtors	1	15
Prepayments and accrued income	228	342
	<b>2,375</b>	<b>2,043</b>

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

	2018 £'000	2017 £'000
Trade creditors	217	201
Taxation and social security	45	37
Amounts owed to group undertakings	40	-
Deferred capital grant	-	5
Accruals	1,053	1,300
Deferred income	340	236
	<b>1,695</b>	<b>1,779</b>

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

	£'000
Balance as at 1 January 2018	236
Amount released from previous years	(236)
Incoming resources deferred in year	340
<b>Balance as at 31 December 2018</b>	<b>340</b>

The balance above includes £340,000 (2017: £236,000) of amounts falling due within one year and £nil (2017: £nil) of amounts falling due after more than one year.

# Cogent SSC Limited

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

### 12 Creditors: amounts falling due after one year

	2018 £'000	2017 £'000
Deferred capital grant	-	-
Rent and dilapidations	43	58
	43	58

### 13 Post employee benefits

The movements in the liability during the year were as follows:

	2018 £'000	2017 £'000
At 1 January	404	524
Utilised during the year	(145)	(140)
Movement in the liability recognised in the Statement of Financial Activities	(11)	20
At 31 December 2018	248	404

Refer to note 16 for further information.

### 14 Members' liability

Members' liability is limited by guarantee not exceeding £1 per member (1 member) (2017: 1 member).

### 15 Commitments

At 31 December 2018 the company had total commitments under non-cancellable operating leases expiring as follows:

	2018 Land and buildings £'000	2017 Land and buildings £'000	2018 Other £'000	2017 Other £'000
Within one year	-	3	-	-
Within two to five years	62	130	-	5
	62	133	-	5

The company has capital commitments of £nil as at 31 December 2018 (2017: £nil).

# Cogent SSC Limited

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

### 16 Pensions

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

With the introduction of FRS102 the liability, being the present value of future contributions agreed under a deficit reduction plan, is now incorporated into the statutory accounts with the repayments under the recovery plan reducing our liability on the balance sheet as opposed to being expensed through the income and expenditure account. The Scheme's liabilities are revalued triennially and a revised deficit funding arrangement is agreed following the completion of this valuation. Changes to the provision as a result of a new agreement being made are charged to the Statement of financial activities and income and expenditure account when the agreement is signed by both parties.

The latest triennial review of the scheme was at 31 March 2016. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (ie the discount rate) and the rates of increase in salary and pension. At the 2016 valuation a dual discount rate approach was adopted. The discount rate in the period before retirement reflects the expected investment returns on a portfolio consisting largely of return seeking assets, whereas for the period after retirement the discount rate reflects the expected return on the liability driven investment portfolio. The pre-retirement discount rate is gilt yield plus 2.5% whereas the post-retirement discount rate is gilt yield plus 0.5%. Real salary inflation was assumed to be 0.85% per annum. It was also assumed pensions would increase in line with RPI with a limitation placed on the increase ranging from 2.5% - 5%.

At the review date, the actuarial value of the assets of the scheme was £942.2 million and the value of liabilities was £932.5 million, leaving a surplus of £9.7 million representing a funding level of 101% (2013 97%). The next formal actuarial valuation is due at 31 March 2019. The solvency position is equivalent to a funding level of 77% (2013: 69%).

A deficit recovery plan is in operation with the ITB pension fund trustees and the 2018 financial statements include pension deficit recovery payments of £145,000 (2017: £140,000), an investment credit of £11,000 (2017: charge of £20,000) and a pension revaluation surplus of £nil (2017: £nil). The pension liability recognised in the financial statements represents the amounts payable under the recovery plan which fall due in future years.

The total pension cost for the company excluding the investment charge was £50,000 (2017: £81,000). This includes £nil (2017: £13,000) outstanding contribution at the balance sheet date. The contributions rate payable by the company was up to 8.35%. From 1 April 2017 the remaining employees who participated in the defined benefit scheme were transferred into the defined contribution scheme for future service benefits.

### 17 Unrestricted income funds

	£'000
At 1 January 2018	1,045
Surplus for the financial year	43
<b>At 31 December 2018</b>	<b>1,088</b>

# Cogent SSC Limited

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

### 18 Reconciliation of movements in members' funds

	2018 £'000	2017 £'000
Surplus for the year	43	1
Opening members' funds	1,045	1,044
Closing members' funds	1,088	1,045

### 19 Related party transactions

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.

### 20 Net cash outflow from operating activities

	Note	2018 £'000	2017 £'000
Net incoming resources before taxation		43	1
Investment income	2	(1)	-
Depreciation and amortisation		87	155
(Increase)/decrease in debtors		(332)	578
(Decrease) in creditors		(255)	(745)
Taxation		-	-
Net cash outflow from operating activities		(458)	(11)

### 21 Analysis of net cash

	At 1 January 2018 £'000	Cash flow £'000	At 31 December 2018 £'000
Cash at bank and in hand	1,152	(482)	670

# Cogent SSC Limited

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

### 22 Investments

#### Interests in subsidiary undertakings

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

Name of company and address of incorporation and operation	Description of shares held	Proportion of nominal value of issued shares	Principal activity
Cogent (Telford,) Limited (SC130214) Blue Square House, 272 Bath Street Glasgow, Scotland, G2 4JR	Ordinary	100%	Administration services
Cogent Skills Training Limited (06430341) Unit 5, Mandarin Court, Centre Park, Warrington, Cheshire, England, WA1 1GG	Ordinary	100%	Education and training

### 23 Financial instruments

	2018 £'000	2017 £'000
<b>Financial assets</b>		
Measured at amortised cost	<u>2,819</u>	<u>2,841</u>

	2018 £'000	2017 £'000
<b>Financial liabilities</b>		
Measured at amortised cost	<u>257</u>	<u>201</u>

Financial Assets are Trade Debtors & Cash at bank and in hand. Financial liabilities are Trade Creditors.