

Cogent Annual Report and Financial Statements 2007



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“Cogent’s primary aim is to support businesses to compete globally, through the skills and talents of all their employees. It is working to substantially increase the uptake of skills for productivity and sustainability; to reform the system of qualifications and to ensure that license to operate underpins all skills development activity.”

Dr John Beacham, CBE
Chairman



Foreword

Impact and influence through an employer-led agenda



Dr John Beacham
CBE, Chairman

Cogent was formed with employers to develop strategic, targeted action to meet its sector’s skills needs. With the involvement of employers, key industry leaders and industry trade associations, as well as the voice of employees, it is leading a major drive to boost skills and workforce development in the sector.

Cogent’s primary aim is to support businesses to compete globally, through the skills and talents of all their employees. It is working to substantially increase the uptake of skills for *productivity* and *sustainability*; to *reform the system* of qualifications and to ensure that *license to operate* underpins all skills development activity.

One critical success factor for meeting the skills challenge is delivering training in the right format, in the right place and at the right time, for both the employer and the learner. After building a detailed case, and following two years of in-depth lobbying, planning and consultation, Cogent and employers were successful with their bid for the National Skills Academy Process Industries and the National Skills Academy for Nuclear. Employers are now investing directly in *their* Academies. So far the National Skills Academy for the Nuclear Industry has raised £340,000 in employer revenue and secured a commitment of £17,077,000 in employer and stakeholder capital investment; while our National Skills Academy Process Industries has raised nearly £1 million in direct employer pledges.

Cogent and the Academies are developing and delivering vocational training that is valued and used by every company they represent. Importantly, Cogent has also been working with employers to directly *influence government policy* – including channelling public funding to the sector to meet its needs and its *research and collection of Labour Market Information (LMI)* continues to build unrivalled intelligence and analysis about the skills needs of the sector.

In this report you’ll see how Cogent is bringing together and harnessing employer demand for skills – for example through its Upskill Programme, through Skills Passports, through employer-led Apprenticeships and through its drive to forge strong links between employers, schools, colleges and higher education.

In his report, Lord Leitch said: “*In the 21st Century, our natural resource is our people - and their potential is both untapped and vast. Skills are the key to unlocking that potential.*” It’s certainly difficult to argue with such a message and Cogent looks forward to continued strong partnerships with employers and skills agencies to strive for a prize that can be shared among everyone: employers, individuals and our wider society.

Review

Targeted interventions at every stage



Joanna Woolf, CEO,
Cogent SSC

Cogent was set up as a fully licensed Sector Skills Council with a vision to ensure the supply of world-class skills to a world-class sector. It was born out of the desire of key UK industries to improve their business performance through fit-for-purpose and accessible training.

Driven by major employers, Cogent continues to provide these industries with coherent leadership. It's doing this through targeted interventions at every stage in the education pyramid – from schools and Higher Education through to vocational and professional qualifications. All of this is underpinned by Cogent's sound Labour Market Information (LMI) and world-class standards.

Our work programme is ambitious. As well as ensuring a pipeline for transferable skills at every level across our sector, we also act as the voice of industry within government policy development around education and skills. And we continue to strengthen our partnerships at regional and national level and in the devolved administrations as well as with a multiplicity of stakeholders – including other SSCs.

Employer collaboration is of course central to our work. And employers have much to gain: by committing to workforce development through Cogent and its Skills Academies, employers can ensure they receive substantial public investment. Importantly, Cogent is well-positioned to ensure that this is targeted *directly* at their needs and they get their fair share of it.

Cogent serves a diverse industry sector bound together by common skills requirements: but above all it's a sector that needs industry-defined products that support Continuing Professional Development (CPD) right across the workforce. Standing still is not an option. And employers say that upskilling and reskilling will equip their people to do the jobs that are needed now and in the future.

An exciting breakthrough for the sector is Cogent's work to restructure qualifications to create smaller, themed groups of units, targeted at very specific training needs. Linked to this will be the accreditation of employers' own training – another major development for the industry.

As you'll see in this report these new, modular qualifications will ensure that people are trained to world-class Gold Standards at a pace that suits them and their employer. Cogent and its awarding bodies are working to ensure these new qualifications are submitted for approval as quickly as possible to meet priority skills needs. And we are working with our Skills Academies to make sure that they are easy to get hold of through quality-checked providers.

This newly streamlined system will underpin all our work. It's no longer about getting people through full-sized qualifications. The modules will sit on frameworks which support *your* existing approach to developing your people.

We understand that you need to increase efficiency, meet market expectations and innovate constantly. To do this you need to develop the very best talent you can. We are committed to supporting every single employer in our sector and thank those who have provided a vital leadership role in closing skills gaps.



2007 at a glance: some highlights



January
l-r Frances O'Grady (TUC),
Joanna Woolf



February
Delegates at the STEM
workshop



June
Jaine Chisholm-Caunt
& the Pledge



July
Apprenticeship Framework
for the future

January

- Cogent's Sector Skills Agreement is launched at the TUC.
- Cogent secures in the region of £150,000 from the Qualifications and Curriculum Authority (QCA) to trial a modular Approach to NVQs.
- The South East of England Development Agency (SEEDA) provides £200,000 to fund an important training programme that meets the needs of the composites industry.
- The National Skills Academy Project Teams are established.
- Cogent endorses the recommendations outlined in the Treasury-led Leitch Review of Skills and urges the Government to move forward quickly in implementing them.
- Cogent joins SEMTA's Bioscience Steering Group to help produce a Sector Skills Agreement in Bioscience.

February

- Cogent draws up first draft of the Nuclear Common Site induction Training Standard which will form the first phase of its Passports project.
- Cogent, Chemicals Northwest and SETNET host the first Science, Technology, Engineering and Maths (STEM) workshop to explore what a 'joined-up' system might look like.
- The Highland Skills Fund awards Cogent a grant to develop a "Preparation for Work Programme" aimed at senior secondary pupils who intend leaving school.
- Cogent implements a contract with the LSC East Midlands that will provide funding for a range of employers investing in management and technical skills training. 59 employees in the sector are set to benefit from the funding.

March

- The Engineering Diploma Development Partnership team (EDDP) produces a new employer guide on the Diploma.
- Cogent reveals a broad-ranging report *STEM Choices, Destinations and Intake to the Cogent Sector* which reports on science and engineering education choices, student destinations and entries into employment.

April

- Cogent Chair, Dr John Beacham (CBE) is awarded The Society of Chemical Industry (SCI) Lampitt Medal for his outstanding contribution and significant achievements to SCI.
- Cogent publishes its new research into the role of Foundation degrees in the sector. This reveals that while few employers know much about the qualification, the majority see that it has huge potential for upskilling.
- Cogent announces the accreditation of new/replacement Level 2 and 3 NVQs in Nuclear Decommissioning and in Radiation Protection.

May

- The Business Planning phase for the National Skills Academy for Nuclear and the National Skills Academy Process Industries comes to an end following a detailed programme of work.
- Companies in the East of England take part in a Cogent Masterclass aimed at putting in place competence-based approaches to the recruitment, training, reward and retention of their staff.
- Cogent, representing all SSCs, is invited to sit on the Higher Education Funding Council for England (HEFCE) advisory board reviewing the policy on Strategically Important and Vulnerable Subjects (SIVS).

June

- Cogent attends a special event in central London, at which the Chancellor (now Prime Minister) launches the "Skills Pledge". Cogent is joined by Jonathan Haddock, Managing Director of high-tech packaging company, SCA, who signs up to the Pledge.
- Jean Llewellyn, Project Director for the National Skills Academy for Nuclear, outlines its plans at the Nuclear Congress in Manchester.
- Cogent welcomes the Energy White Paper stating that over the next 10 years around 10,000 people in, or joining the nuclear industry will need in-depth training in decommissioning as well as skilled nuclear power operations staff to run proposed new power stations.

"We are committed to supporting every single employer in our sector and thank those who have provided a vital leadership role in closing skills gaps."

Joanna Woolf
CEO, Cogent SSC



August
MSP Cathy Peattie at the
Falkirk Wheel



September
Joanna Woolf and
Peter Davis (BPF)



November
Kate Hutchins (Cogent)
at the show



December
Dr John Beacham appears
in print

July

- Cogent finalises its over-arching Apprenticeship Framework which sets the standard for our industries and contains a balance of generic and industry specific skills.
- Cogent issues an "Invitation to Tender" for its Passport/Upskill IT platform, its sector wide, web-based service for individuals to record their skills and provide a transferable record of their training.
- As part of its Sector Qualifications Strategy (SQS) Cogent commissions a mapping exercise of the key occupations and functions across the sector.

August

- Cogent completes its comprehensive review of qualifications and learning provision across the six industries and the four nations of the UK. The result is its wide-ranging Sector Qualifications Strategy (SQS).
- Falkirk East MSP Cathy Peattie, joins Cogent and Skills Academy representatives at an event aimed at explaining Cogent's "Big Ticket" projects and the forthcoming Academies.

September

- Cogent and the British Plastics Federation (BPF) formally join each other's organisation as members to forge a collaborative approach to boosting workforce skills in the polymer industry.
- Members of Cogent's East Midlands Employer Network register approaching 300 employees onto the Learning and Skills Council's Train to Gain programme.
- Cogent's employer-led proposal for a National Skills Academy for the Nuclear Industry is given the go-ahead by the Department for Innovation, Universities and Skills (DIUS).

- Cogent's Employer Executive Forum launches its pilot apprenticeship programme with sponsorship provided by polymer employers based in Rutland

October

- Cogent showcases its Gold Standard Skills Solution at the Manufacturer LIVE exhibition.
- The newly formed National Skills Academy for Nuclear selects a consortium consisting of four Scottish colleges to develop and implement a range of Higher National Diplomas for Scotland's nuclear employers.

November

- Joanna Woolf presents a keynote speech at the annual North East Process Industry Cluster (NEPIC) Skills event, where Cogent also shows its products and services.
- Cogent showcases its new web portal www.cogent-careers.com at the "Zone" at Skills Northwest, giving young people a taste of the exciting career possibilities in modern manufacturing and engineering.
- OPITO, The Oil and Gas Academy is launched from Cogent's subsidiary and founding partner OPITO.
- Cogent's employer-led proposal to develop a unique National Skills Academy for the science-using Process Industries wins approval from the Department for Innovation, Universities and Skills (DIUS).

December

- Cogent launches a series of useable Factsheets for each industry in its "footprint".
- The Pembrokeshire Energy Group Workforce Development Partnership, supported by Cogent to assist employers in the region to engage with schools, receives an Award from Careers Wales.
- Cogent's Qualifications Strategy for its Sector is held up as an exemplar by the Sector Skills Development Agency (SSDA).
- Cogent Chairman Dr John Beacham is interviewed by the *Telegraph's* Martin Baker. The interview centres around John Beacham's role with Cogent.



The Cogent Sector comprises some of the UK's most strategic, valued-added and innovative employers in the UK. It provides for our energy and our health care needs as well as the raw materials for a myriad of supply chains across every single area of industry. It is a sector which provides for the quality of life we all enjoy in a world where natural resources are under more pressure than ever.

Within this highly skills-intensive footprint there are some 19,000 employers and over 955,000 employees contributing in excess of £49bn in GVA to the UK economy.

Cogent's sector productivity at around £98,000 GVA per employee, represents a high-value contribution, particularly when benchmarked against the UK employee average of around £31,000.

The industries are leading the way on research and development, exports and wealth-creation. However, when compared to the most high-performing economies in the world the Cogent Industries' performance still has room for improvement. Indeed if a broad view is taken on matching the USA's productivity levels, some £2.4bn would be added to the GVA as a consequence of improving skills across the sector.

The Cogent SSC footprint comprises six distinct industries with different challenges and individual strategies to ensure a sustainable future for all. There are however a number of common areas of operation as well as similar regulatory demands and external drivers which give tremendous weight to a common agenda for skills.

The industries are all science-based, process technology-driven and are sustained through creative molecular transformation. The continued application of science and technology to create value, make progress and increase market share is only possible through a continued supply of skilled "human capital".

The larger employers in the sector operate globally and are a major source of UK plc's wealth and strength. At the other end of the Cogent spectrum there are hundreds of smaller employers who may find it difficult to quantify training benefits to the organisation.

However, every single Cogent sector employers' license to operate and sustainability is wholly dependent on its ability to understand and manage complex business activities and issues. Ensuring the health and safety of both employees and the local population as well as the management of environmental impact are priority areas for companies right across the Cogent footprint.

Across the sector there is also a demand for a greater understanding of innovation processes as well as future science, technology, engineering and management needs and what these will mean for future skills and competences within the workforce.

The demands which arise from all of this require highly capable people at all levels in the organisation. Employers need technology-literate employees who can to operate more flexibly and across existing skills boundaries.

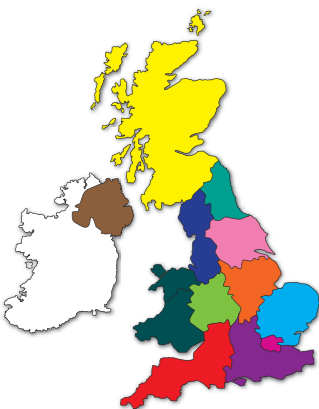
Above all, employers of every size and type say they want a consistent and high-quality approach to learning which ensures a practical outcome in the workplace.

Cogent's Mission is:
 'To meet the skill needs of the Cogent Industries to allow them to compete successfully'

The Vision for Cogent is:

- Cogent is the recognised source of information and intelligence regarding skills for the sector;
- Cogent is the valued source of Information, Advice and Guidance for the sector;
- Cogent is the 'owner' of the skills standard which is accepted and recognised across the industries;
- The NOS, qualifications and frameworks are used and owned by industry;
- Industry is fully engaged with Cogent as the means for influencing (via the National Skills Academies) education, private and public provision;
- Cogent is the Government acknowledged advocate for our industries on skills issues and is consulted as the voice of employers.





Cogent has a UK-wide focus, taking account of the distinctive political structures, economic development and unique education and training systems in the devolved administrations.

Cogent has National Managers covering Scotland, Northern Ireland and Wales as well as Regional Managers who work across the nine English regions.

Our Sector Skills Agreement (SSA) and the development of Labour Market Information (LMI) has involved considerable consultation with National and regional partners and we have mapped all our SSA priorities to the Skills and Economic Policies in every nation and region. Delivery of the SSA is outlined in National and Regional Action Plans which can be found on our website.

www.cogent-ssc.com/research/publications

England

Cogent is playing its part in the delivery of *World Class Skills: Implementing the Leitch Review of Skills in England*, taking full account of the needs of its sector.

This is the most comprehensive Government skills strategy ever produced – ranging from basic skills to high-level technical and science skills. It commits funding to the tune of £1.3bn per year by 2010/11.

Scotland

Scotland’s skills strategy is set out in *Skills for Scotland*, which was published in September 2007. The strategy outlines the Scottish Government’s plans to make Scotland a world-class skills base with opportunities for all. The Scottish strategy endorses the value of taking a sectoral approach to identifying and resolving skills needs, and the central role that SSCs play in this as the voice of employers.

Cogent has two members of staff based in Scotland and our sister organisation OPITO is also based in Aberdeen, providing a valuable service to the strategically important Oil and Gas industry. Cogent also plays an important role working with partners through the Sector Skills Alliance and as key members of strategic groups such as Chemical Sciences Scotland. We have engaged with key Scottish politicians and have welcomed the publication of the Scottish Skills Strategy.

Wales

The key context for Wales is set out in *Skills that Work for Wales, A Skills and Employment Strategy*. To support the delivery of this plan the Welsh Assembly Government (WAG) proposes to develop a strong network of SSCs, working closely with employer bodies to strengthen the employer voice in decisions on skills provision.

In Wales, Cogent’s Manager has engaged proactively with WAG and a number of funded project bids have been submitted. Cogent also works closely with WAG and the National Skills Academy for the Nuclear Industry which has a cluster in Anglesey, to explore possible funding and support models. As with the other three home nations, Cogent had responded to and provided input into key policy consultations such as Skills that Work for Wales.

Northern Ireland

The key context for Northern Ireland is laid out in *Success Through Skills* the Skills Strategy for Northern Ireland. This acknowledges that a need exists, in conjunction with employers and SSCs, to assist and support the upskilling of employees. In particular SSCs are cited as key stakeholders in the development of an all-age careers education, information, advice and guidance strategy.

In Northern Ireland, our recent refreshment of our LMI was welcomed by the Department of Education and Learning in Northern Ireland (DELNI), and our Northern Ireland manager has been engaging with new companies within the Pharmaceutical Industry and establishing new links with the Pharmaceutical Society of Northern Ireland. Cogent Board Member, Brian McCann, is the Head of the Northern Ireland Polymer Association, and Cogent has also been developing links with the All Island Polymer and Plastic Network. Cogent has been engaging proactively with InvestNI, and has taken an active role in the Sector Skills Alliance in Northern Ireland.

Five key principles are driving much of this activity across the UK:

- Re-designing the system around the needs of the demand side
- Transforming the supply side so that it can respond more effectively to the needs of the demand side
- Re-configuring funding support – for example through Train to Gain
- Giving users a greater say over the learning offer itself
- Driving cultural change, championing uptake in all parts of society

Cogent is working within this framework: our ultimate vision is of a sector where every person is fully contributing to business success as a qualified, proven professional, valued as an employee and with a clear career path.

“The challenges of the NDA’s programme have further increased demand for high quality and relevant training for the nuclear sector workforce. It is critical that such provision is led by the needs of the industry. Continued skills development through Cogent is vital to meet the future needs of nuclear employers. The partnership between public and private sector groups through the National Skills Academy for Nuclear is also an important step on this journey.”



Richard Waite,
Director, Nuclear Decommissioning Authority
Nuclear Industry Representative Cogent Board



The link between skills and higher productivity is now well-established. The Cogent Industries are operating in an intensely competitive marketplace and the sector's success is dependent upon new strategies in product development, quality as well as efficiency. Companies say they will require higher skill levels in their workforce to achieve all of this.

Upskill Programme: Upskill is Cogent's unprecedented programme which brings together a range of interlinked activities aimed at increasing the skill levels of the industry workforce. It is a particularly pressing requirement as 70 per cent of our 2020 workforce are already in our employment.

Development of the Upskill Programme continued through the year incorporating a range of projects. It is based on the modular acquisition of skills, enabling individuals in the workplace to gain recognition for their learning at a pace that suits both them and their employers.

The Cogent Upskill programme is focused on closing both the lower level skills gaps with new "bite-sized" modules at levels 2 and 3 (GCSE/A levels equivalent) as well as providing a skills pipeline from entry-level qualifications through to senior management, professional and technical qualifications at levels 4 and 5 (HNDs and Degrees).

The programme is supported by a brand new IT platform which is an easy to use, web-based service for individuals to assess, record and develop their skills and provides a transferable "Passport" of their training to the benefit of employees and employers.

The Cogent Gold Standard: During the year work on the Cogent Gold Standard framework progressed to provide a much-needed modular Continuous Professional Development (CPD) Programme for the Process Industries.

Each Gold Standard sets out the skills required for world-class performance within each key role (example opposite), presenting employers with a clear benchmark. The aspirational standard and is organised around four skills areas and associated qualifications.

- 1 Technical Competence
- 2 Business Improvement
- 3 Compliance
- 4 Functional and Behavioural Skills

Employers will be able to access modules of training within the Gold Standard from Academy approved providers. These Academy approved training providers will also be able access funding where appropriate for Gold Standard training programmes.

"I've been a Director of Cogent since it was licensed and have been closely involved in its strategy to support skills development in the Chemicals Industry, as well as its work to secure a much-needed Skills Academy. In that time I have been proud to have worked with a Board, Executive and staff who have positioned Cogent SSC as one of the most successful Sector Skills Councils. A key part of this is the Cogent Gold Standard – I am very enthusiastic about the potential benefits to Solutia of this world-class approach."



Steve Westhead,
Managing Director of Solutia Inc
Chemicals Industry Representative Cogent Board

Example Gold Standard for Chemicals Process Technician role at Level 3.

Technical Competence	Stage 1 Full Qualifications	Stage 2 Modular Qualifications
	S/NVQ L3 Chemical, Pharmaceutical, and Petro-Chemical Operations Or: S/NVQ L3 Process Engineering Maintenance City and Guilds Level 3 Certificate in Process Technology Or: Edexcel BTEC Level 3 National Certificate in Operations and Maintenance Engineering Or: HNC in Applied Science	Certificate in Process Operations Certificate in Process Maintenance City and Guilds Level 3 Certificate in Process Technology Or: Edexcel BTEC Level 3 National Certificate in Operations and Maintenance Engineering Or: HNC in Applied Science
Business Improvement	S/NVQ L2 Business Improvement Techniques for Process Industries Quality Improvement Programme	Certificate in Process Improvement
Compliance	Institution of Occupational, Safety and Health qualification (IOSH) Generic Health and Safety Training covering key HSE topics including COSHH and COMAH were appropriate Site specific Health and Safety training	Modules in: Process Safety Occupational Safety Environmental Control
Functional and Behavioural Skills	Communication L2 Application of Number L2 Information Technology L2 ILM Level 2 Certificate in Team Leading	Awards in: Communications Team Leadership Information Technology Mathematics for Technicians Employment rights and responsibilities.





The Nuclear Industry Training Framework (NITF): This is aimed at supporting the sector to be world-class and forms an important part of qualifications reform. Development started on the Framework is linking Core Nuclear Job Roles and qualifications/training programmes – initially for existing whole qualifications and then modules as they become available. It will be underpinned by an IT platform, which will also house the *Nuclear Passport*.

The outcome will be a clear development plan which sets out areas for learning. This plan will be linked to qualifications and modules where appropriate, with the methods of training and development clearly set out. Currently the NITF is based on full qualifications (stage one). Cogent and the Skills Academy are now developing modular qualifications, (stage two) which matches the way employers train their staff and better meets their needs.

Example
Nuclear Industry Training Framework, example of the Decommissioning Operator Core Role

Common Pathway	Entry / Base Qualifications	Time and experience	
		Secondary Qualifications Behavioural Competencies	Generic Site, Plant and Job Specific
Technical Competence	Nuclear Decommissioning N/SVQ Level 2	Performing Engineering Operations L2 Or Supporting Engineering Activities L2 FLT and Crane Operator Licence	SQEP and DAP Conditions
Business Improvement		Business Improvement Techniques L2	Site and Employer Specific
Compliance	Site Induction Nuclear Sites Unescorted Access Award for Nuclear Industry Awareness	Radiation Protection N/SVQ L2 Waste Management N/SVQ L2	Site Specific Health and Safety Training covering Key HSE topics including COSHH and COMAH Certificate in Manual Handling and Working at Heights (MEWP)
Functional and Behavioural Skills	Communication L2 Application of Number L2 Information Technology L2	Awards in: Team Working Employment Rights and Responsibilities	SQEP & DAP Conditions

The aim to convert the formal qualifications into Modular Qualifications



The Cogent sector is a critically important engine of wealth creation as well as providing the products that are central to the quality of life we enjoy. Sustainability is requiring the industries to develop the skills and the products to meet the environmental and social challenge.

Cogent Career Pathways: This is a sector-wide web-based initiative, welcomed by both employers and stakeholders alike and which is attracting thousands of new users month on month. It is playing an important part in securing the talents the sector needs now and in the future.

During the year a number of enhancements were made to ensure that the website develops as a rich resource and provides comprehensive information advice and guidance on career progression, jobs, training and salaries in the Cogent Industries. The site now contains pathways for five of the Cogent industries (including a sub-sector of polymers, the signmaking industry) and development of an oil and gas pathway is underway.

www.cogent-careers.com

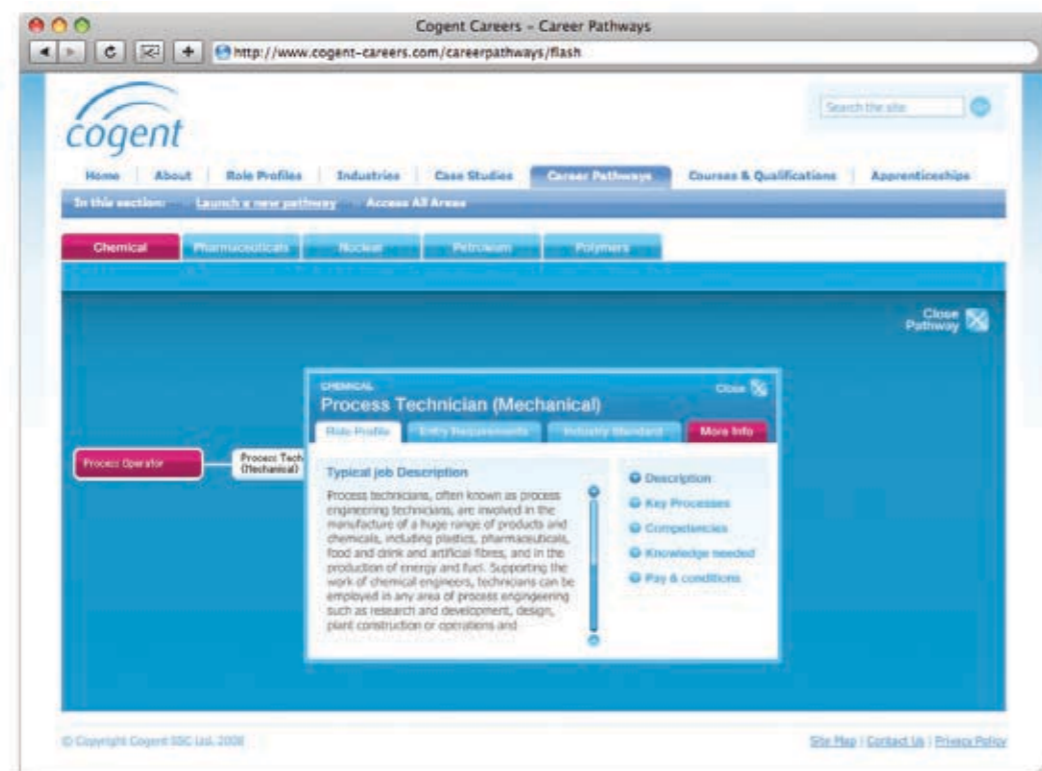
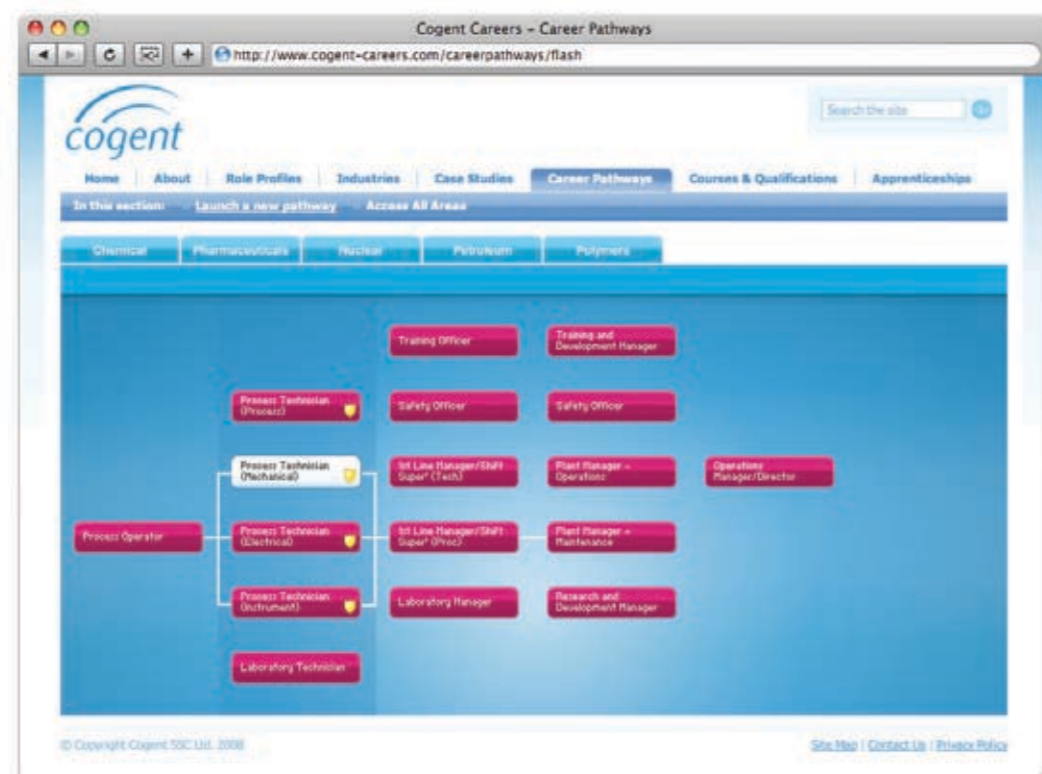
Diplomas: Cogent has continued to inform the development of brand new Diplomas in Engineering and in Manufacturing and Product Design. Diplomas are for teaching in schools and colleges and are aimed at 14-19 year olds. The Diplomas are designed to stretch young people whether they want to continue learning through to Higher Education or go into the workplace. They offer a mix of classroom learning and hands-on experience.

Diplomas are being developed by multi-agency partnerships (DDPs) led by the relevant Sector Skills Councils, with members representing a number of key stakeholders, including Higher Education and education professionals. During the year former Education and Skills Secretary Alan Johnson announced nearly 7,000 places on the Engineering Diploma. The new qualification will be available for young people from September 2008. The Manufacturing Diploma Development Partnership (MDDP) continued to make progress, and during the year gathered employer views on the statement of learning criteria for this Diploma, which will be available from 2009.

“Because it includes real job profiles with salaries and the careers paths are mapped out with all the qualifications needed, the Cogent site offers practical advice. It shows real people doing real jobs in the sector and shows what a career that involves science and engineering is really like and where it can take you.”

Paul Phillips,
HR Manager,
Solutia UK Ltd

Chemicals Industry careers pathway



Cogent Apprentices: This continues to be a highly-respected system of training and education. Building on the examples of existing best practice Cogent has finalised a new sectoral Apprenticeship Framework. This reflects the skills needs of the operating companies across the Cogent science-using sector, but can also accommodate a “top-up” to meet the specific requirements of the individual industries.

During the year Cogent also revised its Advanced Apprenticeship framework as part of its plan to boost the number of people taking up and completing Advanced Apprenticeships in the sector. The framework offers people the opportunity to gain the key technical skills they need to pursue higher-level job roles. Advanced Apprentices in the Chemical, Pharmaceutical, Petrochemical manufacturing and Refining industries now have access to a much broader spectrum of learning and a greater choice of technical certificates.

Cogent also began working with with EU Skills, the Engineering Construction Industry Training Board (ECITB) and SEMTA on a separate programme-led Energy Apprenticeship. This will comprise a common core (process or craft technician), after which young people can choose a Specialist Pathway. The format means that young people will be fully geared-up to join an employer, undertaking their NVQ level 3 with the company – for example at a nuclear site, power station or refinery.

Business Improvement Techniques: During the year Cogent steered the development of an employer-designed Business Improvement Techniques (BIT) NVQ specifically for the Process Industries. The techniques have been used in manufacturing for many years. However in the Process Industries it had not made the same kind of impact: partly because the techniques are not always directly transferable. However, Cogent’s partner PICME (the Process Industries Centre for Manufacturing Excellence) has been focused on using BIT for the Process Industries and has worked successfully with many chemical companies. Now, taking these latest techniques from PICME, the highly-respected BIT qualification has been tailored with process industry-specific modules.

A Strategy for STEM and Higher Education:

The proportion of Science or Engineering graduates typically entering the Cogent workforce accounts for between 45-50% of the total graduate recruitment in the sector. Although the graduate supply in these disciplines has risen, with an average supply of 4,000 graduates per annum, a further 60,000 graduates are required between 2005 and 2020 to meet the higher level Leitch targets for skills.

However, we know that the largest proportion of drop-out from potential employment in STEM occupations occurs at age 16 when young people have completed their GCSEs or Standard Grades / Intermediate 2 studies and make choices regarding further study at A Level or Higher.

All of this means that Cogent’s HE function continues to pursue a vigorous strategy around the uptake of STEM subjects and Higher Education more broadly.

Our approach involves working with funding bodies, professional bodies and key Higher Education Institutions (HEIs) who are linked into regional priorities that align with our sector.

Cogent has published its strategic approach through a dedicated web area – www.cogent-ssc.com/Higher_level_skills.

Our HE strategy also includes the level-4 mapping of the Cogent Gold Standard and supporting the Cogent industries in the development of Foundation Degrees (FDs) through Foundation Degree Forward (FDF).

The Higher Education Funding Council for England (HEFCE) asked us to submit in detail our FD Framework proposal *Workforce Development: A National Science and Engineering Foundation Degree Framework* piloted through the Chemical and Nuclear Industries (where Chemical equals Process Industries). This represents £1.5m to bring industry champions into a consortium of HEIs and transform workforce development. Additional funds to subsidise up to 450 learners at any one time are also built in.



A key part of Cogent's work is to monitor the Government's skills reform plans and lobby to ensure any new measures are as workable as possible and meet sector needs. We are working to agree a shared vision and understanding of industry requirements between Cogent SSC, employers, regulators, funding bodies, awarding bodies, and providers all over the UK.

Sector Qualifications Strategy: Cogent completed its comprehensive review of qualifications and learning provision across the six industries and the four nations of the UK. This resulted in a Sector Qualifications Strategy (SQS), a key mechanism for the delivery of the Leitch vision of employer-driven skills supply. The SQS underpins Cogent's work. Through it we will attract and channel the funding for the qualifications we approve and it becomes the demand-led route to developing the workforce.

Cogent consulted with employers and stakeholders to define this shared vision of qualifications and learning provision based on the detailed picture of skills needs established through the Sector Skills Agreement (SSA).

Occupational and Functional Analysis: During the year Cogent commissioned a mapping exercise of the key occupations and functions across the sector. It involved close consultation with employers to ensure that we have qualifications that are fit for the roles in the Cogent sector. This mapping exercise represented a baseline approach and, for example identified if there are any new job titles that need to be considered and ensured that role descriptions are accurate and up-to-date. It also reviewed the main career progression routes for each occupational role in the sector, linking into our Career Pathways project. The analysis was fed into the Cogent Sector Qualification Strategy and subsequent action plan as well as the Annual National Occupational Standards (NOS) development action plan for 2008.

Useable National Occupational Standards (NOS): National Occupational Standards (NOS) describe what an individual needs to do, know and understand in order to carry out a particular job role or function. Working with employers, Cogent is developing high quality and useable NOS which offer the ideal building blocks for qualifications. During the year an incremental review of the refinery NOS was completed, leading to the commencement of a full review of the NOS a project which will be completed 2008.

Cogent also agreed the NOS plan for its 2008 projects which included working in the Nuclear Industry, Offshore Surveying and Product/Process Innovation as well as around Health and Safety.

New accessible format for National Vocational Qualifications (NVQs): A critically important part of Cogent's role is working with employers in designing NVQs. With the support of employers it is moving towards a totally new system of learning that is moving away from the "full qualification" route.

Employers' preference is for smaller qualifications and more flexibility around how and when they can be achieved. To reflect this reality in the workplace, during the year Cogent began the process of taking full NVQs and reformatting the skills and knowledge they contain, so that the content is packaged into smaller, but still accredited, modular qualifications. We undertook a modular pilot of NVQs in Polymers at Level 2 and in Chemicals, Petrochemicals and Pharmaceuticals at Level 3. A full evaluation with a view to moving to new modular qualifications will be released in due course, setting the scene for a completely new approach to workforce development. This transition links closely to the development of the Gold Standard modular framework.

Awarding Body Forum: During the year Cogent re-established the Cogent Awarding Body forum. Membership included City and Guilds, Edexcel, SASL, PAA\WQ-SET, the Scottish Qualifications Authority (SQA), the Engineering Construction Industry Training Board (ECITB) and packaging Awarding Body PIABC. The forum has enabled much closer working relationships, particularly around the Vocational Qualifications Reform Programme underway across the UK. It also provides a mechanism for keeping Awarding Bodies up-to-date on ongoing NOS work. We have implemented new working procedures through this forum to ensure Cogent works openly with all its Awarding Bodies to commission qualifications.

Foundation Degrees: With Cogent, employers are shaping brand-new vocational Foundation Degrees to suit their needs and to support the development of a modular progression path for apprentices and Continuing Professional Development across the sector. The Framework will include pathways reflecting the Cogent industries, underpinned by employer informed content. The modules cover both technical skills (around 50%) and generic skills (around 50%). Students will be able to undertake the programme in different ways depending on circumstances and learning styles. Options include part-time, full-time, distance-learning and potentially e-learning. Importantly, the framework will also allow for the accreditation of prior learning so that individuals can gain recognition for the skills they have acquired.

"One of the major barriers to raising standards and making best use of the qualifications system has been the size of the qualification. Cogent has been successfully working to break down the size of the qualifications to make them fit for purpose and much easier to use."



Dr Michael Cross,
Cogent Board Member



A highly competent workforce is central to the control of both major accident hazards and health and safety in general. The Cogent Industries have a clear commitment to continual improvement in all aspects of this agenda and to earning public trust. Cogent is working with employers to support them in maintaining their licence to continue to operate safely, profitably and with due care for the interests of future generations.

Web-based Competence Assurance: Cogent recognised that companies in the sector manage competence with varying degrees of success. Working with employers it has continued to enhance its online tool: www.cogent-competence.com. As part of this an online questionnaire allows companies to benchmark themselves against the Cogent employer database and identify areas for improvement. The web-based self-assessment places the all-important emphasis on company-wide competence. It is a total systems check which allows organisations to identify and manage regulatory requirements and business risks. This essential tool can be used to objectively manage and measure improvements in competence performance over time.

Passports: Cogent and the National Skills Academy Nuclear continued their joint development of the Nuclear Passport scheme which is an easy to use, web-based service for individuals in the nuclear industry to assess, record and develop their skills and provide a transferable record of their training to the benefit of employees and employers. During the year stage one of this project was progressed with the industry. This is, an online industry training standard “Nuclear Sites-Unescorted Access for Work” (NSUA) for licensed nuclear sites. Nuclear companies have collectively agreed to train people to the Cogent-designed standard, saving a half day training session for people arriving at any of the 40-odd nuclear sites for the first time.

As well as saving time and money on repeat training, the Passport will ultimately provide “portability of employment” between sites as a result of training standardisation.

Its partnership with employers means that Cogent can act strategically on their behalf with government, skills agencies, qualifications authorities, educational institutions and training providers.

Trade Associations and Advisory Councils: Cogent has continued to play an important role with Trade Associations and Industry Organisations, to deal with common industry issues in the sector and represent its views around skills implications. The Cogent Industry Advisory Councils are aimed at enhancing the effectiveness of Cogent in taking forward the needs of the individual Cogent industries and include employers, stakeholders and regulators. Industry working groups have fuelled the development of National Occupational Standards (NOS), Apprenticeship Frameworks and the push for the National Skills Academies. Industry inputs have also ensured that well developed surveys and reports on skills gaps, sector qualifications and training requirements have been delivered – laying a sound basis for action.

External Affairs and Communications: We continue to draw on the work of our industry and regional advisers and research and policy teams to influence policy, and communicate awareness and understanding of issues facing the sector. We have worked to raise our profile through the media and promote the benefits of training and development across the sector through our websites, eBulletins and regular Cogent *Focus* magazine. Our target audience includes employers and stakeholders as well as Westminster and Whitehall.

We use this multi-media approach to market and promote all our work – from careers and education, vocational qualifications, upskilling and competence standards through to Foundation Degrees.

Cogent values the support of Professional Bodies and Regional Clusters in engaging with their members on the skills agenda an important part of which is encouraging young people to pursue a career in the science-based industries. We have showcased our career pathways product at a variety of regional skills events to audiences made up of students, teachers and careers professionals.



Cogent's research programme is providing the essential intelligence to inform all Cogent's activities.

At the beginning of the year its Sector Skills Agreement (SSA) was officially launched. This is a two year research and analysis programme, which was signed off by the Cogent Industries (through the Advisory Councils) and with Government, Trades Unions and other stakeholders. Cogent has also published its SSA by nation and by region.

At its headquarters at Congress House in London, unionlearn, the TUC's learning and skills organisation joined forces with Cogent, by signing up to and endorsing the Cogent Sector Skills Agreement (SSA). This occasion represented the formal launch of the landmark agreement.

The SSA is an unprecedented tool for getting employers committed to the drive for skills and supports all those who develop and fund education and training to work towards delivering skills around a common and agreed set of objectives. It represents a move away from a centrally planned, sometimes inflexible skills system to a demand-led network of training provision which meets real needs.

"The Cogent SSA recognises that trade unions' experience in the areas of equality and diversity, health and safety, and workplace learning is extremely important. The depth of the Cogent Apprentices' programme will give young people, older people and those who have not traditionally thought about a career in this industry, the chance to learn and enter a profession."

Frances O' Grady,
Deputy Secretary General, TUC

We produced an SSA outcomes report in September showing how the plan was being rolled out in the regions, with examples of outcomes.

During the year we published well received Labour Market Information (LMI) Factsheets by Cogent Industry. They include key industry details; the economic picture (sectoral turnover, GVA, and GVA per employee) and LMI intelligence (sectoral workforce size, demographics and occupational distribution) as well as skills gap indicators. We also received European Social Funding (ESF) to begin the process of publishing similar Factsheets for each English Region.

Cogent's research strategy was defined and now includes:

- Industry Factsheets: industry profiles and headline statistics
- Regional Factsheets: industry profiles and headline statistics
- The Research Engine: two comprehensive databases of Labour Market Information (LMI) and skills
- Membership Services: for example salary surveys
- State of the Nation Reports
- Industry Trackers: The Cogent Oracle
- People in Place in Time: Stock and Flow Model of the Cogent Workforce
- Strategic research partnerships
- Publications – tailored articles and reviews

"LMI lies at the heart of Cogent decision making and thinking about the future of the industry. Its latest LMI reports have been key in shaping its approach to working with Higher Education (HE) and in demonstrating to HE partners Cogent's importance to their core education work."



Professor Phil Coates, FEng
*Pro Vice Chancellor – Research & Knowledge Transfer,
University of Bradford*

www.cogent-ssc.com/research

Cogent is in the unique position of having three Skills Academies covering the sector. It won approval for the National Skills Academies for the Nuclear and Process Industries, both now Cogent subsidiaries. At the end of 2007 an industry-owned Oil and Gas Academy was also formed, naturally evolving from Cogent founder partner OPITO.

Responding to employer demand within the sector the focus of the National Skills Academies is UK-wide. They are responsible for delivering the training to the Industry Standards and are Cogent's link with training provision right across the sector.

National Skills Academy for Nuclear

During the year Cogent's employer-led proposal for a National Skills Academy for Nuclear won Government approval from the Department for Innovation, Universities and Skills (DIUS).

The announcement was made by the Skills Minister David Lammy, and followed the evaluation of a detailed business plan which was submitted to DIUS earlier in the year. The business plan was completed by a dedicated project team steered by an employer-led Shadow Board in close consultation with Nuclear employers across each of the regions, Scotland and Wales.

The Skills Academy, became a wholly owned subsidiary of Cogent in November 2007. It is assisting Nuclear employers in tackling the current and future skills barriers and challenges facing the Nuclear industry not just in relation to the Government's £65bn clean-up programme but also for waste management, defence, fuel processing and enrichment, power production and to ensure the sector has the skills and additional resources available for the recently announced new build.

The National Skills Academy for Nuclear is playing a transformational role for the sector. Using the Nuclear Credit Framework developed in partnership with Cogent, the Skills Academy is developing a standardised and coordinated approach to education, training and skills development in the nuclear sector.



From its head office in Cumbria, the Skills Academy operates via a network of Regional Training Clusters, developing and accrediting local high quality provision, and creating "centres of excellence" for the delivery of nuclear specialised training, enhanced where appropriate to respond to specific skills gaps as identified by employers.

First courses were planned to start in early 2008 creating a framework for career progression and development across the sector.

"The employer led National Skills Academy for Nuclear is of fundamental importance in ensuring a competitive future for the UK Nuclear Industry. The Academy is addressing the skills and training challenges clearly articulated by employers thus ensuring a safe, competent and effective workforce is in place to address the needs of this rapidly changing sector.

"Working in close partnership with Cogent enables the Academy to respond quickly and professionally to employer needs around qualification and curriculum development, our joint work on the development of the Nuclear Skills Passport is vital in addressing these skills challenges."



Jean Llewellyn
Chief Executive of the
National Skills Academy
Nuclear

www.nuclear.nsacademy.co.uk

National Skills Academy Process Industries

In November, David Lammy, Minister for Skills, announced that Cogent's employer-led proposal to develop a unique National Skills Academy for the science-using Process Industries (chemicals, pharmaceuticals and polymers) had also won approval from the Department for Innovation, Universities and Skills (DIUS).

The Minister made the official announcement at LINPAC Plastics' Featherstone Site in West Yorkshire. This followed approval of a detailed business plan for the Academy which had been submitted to DIUS earlier in the year. This plan was put together by a dedicated Project Team with the collaboration of an employer-led Shadow Board. Throughout this critical process the team consulted with employers and providers.

The Academy became a wholly owned subsidiary of Cogent in November 2007 and represents a much-needed centre of excellence for Process Industry employers in learning, training and education. Above all it is ensuring the next generation of highly trained, highly motivated employees who will be needed to sustain and grow these strategically important industries.

Through a network of Regional Training "spokes", the Academy which will act as a central "hub" will identify, develop and accredit local high quality training provision, creating "centres of excellence" for the delivery of training. These centres will respond to specific skills gaps as identified by employers – who can shape also the curriculum.

First courses were planned for 2008, working with a range of providers around the UK.



"Cogent's support was essential in developing the winning bid that led to the creation of the National Skills Academy Process Industries, launched in Westminster earlier this year. The Academy represents an exciting evolution in the way we train the workforce for the UK Process Industry. For the first time employers will control the design and delivery of the training for their employees, on which the future of their companies, and indeed the whole of this vital Sector of the UK economy depends.

"The Academy will deploy the Gold Standard as a benchmark for skills and competence, develop training provision, direct funding, support employers and deliver increased numbers of learners. Through implementation of the stream of excellent products and services developed within our parent organisation, Cogent, the Academy will ensure that we have a truly world class workforce in the UK Process Industry sector, which is vital if we are to compete effectively on the global stage."



Philip Jones,
Chief Executive,
National Skills Academy
Process Industries

www.process.nsacademy.co.uk



OPITO the Oil and Gas Academy

During 2007, the Oil and Gas Industry's leaders realised their vision to create a single industry Academy owned, directed and funded by the industry to provide employers with a pivotal link between demands of the business and the supply of high quality learning provision.

Launched in December 2007 OPITO, the Oil and Gas Academy now fills that pivotal role. It was formed from Cogent's founding partner and subsidiary OPITO, which already had a respected and established international track record in developing workforce standards and skills.

The process involved the sale of OPITO to the Offshore Training Foundation (OTF). Within this arrangement Cogent retains a nominal 10% holding and has two nominated Board places on the OPITO Board and an observer place on the OTF Board.

The new Oil and Gas Academy combines the financial resources of the Offshore Training Foundation which is a charitable trust formed to promote education and training in the industry, with the professional expertise of OPITO.

Cogent will remain the SSC for Oil and Gas. In this way OPITO and Cogent will retain a close working relationship, similar to those developing with the other two Skills Academies in its footprint, where Cogent's role is to champion standards, influence UK provision and cross-fertilise skills issues across the footprint.

The new Academy works with schools, colleges and universities on a shared agenda of encouraging greater uptake of mathematics, science and engineering subjects. It also supports the continued development of safety, technical and leadership skills within the industry in response to identified need. Training standards and quality assurance on training delivery both here and around the world will also continue to be advanced through the academy.

The Oil and Gas Academy will contribute to the wider national skills and education policy agenda and share good practice through continued links with Cogent.

"The Alliance between OPITO and Cogent is one that adds value for OPITO and the Industry. By working with Cogent we can be sure that the needs of our employers are represented within the current debate of vocational reforms. Cogent will also facilitate access to important government initiatives such as Train to Gain (in England) and will also provide us with up to date relevant information on central government thinking, policy and initiatives."

"Similarly, the two way communication loop between OPITO and Cogent will enable the industry's views and opinions to be represented within the development of the four UK national skill strategies."



David Doig,
CEO, OPITO,
the Oil and Gas Academy

www.opito.com

"The skills and dedication of our young professionals are crucial to our competitiveness and our ability to attract new investment. That's why I am delighted to welcome the launch of the Oil and Gas Industry Academy. Its work will help us to build the world-class skills required for the industry to thrive in Scotland and beyond."

The First Minister of Scotland,
the Rt Hon. Alex Salmond MSP

SASL

During the year a strategy review for Skills Assurance Services Ltd (SASL) was undertaken. Part of the Cogent family, SASL was set up as a National Awarding Body to provide vocational qualifications mainly for the polymers industry. One key objective was to explore how the SASL offer could be broadened and how it could better serve employers in the sector.

It was concluded by the Cogent Board that a partnership arrangement with a successful specialist Awarding Body would best address all the factors influencing SASL's current and future performance.

Meetings were held with a range of Awarding Bodies to explore the potential benefits to both sides from closer co-operation. A key outcome of this process was that the successful and established awarding body PAA\WQ-SET was keen in principle to acquire the SASL business.

This route was identified as being the most effective as it was recognised there was a significant commonality between the two Awarding Bodies and SASL's activities complemented PAA\WQ-SET's existing operations. An outcome would be that SASL centres would get access to a greatly increased number of qualifications and also the other services provided by PAA\WQ-SET, such as customised awards and best practice workshops.

PAA\WQ-SET is the largest UK Specialist Awarding Body offering vocational qualifications in, among others, the following sectors: Petrochemical, Chemical & Pharmaceutical; Processing and Manufacturing; Hydrocarbons and Refineries; Science and Technology; Engineering and Warehousing.

www.paa-uk.org

Our People

We deliver everything we do through our people and we rely on their expertise, their commitment and their enthusiasm to build on our success.

Cogent is governed by its Board who meet quarterly and who guide our strategic direction, policies and procedures. Our operational and day to day implementation of strategy is co-ordinated by our Leadership Team, led by our Chief Executive Joanna Woolf.

We are committed to developing, rewarding and retaining a skilled and motivated team and providing effective and appropriate learning and development opportunities for all staff.

Our focus has continued to be on recruiting talented individuals from a variety of backgrounds where we aim to grow both our capability and our capacity across the organisation.

We involve our people in the planning and direction of Cogent's work, making use of a variety of communication channels. These include updates from the CEO on our performance and priorities, both via face-to-face get togethers and our employee extranet where we publish a range of company information and reports. We have a policy of transparency in all our communications.

We are also committed to providing equal opportunity in recruitment, career development, promotion, training and reward for all our employees.

"Unite is working with Cogent to develop workforce skills in this strategically and economically important sector of the UK economy. We are particularly keen to ensure, with the Academies, that UK training provision is world-class and that employee's right across the sector are able to participate in Cogent's upskilling programmes."

"We know training and development is extremely important to employers in the Cogent sector. There are now a range of opportunities for those working in these industries to unlock their hidden potential – and for young people starting out to enter a new and exciting profession, through Cogent apprenticeship schemes and Diplomas."

Tony Burke,
Unite Assistant General Secretary
and Cogent Board member

The Cogent Board

Dr John Beacham
Chair

Chemicals
George Ritchie
SembCorp Utilities

Steve Westhead
Solutia UK Ltd

Pharmaceuticals
Andy Evans
AstraZeneca

Joe Foley
GlaxoSmithKline

Nuclear
David Barber
British Energy Group

Richard Waite
Nuclear Decommissioning Authority

Oil and Gas
Jane Stirling
Total

Les Thomas
Wood Group

Petroleum
Lynne Sampson
Shell UK Oil Products

Brian Worrall
Chevron

Polymers
Brian McCann
Clarehill Plastics

Chris Horton
Linpac Plastics Ltd

Sector Experts
Chris Hunt
UKPIA

Gareth James
BP Chemicals

Trades Unions
Tony Burke
Unite

Dai Hudd
Prospect

Academia
Professor Phil Coates
University of Bradford

Dr Michael Cross
University College London

Executive
Karl Gorge
Cogent SSC

Joanna Woolf
Cogent SSC

National Skills Academy Process Industries Board

Industry
Chris Horton (Chair)
LINPAC Plastics Ltd

Paul Booth
SABIC UK Petrochemicals

David Berridge
Degussa

Tony Birch
BASF Plc

Ian Fyfe
INEOS Olefins

Pete Jackson
Reaxa Ltd

Mike Holding
Contract Chemicals

Derek Willison-Parry
GlaxoSmithKline

Stakeholder
Joanna Woolf
Cogent SSC

Jim Mowatt
Unite

Observers
Gillian Collinson
One NorthEast

Jenny Clucas
Chemicals Northwest

Michele Roberts
Learning and Skills Council

Executive
Philip Jones
National Skills Academy Process Industries

Karl Gorge
Cogent SSC

The National Skills Academy for Nuclear Board

David Bonser
BNFL (Interim Chair)

Jerry Abbott
AMEC/UKAEA/Scotland

Steve Ball
URENCO

David Barber
British Energy

Peter Bleasdale
Nexia Solutions

James Carrick
Washington Group
(also representing the consortium with Areva)

Nigel Couzens
Nuclear Decommissioning Authority

Greg Evans
Energy Solutions
(including Magnox North and South)

Paul Gaskin
SBB Nuclear/Serco

Mike Graham
TUC

Cliff Harris
GE Hitachi Nuclear

Jon Heley
MoD/AWE

Jean Llewellyn
National Skills Academy Nuclear

Jerry Schneider
Fluor Ltd

Mike Tynan
Westinghouse and Springfields

Mark Watters
Doosan Babcock

Joanna Woolf
Cogent SSC

Nick Cusick
National Skill Academy Nuclear

DIUS/BERR/LSC
Welcome to attend as Observers



Annual Accounts 2007

The charity, Cogent SSC Limited is registered with Companies House with Company registration number 129351 and charity registration number SCO003435 with the Office of the Scottish Charity Regulator (OSCR).

Chairman

J Beacham (CBE, DSc, FRSC)

Trustees

M Cross

S Westhead

B McCann

D Hudd

P Londesborough

G James*

C Hunt

P Coates

L Thomas
appointed 1 January 2007

R Waite

B Worrall

G Ritchie*

appointed 20 July 2007

C Horton*

appointed 1 June 2007

D Barber*

appointed 13 September 2007

L Sampson

appointed 13 September 2007

A Burke

appointed 6 December 2007

Company Secretary/Trustee

C Fisher-Smith*

appointed 17 August 2007

resigned 20 June 2008

K Gorge appointed 20 June 2008

Other trustees who served during the financial year:

C Bayliss*

resigned 13 September 2007

P McNulty

resigned 31 October 2007

L McCulloch

resigned 31 October 2007

M Webb

resigned 6 December 2007

* indicates membership of the Audit Committee

Chief Executive Officer and Principal Office

Joanna Woolf

Unit 5, Mandarin Court

Centre Parks

Warrington

WA1 1GG

Solicitors

GLP Solicitors

85 Chapel Street

Manchester

M3 5DF

Secretary and Registered Office

K Gorge

Cogent SSC Limited

Minerva House

Bruntland Road

Portlethen

Aberdeenshire

AB12 4QL

Auditors

PricewaterhouseCoopers LLP

8 Princes Parade

St Nicholas Place

Liverpool

L3 1QJ

Bankers

Bank of Scotland

31 High Street

Montrose

DD10 8LT

Governing document

Cogent SSC Limited is a company limited by guarantee with charitable status, registered in Scotland with OSCR. It was awarded a five year license by government on 1st February 2004 to act as sector skills council and is governed by its revised Memorandum and Articles of Association to allow for its current governance arrangements. There are currently 17 members, each of whom agree to contribute £10 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 twelve employer nominated trustees (from the industry sectors that Cogent represents), two trade union trustees and up to six others. All trustees are in office for three years, with the option to be re-elected for a further term.

The nominations committee is made up of 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 took place to brief them on their legal obligations under charity and company law.

Organisation

The Board of Trustees, which can have up to 20 members, 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.

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 their terms of reference.

Related parties

The charity has three wholly-owned subsidiaries – Skills Assurance Services Limited (SASL), National Skills Academy for Nuclear Limited (NSAN) and National Skills Academy Process Industries Limited (NSAPI).

On 20 November 2007 the group sold 90% of its direct subsidiary undertaking, Opito Limited (formally known as Cogent Sector Services Limited), and its indirect subsidiary undertaking, OPITO Training Management Limited.

Business review

Cogent SSC Limited (Cogent) is the Sector Skills Council (SSC) for the chemicals, pharmaceuticals, nuclear, oil and gas, petroleum and polymer industries. The results for the year show a pre-tax deficit of £413,568 (2006 surplus of: £424,379) with total income of £11,205,150 (2006: £9,599,862).

The initial three year contract with the government expired at the end of January 2007 but a further three year contract has been awarded to allow the charity to continue with its charitable objectives.

The management of the business and the execution of the charity's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to uncertain income streams, product development and employee retention. Procedures are established to identify major risks to which the organisation is exposed along with appropriate systems to mitigate those risks.

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 and local authorities.

Liquidity risk

The charity has no long term borrowing. The charity will make use of its overdraft facility when required.

Interest rate cash flow risk

The charity is able to place surplus funds on short term deposit with the group's bankers.

In March 2004 Cogent was awarded a five year licence by government to act as the Sector Skills Council for chemicals, nuclear, oil and gas, petroleum and polymer industries and secured a three year contract commencing 1 February 2004 with funding of £4m over the three year period. During the latter part of 2006, Cogent negotiated a further contract with the SSDA starting 1 February 2007 with funding of £1.6m in 2007.

The majority of Cogent (the company) income was received from government either as core funding or grant income to carry out specific projects.

SASL, another of the trading subsidiaries had a challenging year and made a loss of £8,881 (2006: 83,270). The Cogent Board of Trustees are putting in place strategies to expand this company from just polymer into its other industry sectors and thereby increase the market and also to increase the products available.

Reserves policy

The Audit Committee have reviewed the reserves of the company. This review encompassed the nature of the income and expenditure streams, the need to match variable income with fixed commitments and the nature of the reserves. As at 31 December 2007, the unrestricted reserves of the group amounted to £1,148,122 and Cogent has a guarantee of £4.7m in grant monies from government which began in 2007 for a period of 35 months. At present, the Trustees conclude that they have sufficient reserves to continue the activities of the charity at the current level. The Audit Committee in 2008 intend to review the reserves policy to determine the level of reserves required for the future and to make a recommendation to the Board of Trustees for adoption.

Income generation

Cogent's main source of revenue are products and services delivered both in the UK and overseas, employer contributions, project funding from government and other agencies and core funding through a 3 year SSC contract for £4.7m with the Sector Skills Development Agency.

The company enjoyed gift aid from its subsidiaries of £500,000 (2006: £460,000). The group reported a deficit for the financial year of £500,443 (2006 surplus: £ 345,006).

The principal funding sources, aside from gift aid were funding from SSDA, external grant income and subscription income from employers.

Resources expended

The main expenditure continues to be remuneration costs amounting to 44% (2006: 52%) of total expenditure.

Statement of trustees' responsibilities in respect of the Annual Report and the financial statements

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and group and of the profit or loss of the Cogent group for that period.

In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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, in which case there should be supporting assumptions or qualifications as necessary.

The trustees confirm that they have complied with the above requirements in preparing the financial statements.

Consolidated statement of financial activities for the year ended 31 December 2007

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The trustees have taken all the steps that ought to have been taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The trustees confirm and are confident that all relevant audit information has been provided to the charitable company's auditors, and are not aware of any audit information that has not been provided to or given access to the auditors.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the Board



Trustee

The financial information in this report has been extracted from the annual accounts, which are due to be signed shortly and for which an unqualified audit opinion is expected to be issued.

	Note	2007 £	2006 £
Incoming resources			
<i>Incoming resource from generated funds:</i>			
Continuing operations			
Voluntary income	3	1,599,163	1,250,000
Activities for generating funds	4	554,318	7,053,814
Investment income	5	145,297	87,569
		2,298,778	8,391,383
Discontinued operations			
Activities for generating funds	4	6,930,768	-
<i>Incoming resources from charitable activities:</i>			
Continuing operations	6	2,120,901	1,296,048
Total incoming resources		11,350,447	9,687,431
Resources expended			
Continuing operations			
<i>Cost of generating funds:</i>			
Trading, costs of goods and services	7	618,687	6,272,671
<i>Cost of charitable activities:</i>			
Occupational standards, education and qualifications	7	410,687	333,496
Research, policy and engaging with employers indirect	7	3,253,618	2,640,319
Secondment	7	109,130	95,939
Governance costs	7	40,220	45,297
		-	-
Discontinued operations	7	6,751,191	5,881,124
Loss on disposal of subsidiary undertaking – exceptional item	28	667,356	-
		7,418,547	5,881,124
Total resources expended	7	11,850,890	9,342,425
Net (outgoing)/incoming resources and net movement in funds	8	(500,443)	345,006
Fund balance brought forward at: 1 January		1,648,565	1,303,559
31 December		1,148,122	1,648,565

Balance sheets as at 31 December 2007

	Note	2007 £	Group 2006 £	2007 £	Company 2006 £
Fixed assets					
Intangible assets	11	42,003	44,628	-	-
Tangible assets	12	132,573	129,567	92,450	61,156
Investments	13	13,000	-	18,002	135,002
		187,576	174,195	110,452	196,158
Current assets					
Debtors	14	1,144,091	2,326,659	1,089,938	1,207,665
Cash at bank and in hand		714,430	2,310,099	643,722	181,678
		1,858,521	4,636,758	1,733,660	1,389,343
Creditors					
Amounts falling due within one year	15	(897,975)	(1,820,273)	(482,745)	(281,002)
Net current assets		960,546	2,816,485	1,250,915	1,108,341
Total assets less current liabilities					
Creditors: amounts falling due after more than one year	16	-	(1,337,075)	-	-
Provisions for liabilities and charges	17	-	(5,040)	-	-
Net assets		1,148,122	1,648,565	1,361,367	1,304,499
Funds					
Unrestricted reserves	21	1,148,122	1,648,565	1,361,367	1,304,499
Total funds	22	1,148,122	1,648,565	1,361,367	1,304,499

Consolidated income and expenditure account for the year ended 31 December 2007

	Note	2007 £	2006 £
Income			
Continuing operations			
Charitable income	6	2,120,901	1,296,048
Non-charitable trading activities income		2,153,481	8,303,814
Discontinued operations			
Non-charitable trading activities income		6,930,768	-
Total income		11,205,150	9,599,862
Expenditure			
Continuing operations			
Charitable expenditure		3,813,655	3,024,457
Non-charitable trading activities expenditure		618,687	6,238,595
Discontinued operations			
Non-charitable trading activities expenditure		6,664,317	-
Loss on disposal of subsidiary – exceptional item	28	667,356	-
Total expenditure	7	11,764,015	9,263,052
(Deficit)/surplus for the financial year before interest and taxation	8	(558,865)	336,810
Interest receivable	5	145,297	87,569
(Deficit) / surplus for the financial year before taxation		(413,568)	424,379
Taxation	2	(86,875)	(79,373)
(Deficit) / surplus for the financial year		(500,443)	345,006

The group has no recognised gains and losses other than those included in the statement of financial activities.

There is no difference between the deficit for the year and the historical cost equivalent.

The consolidated income and expenditure account is derived from the statement of financial activities.

Consolidated cash flow statement for the year ended 31 December 2007

	Note	2006 £	2006 £
Net cash inflow from operating activities	24	1,001,498	367,941
Return on investments and servicing of finance			
Interest received		145,297	87,569
Net cash inflow from returns on investments and servicing of finance		145,297	87,569
Taxation paid		(86,875)	(79,373)
Capital expenditure & financial investment			
Purchase of tangible fixed assets	12	(112,569)	(110,164)
Sale of tangible fixed assets		3,075	-
Net cash outflow for capital expenditure and financial investment		(109,494)	(110,164)
Disposals			
Proceeds from disposal of subsidiary undertaking	28	117,000	-
Cash at bank and inhand disposed with subsidiary undertaking		(2,663,095)	-
Net cashflow outflow for disposals		(2,546,095)	-
(Decrease)/increase in net cash		(1,595,669)	265,973
Reconciliation to net cash			
Net cash at 1 January		2,310,099	2,044,126
(Decrease)/increase in net cash		(1,595,669)	265,973
Net cash at 31 December		714,430	2,310,099

Notes to the financial statements for the year ended 31 December 2007

1 Principal accounting policies

The financial statements have been prepared under the historic cost convention, in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in 2005, the Companies Act 1985 and applicable UK accounting standards. A summary of the more important group accounting policies, which have been applied consistently, is set out below.

Consolidation

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis. Acquisitions are accounted for under the acquisition method. On disposal of a business, the profit or loss on disposal is calculated after including any goodwill previously written off to reserves in respect of that business. A separate SOFA or income and expenditure account for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 230 of the Companies Act 1985 and paragraph 397 of the SORP 2005.

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 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 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.

When donors specify that donations and grants are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

The Central Database is a register of all candidates who successfully complete OPITO approved emergency response and other training courses. Income from the Central Database is included in incoming resources upon registration of the candidate on completion of the course.

Resources expended

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.
- Charitable expenditure 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.

Intangible fixed assets-goodwill

Intangible fixed assets acquired are capitalised at cost and amortised over the useful economic lives not exceeding 20 years.

Intangible fixed assets relate to the right to award from the Polymer Awarding Body.

Investments

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

Tangible fixed assets and 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:

Furniture and fittings	5-10 years
Computer equipment	3-4 years

Impairment

The company reviews tangible fixed assets, for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recovered in accordance with Financial Reporting Standard 11. If the carrying amounts are not expected to be recovered by discounted future cashflows, the assets are impaired and an impairment loss recorded in the Statement of Financial Activities.

Leases

All leases are operating leases and are charged 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.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

Deferred taxation

The charity has been granted charitable status by the Inland Revenue and therefore is not liable for charity tax. The charity's trading subsidiaries are liable to corporation tax.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date, with the following exceptions:

- Provision is made for gains on disposal of fixed assets that have been rolled over into replacement assets only where, at the balance sheet date, there is a commitment to dispose of the replacement assets.
- On the basis of all available evidence deferred tax assets are recognised only to the extent that the Trustees consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Pension costs

The group and company participates in the ITB Pension Scheme, a defined benefit scheme. The assets of the scheme are in a separate trustee-administered fund. It is not possible to identify each participating employer's share of the underlying assets and liabilities of the scheme and hence contributions to the scheme are accounted for as if it were a defined contribution scheme. The cost recognised within the surplus for the period in the income and expenditure account is equal to the contributions payable to the scheme for the year.

2 Commercial trading operations and investments in trading subsidiaries

The charity has three wholly owned trading subsidiaries Skills Assurance Services Limited, National Skills Academy for Nuclear Limited and National Skills Academy Process Industries Limited which are incorporated in the UK. Cogent Sector Services Limited develops standards of competence and assessment methodology for occupational roles, provides open learning support services to companies and individuals working in the industry. It also provides products and services to chemical manufacturing and petroleum companies. Skills Assurance Services Limited. develops and provides effective Vocational Qualifications for the industry sectors.

On 20 November 2007 the group sold 90% of its direct subsidiary undertaking, Opito Limited (formally known as Cogent Sector Services Limited), and its indirect subsidiary undertaking, OPITO Training Management Limited, for a consideration of £117,000 (see note 28).

National Skills Academy for Nuclear Limited assists Nuclear employers in tackling the current and future skills barriers and challenges facing the Nuclear industry. National Skills Academy Process Industries Limited is a centre of excellence for Process Industry employers in learning, training and education.

Income and expenditure accounts

	Cogent SSC Ltd	SASL	NSAN	NSAPI	OPITO – disposed 20 November 2007	OTML disposed 20 November 2007
	£	£	£	£	£	£
Income	3,838,862	222,072	86,500	187,500	2,849,784	4,398,425
Expenditure (administrative)	(3,813,656)	(235,047)	(252,607)	(131,030)	(2,643,886)	(4,398,425)
Operating surplus/(deficit)	25,206	(12,975)	(166,107)	56,470	205,898	-
Interest receivable	31,662	927	78	-	39,027	73,603
Surplus/(deficit) before taxation	56,868	(12,048)	(166,029)	56,470	244,925	73,603
Tax charge (credit)		3,167	20,104	(23,271)	(64,794)	(22,081)
Surplus/(deficit) for the financial year	56,868	(8,881)	(145,925)	33,199	180,131	51,522
					2007	2006
Current tax					£	£
UK corporation tax on surplus/(deficit) for the year					86,875	79,373

The tax assessed for the year is different to the standard rate of corporation tax in the UK. The differences are explained below:

	SASL	NSAN	NSAPI	OPITO and OTML	Total 2007	Total 2006
Profit / (loss) on ordinary activities before taxation	(12,048)	(166,029)	56,470	318,528	196,921	193,987
Profit on ordinary activities at standard tax rate of 30% (2006: 30% & 19%)	(3,614)	(49,809)	16,941	95,559	59,077	58,196
Effects of:						
Lower marginal rate	-	-	-	-	-	4,718
Losses not utilised	-	30,546	-	-	30,546	15,821
Other timing differences	347	(841)	6,330	(8,684)	(2,848)	(5,040)
Expenses not deductible for tax purposes	100	-	-	-	100	638
Current tax charge/ (credit) for the year	(3,167)	(20,104)	23,271	86,875	86,875	74,333

The assets and liabilities of the subsidiaries at 31 December 2007 were:

	SASL £	NSAN £	NSAPI £	Total £
Fixed asset				
– Tangible	1,157	17,943	21,023	40,123
– Intangible	42,003	-	-	42,003
Current assets	97,719	301,688	35,447	434,854
Creditors: amounts falling due after more than one year	(236,398)	(465,556)	(23,271)	(725,225)
Total net assets / (liabilities)	(95,519)	(145,925)	33,199	(208,245)

Opito Limited generated £1,141,667 of overseas income in the year (2006: £885,740) the remaining income being earned in the UK.

3 Voluntary income

	2007 £	2006 £
Sector Skills Development Agency – core funding	1,599,163	1,250,000

4 Activities for generating funds

	2007 £	2006 £
Central database	892,032	936,335
Accreditation	1,210,881	776,024
Technician training	4,708,921	4,447,039
Other sales	673,252	894,416
	7,485,086	7,053,814
Continuing operations	554,318	327,786
Discontinued operations	6,930,768	6,726,028
	7,485,086	7,053,814

5 Investment income

	2007 £	2006 £
Bank deposit income	145,297	87,569

6 Incoming resources from charitable activities

	2007 £	2006 £
Government and other grants - SSSDA	368,579	764,830
- Other	1,223,796	309,218
Membership fees	528,526	222,000
	2,120,901	1,296,048

7 Analysis of total resources expended

	Continuing operations						Discontinued operations	TOTAL
	Research, Policy and Engaging with Employers	Secondment	Occupational standards, education and qualifications	Polymer Awarding Body	Skills academy for Nuclear	Skills academy for process industries	OPITO and OTML	
	£	£	£	£	£	£	£	
Cost directly allocated to activities								
Salaries	1,037,667	-	216,781	148,476	95,171	-	2,481,611	3,979,706
Other staff costs	91,727	-	6,974	9,758	38,716	55,109	628,732	831,016
Vehicle costs	12,533	-	(384)	4,766	-	-	-	16,915
Office Aberdeen	7,180	-	-	-	2,181	1,365	-	10,726
Specific projects/consultancy	999,449	-	7,981	12,707	27,327	48,154	1,118,920	2,214,538
Stationery/printing/postage	1,879	-	73	7,463	872	1,332	-	11,619
Technical development	1,601	-	-	-	-	-	-	1,601
International marketing costs	-	-	-	-	-	-	123,317	123,317
Bad debts	49,476	-	-	-	-	-	-	49,476
Cost of sales	-	-	-	-	-	-	89,219	89,219
Telecoms	-	-	-	12,054	2,092	59	-	14,205
Web development and hosting	-	-	-	200	-	22,543	-	22,743
Marketing & advertising/ sponsorship	8,354	-	-	-	32,989	2,390	-	69,710
Other costs	28,180	-	44	463	2,046	79	79,741	110,553
College fees	-	-	-	10,762	5,800	-	1,037,215	1,053,777
	2,238,046	231,469	206,649	207,194	131,031	5,584,732	8,599,121	

7 Analysis of total resources expended (continued)

	Continuing operations							Discontinued operations	TOTAL
	Research, Policy and Engaging with Employers	Secondment	Occupational standards, education and qualifications	Governance	Polymer Awarding Body	Skills academy for Nuclear	Skills academy for process industries	OPITO and OTML	
	£	£	£	£	£	£	£	£	
Support costs									
Staff salaries	439,268	87,898	77,518	-	-	-	-	250,608	855,292
Other staff costs	38,514	-	6,797	-	-	-	-	51,474	96,785
Vehicle costs	53,265	(1,357)	9,400	-	-	-	-	-	61,308
Premises/Office costs	87,949	-	15,520	-	18,945	-	-	85,916	208,330
Stationery/printing/postage	11,308	-	1,995	-	-	-	-	-	13,303
IT Support	75,319	-	13,292	-	9,455	7,152	-	-	105,218
Staff relocation	8,723	-	1,539	-	-	-	-	-	10,262
Library & subscriptions	3,321	-	586	-	-	111	-	-	4,018
Consultancy fees	97,161	-	17,146	21,000	-	-	-	-	135,308
Professional fees	58,384	-	10,303	-	-	11,074	-	-	79,761
Information technology marketing and communication	117,548	-	20,744	-	-	-	-	43,716	182,008
Web development and hosting	19,957	-	3,522	-	-	-	-	97,635	121,114
Other	2,394	22,589	422	-	-	-	-	50,236	75,641
Board Meeting	-	-	-	19,220	-	-	-	-	19,220
Taxation	-	-	-	-	-	-	-	86,875	86,875
OPITO	2,461	-	434	-	-	27,076	-	-	29,971
Charitable donations	-	-	-	-	-	-	-	500,000	500,000
	1,015,572	109,130	179,218	40,220	28,400	45,413	1,166,460	2,584,413	
Costs directly allocated to activities	2,238,046	-	231,469	-	206,649	207,194	131,031	5,584,732	8,599,121
Total resources expended	3,253,618	109,130	410,687	40,220	235,049	252,607	131,031	6,751,192	11,183,534

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

8 Net (outgoing)/incoming resources

	2007 £	2006 £
Net (outgoing) / incoming resources is stated after charging:		
Depreciation of tangible fixed assets	53,007	30,753
Amortisation of intangible fixed assets	2,625	2,626
Auditors' remuneration: - audit services (Company: £10,200, 2006: £9,900)	21,000	19,900
Auditors' remuneration: - other non audit services	9,500	-
Operating lease rentals – plant and machinery	50,962	128,351
Operating lease rentals – other	53,730	45,045

9 Trustees' emoluments

One trustee received emoluments of £10,000 (2006: £10,000) during the year. Seven trustees have received reimbursement totalling £10,277 (2006: £5,008) for travel and subsistence expenses. Professional indemnity insurance, which cost the charity £13,029 (2006: £14,700) is in place with a limit of £2 million.

10 Employee information

The average number of persons employed by the group (including trading subsidiaries) during the year is analysed below:

	2007 Number	2006 Number
Administration	64	54
Trainees	112	126
	176	180

	2007 £	2006 £
Employee costs in relation to the above employees		
Wages and salaries	4,190,877	4,216,970
Social security costs	383,006	402,071
Other pension costs	261,115	248,134
	4,834,998	4,867,175

10 Employee information (continued)

	Pension Costs £	2007 Number	2006 Number
£60,001 - £70,000	72,266	9	5
£70,000 - £80,000	12,331	2	1
£80,000 - £90,000	-	-	1
£90,000 - £100,000	-	-	-
£100,000 - £110,000	14,990	1	-
£110,000 - £120,000	-	-	1
£120,001 - £130,000	11,472	1	-

11 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2007 and 31 December 2007	52,504
Amortisation	
At 1 January 2007	7,876
Charge for the year	2,625
At 31 December 2007	10,501
Net book value	
At 31 December 2007	42,003
At 31 December 2006	44,628

12 Tangible fixed assets

Group	Office equipment £	Kitchen equipment £	Furniture and fittings £	Computer equipment £	Total £
Cost					
At 1 January 2007	1,010	213	77,422	121,492	200,137
Additions	-	-	18,061	94,508	112,569
Disposals	-	-	-	11,478	11,478
Disposal of subsidiary	(1,010)	(213)	(10,193)	(76,363)	(87,779)
At 31 December 2007	-	-	85,290	128,159	213,449
Depreciation					
At 1 January 2007	53	5	28,572	41,940	70,570
Charge for year	-	-	10,664	42,343	53,007
Disposals	-	-	(2,477)	(25,136)	(27,613)
Disposal of subsidiary	(53)	(5)	(350)	(14,680)	(15,088)
At 31 December 2007	-	-	36,409	44,467	80,876
Net book value					
At 31 December 2007	-	-	48,881	83,692	132,573
At 31 December 2006	957	208	48,850	79,552	129,567

Company	Furniture and fittings £	Computer equipment £	Total £
Cost			
At 1 January 2007	72,435	43,684	116,119
Additions	12,062	45,690	57,752
Disposals	-	(3,869)	(3,869)
At 31 December 2007	84,497	85,505	170,002
Depreciation			
At 1 January 2007	28,064	26,899	54,963
Charge for year	8,107	15,124	23,231
Disposals	-	(642)	(642)
At 31 December 2007	36,171	41,381	77,552
Net book value			
At 31 December 2007	48,326	44,124	92,450
At 31 December 2006	44,371	16,785	61,156

13 Fixed asset investments

Group – cost	£
At 1 January 2007	-
Retained 10% interest in Opito Limited	13,000
At 31 December 2007	13,000

On 20 November 2007 the group sold 90% of its investment in Opito Limited (formally known as Cogent Sector Services for a consideration of £117,000. A 10% investment with a cost of £13,000 was retained.

Group – cost	Interests in subsidiary undertakings £	Other unlisted investment £	Loans to subsidiary undertakings £	Total £
At 1 January 2007	130,000	-	5,002	135,002
Disposals	(117,000)	-	-	(117,000)
Transfer	(13,000)	13,000	-	-
At 31 December 2007	-	13,000	5,002	18,002

Interests in subsidiary undertakings

Details of subsidiary undertakings are as follows:

Name of company and country of incorporation and operation	Description of shares held	Proportion of nominal value of issued shares held	Principal activity
Skills Assurance Services Limited – Scotland	Ordinary	100%	Administration services
National Skills Academy for Nuclear Limited – England and Wales	Ordinary	100%	Education and training
National Skills Academy Process Industries Limited – England and Wales	Ordinary	100%	Education and training

14 Debtors

	2007	Group	2007	Company
	£	2006	£	2006
		£		£
Amounts falling due within one year				
Trade debtors	851,018	2,286,565	858,530	689,192
Other debtors	13,125	9,263	13,125	2,413
Prepayment and accrued income	279,948	30,831	59,448	22,586
Amounts due from subsidiary undertakings	-	-	158,835	493,474
	1,144,091	2,326,659	1,089,938	1,207,665

Included within amounts due from subsidiary undertakings was £Nil (2006: £5,000) due after more than one year. This amount was unsecured, no interest was charged, and there were no fixed repayment terms.

15 Creditors: amounts falling due within one year

	2007	Group	2007	Company
	£	2006	£	2006
		£		£
Trade creditors	703,705	387,250	425,279	104,812
Amounts due to group undertakings	-	-	48,044	-
Other taxation and social security costs	1,995	436,604	190	88,527
Accruals and deferred income	35,513	981,611	5,380	80,745
Other creditors	156,762	14,808	3,852	6,918
	897,975	1,820,273	482,745	281,002

16 Creditors: amounts falling due after more than one year

	2007	Group	2007	Company
	£	2006	£	2006
		£		£
Deferred income	-	1,337,075	-	-

Deferred income relates to income received from sponsors in advance for services due to take place in 2008 and beyond.

17 Provisions for liabilities and charges

	2007	2006
	£	£
Analysis of deferred tax balances		
Accelerated capital allowances	-	5,040
Opening balance at 1 January 2007	5,040	-
On disposal of OPITO	(5,040)	5,040
Closing balance at 31 December 2007	-	5,040

18 Members' liability

Members' liability is limited by guarantee not exceeding £10 per member (17 members).

19 Lease commitments

At 31 December 2007 the group had annual commitments under non-cancellable operating leases expiring as follows:

	2007	2006	2007	2006
	Land and	Land and	Other	Other
	buildings	buildings	£	£
	£	£		
Date of lease termination within one year	-	-	-	37,354
In second to fifth years inclusive	53,570	45,045	5,578	15,030
	53,570	45,045	5,578	52,384

20 Pensions

The company participates in the ITB Pension Scheme, a defined benefit scheme. The assets of the scheme are in a separate trustee-administered fund. It is not possible to identify each participating employer's share of the underlying assets and liabilities of the scheme and hence contributions to the scheme are accounted for as if it were a defined contribution scheme. The cost recognised in the income and expenditure account being equal to the contributions payable to the scheme for the year.

The latest interim actuarial valuation of the scheme was at 31 March 2007. The assumptions which have the most significant effect of the result of the valuation are those relating to the rate of return on investments (ie the valuation interest rate) and the rates of increase in salary and pension. In relation to the past liabilities the financial assumptions were derived from market yield rates prevailing at the valuation date. It was assumed that the real investment yield net of pension increases would be 2.5% per annum, real salary inflation was assumed to be 1.5% per annum. It was also assumed pensions would increase by 3.4% per annum for the Old Section and by the RPI for the other sections with a limitation placed on the increase ranging from 3% - 5%.

At the valuation date, the actuarial value of the assets of the scheme was £621.9 million and the value of liabilities was £576.1 million, leaving a balance of assets of £45.8 million. Taking into account the employer pots of £43.4 million leaves a surplus arising at 31 March 2007 of £2.4 million.

Surpluses or deficits which arise at future valuations may impact on the company's future contribution commitment. The next formal actuarial valuation is due at 31 March 2010 when the above rates will be reviewed.

The total ITB Pension costs for the company was £261,115 (2006: £248,134). This includes a £Nil (2006: £Nil) outstanding contribution at the balance sheet date. The contributions rate payable by the company was 16% of pensionable salaries for old section members and 11% for new section members. New entrants after 1 August 2007 are only permitted to participate in the new scheme whereby employers' contributions are 5.1%.

21 Unrestricted reserves

	Group 2007 £	Company 2007 £
At 1 January 2007	1,648,565	1,304,499
(Deficit)/surplus for the financial year	(500,443)	56,868
At 31 December 2007	1,148,122	1,361,367

22 Reconciliation of movement in members' funds

	2007 £	Group 2006 £	2007 £	Company 2006 £
(Deficit)/surplus for the year	(500,443)	345,006	56,868	230,393
Opening members' funds	1,648,565	1,303,559	1,304,499	1,074,106
Closing members' funds	1,148,122	1,648,565	1,361,367	1,304,499

23 Related party transactions

The company has taken advantage of the exemption available under Financial Reporting Standard 8 not to disclose details of intra-group transactions, on the grounds that the transactions are within the group and are fully eliminated on consolidation.

The Offshore Training Foundation and Opito Limited have five common directors.

Opito Limited continues to rent their office space from the Offshore Training Foundation. Rental payments in the year totalled £36,000 (2006: £36,000) with management fees charged to the Offshore Training Foundation from Cogent SSC Limited of £15,200 (2006: £15,000).

Cogent SSC Limited sold internet line leases to OPITO Ltd totalling £19,590 after the date of disposal.

24 Net cash inflow from operating activities

	Note	2007 £	2006 £
Net (outgoing)/incoming resources		(500,443)	345,006
Taxation paid		86,875	79,373
Investment income	5	(145,297)	(87,569)
Amortisation	11	2,625	2,626
Depreciation	12	53,007	28,130
Loss on disposal of subsidiary undertaking	28	667,356	-
Decrease/(increase) in creditors		1,098,294	(36,150)
Decrease in provisions		-	5,040
(Decrease)/increase in debtors		(260,919)	31,485
Net cash inflow from operating activities		1,001,498	367,941

25 Analysis of changes in net debt during the year

	At 1 January 2007 £	Cashflow £	At 31 December 2007 £
Group			
Cash at bank and in hand	2,310,099	(1,595,669)	714,430

26 Surplus for the financial year

As permitted by section 230 of the Companies Act 1985 the charity's income and expenditure account has not been included in the financial statements. The charity's surplus for the financial year was £56,868 (2006: £230,393).

27 Controlling party

The charity has 17 members representing chemical, nuclear, oil and gas, petroleum and polymers related businesses (see note 18). The trustees do not consider there to be a controlling party.

28 Disposal

On 20 November 2007 the group sold 90% of its direct subsidiary undertaking, Opito Limited (formally known as Cogent Sector Services Limited), and its indirect subsidiary undertaking OPITO Training Management Limited for a consideration of £117,000. The book and fair value at the date of disposal were:

	OPITO £	OTML £	Total £
Tangible fixed assets	53,482	-	
Debtors	287,972	1,155,514	
Cash at bank and in hand	783,213	1,879,882	
Creditors	(378,834)	(2,983,873)	
Net assets on disposal	745,833	51,523	797,356
Consideration received			117,000
10% investment retained			13,000
Loss on sale of disposal			(667,356)

