

Company number: 2876147

Charity number: 1034750

Open College Network London Region

Report and financial statements

For the year ended 30 September 2021

Contents

For the year ended 30 September 2021

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Open College Network London Region (OCNLR)

Reference and administrative information For

the year ended 30 September 2021

Company number 2876147

Charity number 1034750

Registered office and operational address 15 Angel Gate, City Road, London, EC1V 2SF

Country of registration England

Country of incorporation United Kingdom

The company trades under the name OCNLR.

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

L. Arnold-Courtney	Deputy Chair (Quality)
K. Caplin	
J. Dishman	
J. Farmer	
N. Foster	
P. Pledger	
P. Wilson	Chair
N. Rampley	(resigned 10 December 2020)

Key management personnel	Ms Jacqueline Mutter	Chief Executive
	Paul Browning	Deputy Chief Executive
	Omovbera Erhenede	Head of Finance and Company Secretary

Bankers National Westminster Bank Plc
166 Camden High Street, London, NW1 0NW

Solicitors GRAYS SOLICITORS
Duncombe Place, York, YO1 7DY

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
Invicta House
108-114 Golden Lane
LONDON
EC1Y 0TL

Trustees' annual report

For the year ended 30 September 2021

The trustees present their report and the audited financial statements for the year ended 30 September 2021.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Purposes and aims

The charity is a company limited by guarantee and is constituted under a Memorandum and Articles of Association. The Memorandum of Association is dated 19 November 1993 and was amended on 13 January 1994, 26 February 1998 and 17 May 2005. A new Articles of Association was adopted by special resolution on 9 May 2008. Its registered charity number is 1034750 and its registered company number is 2876147. The charity trades under the name OCN London.

Open College Network London Region (OCNLR) is an awarding organisation (AO) approved by the Office of Qualifications and Examinations Regulation (OFQUAL) to offer national qualifications. As an Access Validating Agency (AVA), OCNLR is licensed by the Quality Assurance Agency for Higher Education (QAA) to validate and award certificates on QAA-recognised Access to Higher Education Diplomas. The Board of Trustees is ultimately responsible for the operation of both licences.

OCNLR is a membership network and is governed by a Board of Trustees drawn from its members and from related organisations with an interest in furthering OCNLR's aims. None of the trustees receive remuneration or other benefit from their work with the charity.

OBJECTIVES AND ACTIVITIES

OCNLR exists to support learning and widen participation through achievement of credit-based qualifications, regulated and unregulated. OCNLR aims are the advancement of the education of the public in one or more of the following ways:

- By promoting and increasing participation in education and training, particularly by those persons who have benefited least from existing provision;
- By being an open and inclusive organisation, where diversity is promoted, and discrimination eliminated. Our commitment is to continue to ensure that our services meet the needs of all our diverse customers. It ensures that equality, diversity and human rights are integrated into the way we plan, develop and deliver our services, covering our internal functions as an employer and our external operations as a provider of qualifications and accreditation services;
- By improving the quality and flexibility of education provision for the public benefit, primarily for educationally disadvantaged persons;
- By facilitating progression for learners by enabling them to achieve Open College Network (OCN) credits and to accumulate and, where appropriate, to transfer these towards a qualification;

Trustees' annual report

For the year ended 30 September 2021

- By improving access to higher education by carrying on and conducting the work of the accreditation system in London and elsewhere and conducting the work of Open College Network London Region as an AVA under licence from the Quality Assurance Agency for Higher Education (QAA);
- By improving recognition of education qualifications by issuing nationally recognised Access to HE Diplomas and credits for learner achievement to be awarded independently of the providing organisations.

PUBLIC BENEFIT

In setting its objectives for the year the Board of Trustees has regard to both the Charity Commission's general guidance on public benefit and the mission of OCNLR that supports education for learners who have benefitted least from existing provision and can be encouraged to progress to achieve their potential. The activities currently carried out for the public benefit by the charity can be broadly categorised into the following areas:

- **Development of products and services** for member organisations to use for educational, training and assessment purposes.
- **Registration and certification** of learners.
- **Support for members** to confirm centre approval and the offer of coherent curriculum provision with quality assured confirmation of the achievement of credit.
- **Retention of licences** to ensure continuity of the operation on behalf of member organisations.

The majority of the membership are not-for-profit organisations, delivering education and training for adults. Many of them target the educationally disadvantaged which is critical to supporting OCNLR to achieve its aims. A significant number of member centres, namely those in the traditional further and adult education sectors, are eligible to access public funding via the Education and Skills Funding Agency (ESFA) for their delivery of our qualifications.

The outcomes of these activities for 2020–21 are identified in the following sections.

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Achievements and performance

The charity's main activities and who it tries to help are described below. All its charitable activities focus on education and are undertaken to further OCNLR's charitable purposes for the public benefit.

OCNLR acts to accredit courses and develop regulated qualifications in partnership with its member centres, register learners on those courses and qualifications, confirm the learners' achievement of credits and qualifications through an external quality assurance process and then to certificate those achievements. In many cases these certificates are the first tangible evidence of learning and achievement those learners will have received.

OCNLR is not directly involved with the delivery of learning; it acts to formally recognise a centre's fitness to provide quality assured learning programmes that may consist of its qualifications (regulated) or accredited courses (unregulated). In each case OCNLR is concerned with confirming that the offer is appropriate and coherent at the curriculum planning stage and then is quality assured to ensure comparability of standards and to safeguard the learner experience.

Practically our aims are pursued beyond the core functions of the organisation where we seek to foster an understanding and an expansion of the benefits of accreditation.

In 2020–21 learner registrations on our national regulated qualifications and Access to HE Diploma courses were above projections despite further disruption during the year as a result of the COVID 19 pandemic. The transition that many centres made to remote teaching and assessment during the previous year enabled them to continue with delivery of our qualifications and accredited courses during the winter 2020–21 lockdown and the subsequent restrictions which continued for the remainder of the academic year.

The maximum number of organisations in membership throughout the reporting period was 327 plus 8 associate members (those organisations which do not offer OCNLR accredited educational programmes but want to support OCNLR aims). There was an increase in new members, including large further education colleges, and a small number of resignations over the year, almost all of which were centres that had been inactive.

There were healthy registrations on the ESOL qualifications and a growing demand for the newly developed Essential Digital Skills qualifications (EDSQs) which were approved during the year by Ofqual following a rigorous evaluation process. This demand for the EDSQs has continued to grow into the new academic year, showing a positive outcome on the decision to invest in their development.

As a result of the ongoing pandemic, supporting centres to continue to deliver our qualifications and courses through any further disruption, including the development of materials to facilitate teaching and assessment, the implementation of the contingency regulatory frameworks put in

Trustees' annual report

For the year ended 30 September 2021

place by both regulators, the development of EDSQs and maintaining financial sustainability, all underpinned OCNLR's operational priorities for 2020–21.

Achievements against 2020–21 strategic priorities

- Continued to work with centres to support them in the online/blended delivery of the qualifications and accredited courses to their learners, anticipating and responding to needs through regular video meetings and webinars.
- Continued to promote the Endorsed Training Scheme as an external quality assurance mechanism for non-accredited learning for in-house training.
- Engaged with centres to identify qualifications and resources that best suit the needs of their learners to boost employability.
- Expanded the non-regulated provision for centres outside the publicly funded sector in anticipation of future changes to public funding of qualifications.
- Completed the Ofqual evaluation process for the Essential Digital Skills qualifications in line with DfE specifications and carried out a sustained marketing campaign, including regular webinars, to promote them to centres across the country as a means of addressing the nationally identified digital skills gaps.
- Invested further in the development of free materials in electronic form to support centres in the remote delivery and assessment of OCN London qualifications.
- Approved additional Access to HE Diploma courses for delivery from September 2021 and developed/approved new Access to HE Diploma titles.
- Engaged with Linking London, including delivering updates and attending Board meetings, raising awareness of the value of Access to HE Diploma and being their first awarding organisation member to sign up to their 'Green Pledge' to support centres in greening the curriculum.
- Awarded bursaries to two Access to HE Diploma learners for outstanding academic achievement.
- Successfully implemented all processes, adaptations and other requirements of the Ofqual and QAA contingency Regulatory Frameworks providing regular support for centres, particularly where adaptations were required, and investing additional resource in external quality assurance. This ensured all learners registered on Access to HE Diplomas and Ofqual regulated qualifications were able to achieve their qualifications, where applicable.
- Maintained an excellent level of service to our members throughout the year through remote operation.
- Access to HE Diplomas were issued electronically on a national release date set by QAA as part of their contingency regulatory measures, enabling successful learners to secure their university places. National qualifications were issued to all learners who had achieved them to enable them to progress to the next level of learning or to employment.

Beneficiaries of our services

Learner registration and certification

In 2020–21 there was an increase in the number of learners registered on the Ofqual regulated national qualifications, Access to HE Diploma qualifications and accredited courses. There were 3008 learners registered on Access to HE courses in 2020–21 of which 1985 achieved the full Diploma (65.99%). This represented a decrease on the previous year's achievement. The results were submitted to UCAS by the July deadline for all learners, except for those who had appealed. The learners who had achieved the Access to HE Diplomas received their results on the QAA national results day. Hence, they were able to confirm their acceptance of higher education places in a timely fashion.

Sponsorship

As part of its commitment to adult learners OCNLR sponsored the Keith Fletcher Access to HE Learner Awards and Michael Sargent Access to HE Bursary Awards were awarded to two Access to HE Diploma learners in recognition of their outstanding academic achievement. Both learners had overcome the particularly challenging circumstances and barriers to learning in order to achieve their Access to HE Diplomas.

Financial review

OCNLR reported a £188,142 surplus on a turnover of £1,657,577 after a year in which trustees had set a surplus budget of £12,000.

The key sources of income continue to be registration and certification of learners on qualifications developed by the charity, accredited courses and annual fees charged to the approved centres for delivering the qualifications. The income from qualifications increased by 20% on the 2019–20 outturn and exceeded budget, despite ongoing circumstances brought about by the pandemic. The increase indicates ongoing growth in Ofqual qualifications, with considerable numbers of registrations on small health and wellbeing qualifications, possibly reflective of the challenges and impact of the current context. There was also an increase in take-up of the lower level vocationally related qualifications and ESOL qualifications, all of which are intended to meet the needs of learners who require a foundation of learning before they are ready to progress to higher levels of learning and into better employment. There was considerable growth in accredited (unregulated) courses and income from this area of work increased by 30%. The 7% growth in income from Access to HE registrations, largely as a result of an increase in registrations on nursing and health related Diplomas, had not been anticipated so exceeded budget.

Trustees continued to monitor income carefully and received information on major trends on a quarterly basis. OCNLR has good financial management with tight control of cash and debtors.

Principal risks and uncertainties

The Board of Trustees takes responsibility for managing risk. They assess the major risks to which the charity is exposed, in particular those related to the operations and finances, and are satisfied that appropriate systems and procedures are in place to mitigate those risks. The ongoing pandemic continued to present risks but of a less dramatic nature and mitigations were already in place to support any risks to business continuity. These included continuing to raise awareness of qualifications/products suitable for online delivery, investing resource in the development of materials to support remote delivery and allocating additional resource to support the implementation of both the Ofqual and QAA contingency regulatory frameworks and the quality assurance processes that were required to be able to certificate learners. The drop in enrolments on our qualifications and courses which had also been identified as a potential risk did not materialise.

External quality assurance and curriculum support continued through remote means and the use of video meetings to provide additional support, as well as webinars, have been very well-received and appreciated by centres. The staff team have worked successfully from home through our cloud-based systems and although the office reopened before and after the winter lockdown, the majority of staff have preferred to remain working remotely. The productivity of the organisation as a whole does not appear to have been detrimentally affected by these ongoing arrangements and the health and well-being of staff has been monitored through one to one and team meetings.

The uncertainties continue for the coming year, particularly for the first term as we move into winter, and both regulators are putting in place amended contingency frameworks which allow for adaptation of content and assessment approaches if required. There has been an increase in courses put in place for the new academic year which suggests centres are continuing to successfully manage online and blended learning models. The risk register and controls continue to be closely managed through weekly meetings.

Reserves policy and going concern

In accordance with its stated policy, OCNLR holds reserves to cover 3 months' expenditure in order to provide the necessary resources should the company need to be wound up. The reserves would be needed to meet liabilities relating to learners, members, staff and lease costs. At the end of 2019–20 financial year, the total unrestricted funds were £507,535. The reserves at 2020–21 year-end are £695,677. The calculated costs of winding up the company based on the current staff complement is £534,000.

The money held by OCNLR in reserves is invested prudently with UK high street banks.

Remuneration policy

OCNLR is committed to ensuring a proper balance between (i) paying our staff and others who work for us fairly so that we attract and retain the best people for the job and (ii) careful management of our charity funds. In so doing we ensure the greatest effectiveness in delivering our charitable objectives and meeting the needs of our beneficiaries. Salaries for all posts, other than the Chief Executive, comprise a band made up of a series of evenly distributed salary points. The pay of the Chief Executive comprises a single fixed salary point and is set by the Remuneration Committee. All staff are entitled to receive a contribution towards either the Teachers' Pension or the Local Government Pension Scheme. They also receive a small contribution to a personal learning course of their choice.

In June each year, the trustees determine whether the salary points for all staff should be adjusted for the forthcoming financial year beginning 1st October, to reflect changes in the cost of living. The trustees' considerations begin with an assumption that salaries should be adjusted to match inflation (specifically the Consumer Price Index) over the preceding 12 months. They then determine whether this is appropriate in the context of:

- (i) the charity's financial situation;
- (ii) the charity's performance;
- (iii) cost of living adjustments made in recent years;
- (iv) pay reviews elsewhere in the sector.

Cost of living adjustments are applied equally to all staff.

For OCNLR to run successfully, a wide range of skills are required, and it is important to pay staff appropriately to ensure that we can recruit people with the right skills. Retention of staff is also important so as to benefit from their accumulated knowledge and skills in what is a niche sector. This is in preference to the disruption and expense of recruitment, especially as many staff have detailed knowledge that is unique to them in the organisation and could not be quickly replaced. OCNLR staff pay scales are set with this in mind.

Fundraising

OCNLR does not engage in public fundraising and does not use professional fundraisers or commercial participators. OCNLR nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and OCNLR received no complaints relating to its fundraising practice.

Plans for the future

The financial outlook for OCNLR in 2021–22 is positive. The work invested in qualification and materials development and promotion this year has led to additional courses in place for 2021–22 and new centres have joined in order to deliver qualifications in 2021–22, including several large FE colleges. The impact of the DfE's decision to remove funding from all pre-existing low level digital skills qualifications as of 1st August 2021 has been mitigated by the sustained promotion and subsequent take-up of the new Essential Digital Skills qualifications which have been developed in line with DfE specifications and attract ESFA adult entitlement funding. The ESFA funding for other OCN London qualifications is secure for 2021–22.

The short to medium term objectives are as follows:

- Continue to work with centres to support them in the online/blended delivery of the qualifications and accredited courses to their learners, anticipating and responding to needs.
- Put in place all processes, adaptations and other requirements for implementing the Ofqual and QAA contingency Regulatory Frameworks.
- Engage with centres to identify qualifications and resources that best suit the needs of their learners.
- Continue to promote and support the delivery of the EDSQs and ESOL qualifications to support adult learners to progress to further learning and into better and sustainable employment.
- Continue to build relationships with devolved authorities, trade bodies and other external stakeholders to raise awareness of OCN London's role in widening participation.
- Expand work with centres that are not reliant on public funding.
- Maintain excellence in quality and customer support.
- Maintain financial sustainability.

The current CEO is retiring in early 2022 after 8 years in post and 26 years in the organisation. The retirement had been discussed and planned with the Chair, and the recruitment process was co-ordinated and led by the trustees. A successor has been appointed to start in early 2022 with a full induction and transition co-ordinated by the Chair.

Structure, governance and management

New trustees are identified by the CEO and trustees to address gaps in skills, expertise and/or representation of the breadth of membership on the Board. They are approached by the Chair or CEO and if interested, sent an information pack and a request for CV. The CVs are considered by the Chair, Deputy Chair Quality and CEO and applicants are called to interview. If the CV and interview evidence their suitability, they are confirmed as co-opted until such time that their appointment is confirmed by the membership.

New trustees are provided with a welcome pack that includes information about the organisation and its governance (including Memorandum & Articles of Association), contextual information, Charity Commission Guidance on being a Trustee and forms to complete including any conflict of

Trustees' annual report

For the year ended 30 September 2021

interests for recording on the Register of Interests and Declaration of Eligibility and Suitability to meet the Ofqual requirements for senior officers.

The induction process follows and includes a tour of the organisation, meeting the staff and meeting with the Chief Executive for further information about their responsibilities in relation to governance of OCNLR, and a question and answer session.

The trustees shall be confirmed as appointed by members at general meetings from time to time. The members shall consider the benefits of appointing a person who, through occupation, employment or otherwise is able, by virtue of her/his personal or professional qualifications, to contribute to the pursuit of the objects or the management of the Charity.

The trustees may appoint a person who is willing to act to be a trustee either to fill a vacancy or as an additional trustee provided that the appointment does not cause the number of trustees to exceed any number fixed by or in accordance with the articles as the maximum number of trustees. A trustee so appointed shall hold office only until the next following general meeting. If not reappointed at such general meeting, s/he shall vacate office at the conclusion thereof.

OCNLR employs a full-time CEO, who is responsible for the day to day management of the organization, supported by her Deputy Chief Executive. Staffing matters are delegated to the CEO subject to the guidance of the Board of Trustees. The Board of Trustees delegates some responsibilities to a Quality and Standards Committee but retains overall responsibility for all strategic issues and regulatory licenses. The Chair of the Board is responsible for monitoring and reviewing the performance of the Chief Executive.

The organisation is a charitable company limited by guarantee, incorporated on 19 November 1993 and registered as a charity on 10 March 1994.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in the notes to accounts.

Related parties and relationships with other organisations

OCNLR continues to work in an informal partnership with Laser Learning Awards in line with our shared mission, values and aims. The objective of the collaboration is to extend the range of qualifications available to its beneficiaries, share new developments that will benefit beneficiaries and share good practice in assessment and quality assurance to enhance the learning experience for beneficiaries.

Funds held as custodian trustee on behalf of others

OCNLR does not hold funds as a custodian nor acted as a custodian trustee.

Statement of responsibilities of the trustees

The trustees (who are also directors of OCNLR for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 30 September 2021

Trustees' annual report

For the year ended 30 September 2021

was 7. The trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to operate in that capacity.

The trustees' annual report has been approved by the trustees on 9 December 2021 and signed on their behalf by

Peter Wilson

Chair of OCNLR Board of Trustees

Independent auditor's report

To the members of

Open College Network London Region (OCNLR)

Opinion

We have audited the financial statements of Open College Network London Region (the 'charitable company') for the year ended 30 September 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 30 September 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Open College Network London Region's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of

Independent auditor's report

To the members of

Open College Network London Region (OCNLR)

company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.

Independent auditor's report

To the members of

Open College Network London Region (OCNLR)

- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman FCA (Senior statutory auditor)

31 January 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Open College Network London Region

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 30 September 2021

		2021 Total £	2020 Total £
	Note		
Income from:			
Charitable activities	2	1,647,418	1,403,358
Other trading activities		9,455	41,221
Interest receivable		704	2,902
Total income		1,657,577	1,447,481
Expenditure on:			
Charitable activities	3	1,469,435	1,397,649
Total expenditure		1,469,435	1,397,649
Net income for the year	4	188,142	49,833
Reconciliation of funds:			
Total funds brought forward		507,535	457,702
Total funds carried forward		695,677	507,535

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. All income and expenditure is unrestricted.

Open College Network London Region

Balance sheet

Company no. 2876147

As at 30 September 2021

	Note	£	2021 £	£	2020 £
Fixed assets:					
Tangible assets	9		22,144		38,048
Current assets:					
Debtors	10	277,065		249,672	
Short term deposits		305,025		200,000	
Cash at bank and in hand		426,354		320,979	
		<u>1,008,444</u>		<u>770,651</u>	
Liabilities:					
Creditors: amounts falling due within one year	11	(318,103)		(301,165)	
Net current assets			<u>690,341</u>		<u>469,486</u>
Total assets less current liabilities			<u>712,485</u>		<u>507,535</u>
Creditors: amounts falling due after one year	13		(16,808)		–
Total net assets			<u><u>695,677</u></u>		<u><u>507,535</u></u>
The funds of the charity:	15a				
Unrestricted income funds:					
Designated funds		100,000		100,000	
General funds		595,677		407,535	
		<u></u>	<u>695,677</u>	<u></u>	<u>507,535</u>
Total unrestricted funds			<u>695,677</u>		<u>507,535</u>
Total charity funds			<u><u>695,677</u></u>		<u><u>507,535</u></u>

Approved by the trustees on 9 December 2021 and signed on their behalf by:

Peter Wilson
Trustee

Peter Pledger
Trustee

Statement of cash flows

For the year ended 30 September 2021

	Note	2021 £	£	2020 £	£
Cash flows from operating activities	16				
Net cash (used in) / provided by operating activities			250,386		164,390
Cash flows from investing activities:					
Dividends, interest and surplus from operating activities		704		14,737	
Purchase of fixed assets		(2,712)		(900)	
Net cash provided by / (used in) investing activities			<u>(2,009)</u>		<u>13,837</u>
Change in cash and cash equivalents in the year			248,377		178,228
Cash and cash equivalents at the beginning of the year			<u>483,002</u>		<u>342,751</u>
Cash and cash equivalents at the end of the year			<u><u>731,379</u></u>		<u><u>520,979</u></u>

1 Accounting policies

a) Statutory information

Open College Network London Region is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address (and principal place of business) is 15 Angel Gate, City Road, London, EC1V 2SF.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Management has considered the consequences of COVID-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

1 Accounting policies (continued)

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on charitable activities includes the costs of delivering services and other educational activities undertaken to further the purposes of the charity and their associated support costs.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. The cost of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- | | |
|-----------------------|---------|
| ● Fixtures & fittings | 4 years |
| ● Computer Equipment | 3 years |

l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

m) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

n) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

o) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1 Accounting policies (continued)

p) Pensions

Teacher's Pension Scheme (TPS)

The charity participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £43,877, (2020 £48,340).

The TPS is an unfunded multi-employer defined contribution pension scheme governed by the Teachers' Pension Scheme regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary Department. The latest valuation report of the TPS was prepared at 31 March 2016 and was published in March 2019. This report confirmed that the employer contribution rate for the TPS would increase from 16.48% to 23.68% although, recognising that teaching establishments work on an academic and not financial year, the Government deferred the implementation of this increase to September 2019. Employers in addition from 1 September 2019 pay a scheme administration levy of 0.08% of pay and will be payable over the remainder of the period to March 2023 to ensure that the level of the notional fund at the next valuation of the scheme is expected to be unaffected by delay.

The charity is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the charity has taken advantage of the exemption in FRS102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

Local Government Pension Scheme (LGPS)

The LGPS is multi-employer defined contribution scheme. It is contracted out of the State Second Pension. The assumption and other data that the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuation	31 March 2019
Actuarial method	Prospective benefits
Discount rate	5.3%
Salary scale increases per annum	3.6%
Market value of assets at date of last valuation	£6,053m
Fund Surplus	£481m
Funding Level	109%

The LGPS is a multi-employer pension scheme. The charity is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the charity has taken advantage of the exemption in FRS102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

Total contributions to the scheme during the year were £66,193, (2020 £52,555). No additional payments have been required this year to cover the deficit funded, (2019: Nil)

2 Income from charitable activities

	2021 Total £	2020 Total £
Accreditation and registration income	1,398,095	1,182,777
Units Development income	24,425	19,290
Subscriptions	207,777	190,290
Other service income	17,121	11,002
Total for charitable activities	<u>1,647,418</u>	<u>1,403,358</u>

Open College Network London Region

Notes to the financial statements

For the year ended 30 September 2021

3 Analysis of expenditure

	Charitable activities £	Governance costs £	2021 Total £	Charitable activities £	Governance costs £	2020 Total £
Staff costs (Note 5)	916,311	14,540	930,851	888,761	14,540	903,301
Moderators' fees	63,140	–	63,140	55,767	–	55,767
Subscriptions and publications	69,667	–	69,667	58,657	–	58,657
Rents, rates and insurance	106,947	–	106,947	115,094	–	115,094
Telephone, postage and stationery	41,843	–	41,843	43,944	–	43,944
Consultancy	96,652	–	96,652	69,496	–	69,496
Printing and publishing	7,411	–	7,411	2,856	–	2,856
Travel and subsistence	6,810	–	6,810	8,113	–	8,113
Sundry expenses	3,424	–	3,424	6,195	–	6,195
Depreciation	18,616	–	18,616	18,935	–	18,935
Repairs and maintenance	10,515	–	10,515	26,180	–	26,180
Staff training and recruitment	3,493	–	3,493	641	–	641
Computer management and maintenance	7,402	–	7,402	6,706	–	6,706
Legal and professional	2,412	–	2,412	4,381	–	4,381
Bank charges and interest	2,832	–	2,832	2,629	–	2,629
Publicity and marketing	6,511	–	6,511	6,306	–	6,306
Bad debt provision	3,000	–	3,000	1,000	–	1,000
External verification	64,650	–	64,650	43,097	–	43,097
Access Revalidation	2,180	–	2,180	2,132	–	2,132
Governance costs		21,079	21,079	–	22,219	22,219
	1,433,816	35,619	1,469,435	1,360,890	36,759	1,397,648
Governance costs	35,619	(35,619)	–	36,759	(36,759)	–
Total expenditure	1,469,435	–	1,469,435	1,397,649	–	1,397,648

Notes to the financial statements

For the year ended 30 September 2021

4 Net income for the year

This is stated after charging:

	2021 £	2020 £
Depreciation	18,616	18,935
Operating lease rentals:		
Property	91,768	103,239
Auditor's remuneration (excluding VAT):		
Audit	9,075	8,900
Other services	1,125	1,100
	110,584	123,174

5 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	743,377	730,609
Social security costs	77,374	71,798
Operating costs of defined benefit pension schemes	110,099	100,895
	930,851	903,301

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2021 No.	2020 No.
£60,000 – £69,999	1	1
£70,000 – £79,999	1	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £168,180 (2020: £165,980).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £114.60 (2020: £36) incurred by 2 (2020: 1) members relating to attendance at meetings of the trustees.

Notes to the financial statements

For the year ended 30 September 2021

6 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 21 (2020: 21).

Staff are split across the activities of the charitable company as follows (head count basis):

	2021 No.	2020 No.
Chief Executive	2	2
Administration	3	3
Finance	2	2
Information Technology	1	1
Curriculum group	5	5
Quality group	8	8
	21	21

7 Related party transactions

A number of trustees hold positions at member organisations which in the year have engaged with OCN London. These include: L. Arnold (UAL), J Dishman (CU Coventry).

All transactions were on normal commercial terms and were made at arms-length.

8 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

9 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At the start of the year	252,630	168,055	420,685
Additions in year	–	2,712	2,712
At the end of the year	252,630	170,767	423,397
Depreciation			
At the start of the year	221,265	161,372	382,637
Charge for the year	13,033	5,584	18,616
At the end of the year	234,298	166,955	401,253
Net book value			
At the end of the year	18,332	3,812	22,144
At the start of the year	31,365	6,683	38,048

All of the above assets are used for charitable purposes.

Notes to the financial statements

For the year ended 30 September 2021

10 Debtors

	2021 £	2020 £
Trade debtors	166,607	169,720
Other debtors	24,642	24,641
Prepayments	85,816	55,311
	<u>277,065</u>	<u>249,672</u>

11 Creditors: amounts falling due within one year

	2021 £	2020 £
Amounts due under finance leases	–	5,511
Trade creditors	47,733	72,001
Taxation and social security	19,874	21,546
Other creditors	12,699	11,744
Accruals	62,097	36,194
Deferred income (note 12)	175,700	154,168
	<u>318,103</u>	<u>301,165</u>

12 Deferred income

Deferred income comprises of annual subscriptions received in advance

	2021 £	2020 £
Balance at the beginning of the year	154,168	165,996
Amount released to income in the year	(154,168)	(165,996)
Amount deferred in the year	175,700	154,168
	<u>175,700</u>	<u>154,168</u>

13 Creditors: amounts falling due after one year

	2021 £	2020 £
Accruals	16,808	–
	<u>16,808</u>	<u>–</u>

14a Analysis of net assets between funds (current year)

	Designated £	General unrestricted £	Total funds £
Tangible fixed assets	–	22,144	22,144
Net current assets	100,000	573,533	673,533
Long term liabilities	–	–	–
Net assets at 30 September 2021	100,000	595,677	695,677

14b Analysis of net assets between funds (prior year)

	Designated £	General unrestricted £	Total funds £
Tangible fixed assets	–	38,048	38,048
Net current assets	100,000	369,487	469,487
Long term liabilities	–	–	–
Net assets at 30 September 2020	100,000	407,535	507,535

15a Movements in funds (current year)

	At 1 October 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 September 2021 £
Unrestricted funds					
Designated funds:					
Future Lease cost	100,000	–	–	–	100,000
Total designated funds	100,000	–	–	–	100,000
General funds	595,677	–	–	–	595,677
Total unrestricted funds	695,677	–	–	–	695,677

15b Movements in funds (prior year)

	At 1 October 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 September 2020 £
Unrestricted funds					
Designated funds:					
Future lease costs	100,000	–	–	–	100,000
Total designated funds	100,000	–	–	–	100,000
General funds	357,702	1,447,481	(1,397,649)	–	407,535
Total unrestricted funds	457,702	1,447,481	(1,397,649)	–	507,535

Purposes of designated funds

Designated funds of £100,000 has been provided for future lease costs.

16 Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income for the reporting period (as per the statement of financial activities)	188,142	44,123
Depreciation charges	18,616	18,935
Interest and other trading income	(704)	(14,737)
Increase in debtors	27,393	73,146
(Decrease)/increase in creditors	16,938	37,214
Net cash (used in) / provided by operating activities	250,386	158,681

17 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property 2021 £	2020 £
Less than one year	91,729	91,729
One to five years	91,729	183,459
	183,459	275,188

18 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.