

Company number: 2876147

Charity number: 1034750

Open College Network London Region

Report and financial statements
For the period ended 31 July 2023



Contents

For the period ended 31 July 2023

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Open College Network London Region (OCNLR)

Reference and administrative information

For the period ended 31 July 2023

Company number	2876147
Charity number	1034750
Registered office and operational address	24 Angel Gate, City Road, London, EC1V 2PT
Country of registration	England
Country of incorporation	United Kingdom

The company trades under the name OCN London.

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:

P. Pledger	Chair
L. Arnold-Courtney	Deputy Chair
J. Farmer	
N. Garner	(appointed 8 December 2022)
P. Ghuman	(appointed 8 December 2022)
K. Hintz	(appointed 8 December 2022)
K. Holt	(appointed 8 December 2022)
J. Stockdale	(appointed 8 December 2022)
K. Caplin	(resigned 8 December 2022)
N. Foster	(resigned 8 December 2022)
A. May	(appointed 13 February 2024)
A-M. Soyinka	(appointed 13 February 2024)
C. Tennant	(appointed 13 February 2024)

Key management personnel	Carlos Cubillo-Barsi	Chief Executive
	Paul Browning	Deputy Chief Executive
	Dixa Patel	Company Secretary

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

Solicitors Grays Solicitors
Duncombe Place, York, YO1 7DY

Auditors Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
Invicta House, 110 Golden Lane, London, EC1Y 0TG

Trustees' annual report

For the period ended 31 July 2023

The trustees present their report and the audited financial statements for the year ended 31 July 2023.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the 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 an Articles of Association. The Memorandum and Articles of Association were revised, and a new combined Articles of Association was adopted by special resolution on 20 March 2023. 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 licenses.

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,

Trustees' annual report

For the period ended 31 July 2023

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.
- 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 license 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 organisations to use for educational, training and assessment purposes.
- Registration and certification of learners.
- Support for customers to confirm centre approval and the offer of coherent curriculum provision with quality assured confirmation of the achievement of credit.
- Retention of licenses to ensure continuity of the operation on behalf of customer organisations.

The majority of centres 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 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), the Greater London Authority (GLA) and other Mayoral Combined Authorities (MCAs) for their delivery of our qualifications.

The outcomes of these activities for 2022–23 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 remain 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 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.

OCNLR trustees and the executive team undertook a review of the Memorandum and Articles of Association with a view to: ensure that they reflected how OCNLR operates; remove detailed provisions that were no longer relevant or practical; and to modernise both documents, ensuring that they were fit for purpose in supporting the future strategy and direction of the organisation. The revised Articles of Association were adopted by special resolution on 20 March 2023.

In 2022–23 learner registrations on our national regulated qualifications were in line with projections. However, registrations onto Access to HE courses reduced by 546 compared to 2021–22; due, in part, to the increased number of students undertaking foundation years at universities and the impact of the cost of living crisis. This reduction in registrations was offset, in part, as a result of a new international partnership with a Greek provider, UCERT, delivering OCNLR accredited International ESOL qualifications.

The maximum number of organisations registered with OCNLR throughout the reporting period

Trustees' annual report

For the period ended 31 July 2023

was 362. There were 40 new centres approved in 2022–23, including large further education colleges, and a small number of resignations over the year.

There were healthy registrations on our new ESOL International qualifications and the Level 1 qualification in developing emotional resilience, whilst demand for the Essential Digital Skills qualifications (EDSQs) remained strong.

Achievements against 2021–22 strategic priorities

- Recruited five new Trustees to the Board covering areas such as: finance; corporate learning & development; leadership roles working within the FE sector; and regulatory compliance.
- 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.
- Appointed as a Member of the London Chamber of Commerce and Industry (LCCI) skills board, working closely with London's employer representative bodies in the development of the Greater London Local Skills Improvement Plan (LSIP).
- Gained Ofqual approval to accredit International ESOL qualifications and launched a new international venture in Greece.
- Appointed an official 'friend' of London's Cyber Resilience Centre (LCRC), and with the CEO joining the LCRC steering committee. The Cyber Resilience Centre for London is a not-for-profit organisation working in partnership with the Mayor's Office for Policing and Crime.
- Became a licenced partner of SFIA (Skills Framework for the Information Age) skills framework developed by employers within the technical and digital sector, allowing OCNLR to develop resources, qualifications and credentials which officially map directly to SFIA standards, providing access to a broader market of employer customers.
- Joined the Digital Policy Alliance (DPA), an organisation focused on research and developing informed policy ideas for decision-makers. OCNLR's CEO co-chairs the DPA skills group with an initial focus on informing policy direction of the critical digital skills identified through the LSIP reports.
- Moved into new premises, resulting in: an improved working environment for staff; a more sustainable and environmentally-friendly workspace; and significant in-year revenue savings.
- Engaged with trade associations within the green/sustainability sector, working on commissions to produce resources, credentials and qualifications to support the development of skills and knowledge relating to carbon neutral energy production and effective eco-friendly working practices.
- Expanded the non-regulated provision for centres outside the publicly funded sector in anticipation of future changes to public funding of qualifications.

Trustees' annual report

For the period ended 31 July 2023

- Awarded bursaries to two Access to HE Diploma learners for outstanding academic achievement and a further two for outstanding commitment to study.
- Maintained an excellent level of service to our customers throughout the year through remote and in-person operation.
- Secured Cyber Essentials Plus accreditation demonstrating that OCNLR has enhanced levels of cybersecurity protection.

Beneficiaries of our services

Learner registration and certification

In 2022–23 OCNLR received 36,667 learner registrations, representing a small decrease of 5% due to the foreshortening of the financial year by two months. Learner demographics were as follows: 58% female; 60% of a Black and Minority Ethnic background; 47% 16–18 year olds; and 46% of learners resident in the top 25% of deprived wards.

There were 2,229 learners registered on Access to HE courses in 2022–23 of which 1,529 achieved the full Diploma (68.6%). 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 and were able to confirm their acceptance of higher education places in a timely fashion.

Sponsorship

As part of its continuous 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 four Access to HE Diploma learners in recognition of their outstanding academic achievement and outstanding commitment to study. All four learners had overcome the particularly challenging circumstances and barriers to learning in order to achieve their Access to HE Diplomas.

Financial review

In order to align the financial reporting period to OCNLR's business cycle, the Board of Trustees agreed to realign the financial reporting period from October/September to August/July, effective from 1 August 2023. Accordingly, the financial statements accompanying this report relate to the 10-month period 1 October 2022 – 31 July 2023.

OCNLR reported a £65,046 surplus on a turnover of £1,747,746 after a year in which trustees had set a surplus budget of £140,801.

Trustees' annual report

For the period ended 31 July 2023

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 3% on the 2021–22 outturn and exceeded budget. The increase indicates ongoing growth in Ofqual regulated qualifications, with considerable numbers of registrations on small health and wellbeing qualifications and an increase in Essential Digital Skills 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.

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 risk 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 Department of Education's qualification reform programme represents one of the highest risk factors faced by OCNLR, particularly at Level 2 and below which represents 79% of OCNLR's regulated offer. The Board and Trustees and OCNLR's executive team routinely monitor the situation and work closely with key stakeholders, such as the Federation of Awarding Bodies (FAB) and the Institute for Apprenticeships and Technical Education (IfATE), to ensure that the impact of any potential risks or issues is kept to a minimum.

In addition, the potential for the widespread misuse of artificial intelligence (AI) poses a risk to the safety of OCN London awards with regulatory and reputational risks. OCNLR's CEO convened a group of collaborative awarding organisations who have developed a common position statement on AI. Further work has been undertaken to develop appropriate guidance to centres and to update policies relating to malpractice/maladministration. Further work is underway to: establish training for staff on impact and uses of AI with a focus on the staff responsible for external quality assurance; provide awareness raising activities with centres; and the development of an agreed code of practice around use of AI.

Reserves policy and going concern

In accordance with its stated policy, OCNLR holds reserves to cover 4–6 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, creditors, pensions. At the end of 2021–22 financial year, the total unrestricted funds were £843,256. The reserves at

Trustees' annual report

For the period ended 31 July 2023

2022–23 year–end are £908,303. The calculated costs of winding up the company based on the current staff complement is £596,459.

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 comprise a band made up of a series of evenly distributed salary points. 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

Trustees' annual report

For the period ended 31 July 2023

commercial participators. OCNLR nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance with these regulations and codes and OCNLR received no complaints relating to its fundraising practice.

Plans for the future

The financial outlook for OCNLR in 2023–24 is positive. The work invested in qualification and materials development and promotion this year has led to additional courses in place for 2023–24 and new centres have joined in order to deliver qualifications and credentials, including several large FE colleges and employers. The impact of the DfE's rolling programme of removing funding from qualifications with low or no registrations has been mitigated by the sustained promotion of qualifications and credentials to support the development of skills required by employers identified through LSIPs.

The Board of Trustees and OCNLR's executive team continue to provide support, challenge and assurance in the delivery of the 2022–25 strategic plan. The five strategic aims of the new plan are to:

- Significantly improve employer involvement through innovation and collaboration;
- Proactively seek opportunities for growth and diversify sources of income;
- Provide the highest levels of customer experience;
- Develop high level vocational qualifications and ladders of progression;
- Improve organisational resilience and productivity.

Progress towards achieving the strategic aims and objectives has been positive. A new Strategic Operations Team (SOT) has been established with responsibility for agreeing organisational key results (OKRs) and ensuring that these are delivered. Business actions are monitored through an agreed operational plan and progress of achieving quarterly milestones is reported to the Board of Trustees.

Structure, governance and management

A Search Committee of Trustees was established to seek new Trustees to address gaps in skills, expertise and/or representation of the breadth of membership on the Board following a Skills Audit of trustees. A specialist recruitment organisation, Peridot Partners, was then commissioned by the Board to advertise for, and support the assessment of, trustee applicants for this year and for the next couple of years to ensure the maintenance of a Board of Trustees with the skills, knowledge and experience to govern and develop the charity. Following interviews, the Board approved the appointment of recommended new trustees.

OCNLR has a Finance and General Purposes committee (F&GP) with a remit to advise the

Trustees' annual report

For the period ended 31 July 2023

CEO and report to the Board of Trustees on all matters relating to financial policy and the financial arrangements, policies and arrangements for general resourcing, and on all matters relating to the staffing resources of OCNLR.

OCNLR employs a full-time CEO, who is responsible for the day-to-day management of the organisation. Staffing matters are delegated to the CEO subject to the guidance of the Board of Trustees. The Board of Trustees delegates some responsibilities to the Quality and Standards Committee and the F&GP 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

Trustees' annual report

For the period ended 31 July 2023

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.

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 2022 was 5 and as at 31 July 2023 was 8 . 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 prepared in accordance with the special provisions applicable to companies subject to the small companies' regime. Approved by the trustees on 21 March 2024 and signed on their behalf by

Peter Pledger

Chair of OCNLR Board of Trustees

Independent auditor's report

To the members of Open College Network London Region

For the period ended 31 July 2023

Opinion

We have audited the financial statements of Open College Network London Region (the 'charitable company') for the period ended 31 July 2023 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 31 July 2023 and of its incoming resources and application of resources, including its income and expenditure for the period 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

Independent auditor's report

To the members of Open College Network London Region

For the period ended 31 July 2023

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 period 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

Independent auditor's report

To the members of Open College Network London Region

For the period ended 31 July 2023

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 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

Independent auditor's report

To the members of Open College Network London Region

For the period ended 31 July 2023

- 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.
- 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

Independent auditor's report

To the members of Open College Network London Region

For the period ended 31 July 2023

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)

DATE: 11 April 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 110 Golden Lane, LONDON, EC1Y 0TL

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

For the period ended 31 July 2023

	Note	2023 (10 months) Total £	2022 Total £
Income from:			
Charitable activities	2	1,722,676	1,839,638
Other trading activities		23,180	8,250
Interest receivable		1,890	421
Total income		1,747,746	1,848,309
Expenditure on:			
Charitable activities	3	1,682,700	1,700,730
Total expenditure		1,682,700	1,700,730
Net income for the year	4	65,046	147,579
Reconciliation of funds:			
Total funds brought forward		843,256	695,677
Total funds carried forward		908,303	843,256

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 31 July 2023

	Note	£	2023 (10 months) £	£	2022 £
Fixed assets:					
Tangible assets	9		167,081		23,784
Current assets:					
Debtors	10	253,769		362,756	
Short term deposits		104,913		305,432	
Cash at bank and in hand		717,225		503,751	
		<u>1,075,907</u>		<u>1,171,939</u>	
Liabilities:					
Creditors: amounts falling due within one year	11	(324,463)		(352,472)	
Net current assets			<u>751,444</u>		<u>819,468</u>
Total assets less current liabilities			<u>918,525</u>		<u>843,252</u>
Creditors: amounts falling due after one year	13		(10,228)		-
Total net assets			<u><u>908,303</u></u>		<u><u>843,256</u></u>
The funds of the charity:	15a				
Unrestricted income funds:					
Designated funds		-		-	
General funds		908,303		843,256	
		<u>908,303</u>		<u>843,256</u>	
Total unrestricted funds			<u>908,303</u>		<u>843,256</u>
Total charity funds			<u><u>908,303</u></u>		<u><u>843,256</u></u>

Approved by the trustees on 21 March 2024 and signed on their behalf by:

Lucy Arnold-Courtney
Trustee

Peter Pledger
Trustee

Open College Network London Region

Statement of cash flows

For the period ended 31 July 2023

	Note	2023 (10 months)	2022
		£	£
Cash flows from operating activities	16		
Net cash (used in) / provided by operating activities		220,103	96,233
Cash flows from investing activities:			
Dividends, interest and surplus from operating activities		1,890	421
Purchase of fixed assets		208,890	(18,850)
Disposals of fixed assets		(417,868)	
Net cash provided by / (used in) investing activities		(207,088)	(18,429)
Change in cash and cash equivalents in the year		(13,015)	77,804
Cash and cash equivalents at the beginning of the year		809,183	731,379
Cash and cash equivalents at the end of the year		822,138	809,183

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 24 Angel Gate, City Road, London, EC1V 2PT.

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.

These financial statements comprise 10 months to 31 July 2023 as the accounting year end has been changed. This has been done to better align with the delivery of the charity's activities.

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.

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. Under the 5-year lease agreement, the lessor gave a four month rent-free period. This has been charged on a straight line over the term of lease with a break clause of 3-years.

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.

Notes to the financial statements

For the period ended 31 July 2023

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 £23,727.46 (2022 £32,817.24).

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 £57,837.98, (2022 £94,905). No additional payments have been required this year to cover the deficit funded, (2023: Nil)

Notes to the financial statements

For the period ended 31 July 2023

2 Income from charitable activities

	2023 (10 months) Total £	2022 Total £
Accreditation and registration income	1,472,290	1,571,178
Units Development income	11,330	10,975
Subscriptions	206,336	225,634
Other service income	32,720	31,851
Total for charitable activities	<u>1,722,676</u>	<u>1,839,638</u>

Income from other trading activities

	Unrestricted £	Restricted £	2023 Total £	2022 Total £
Other Income	23,180	–	23,180	8,250
	<u>23,180</u>	<u>–</u>	<u>23,180</u>	<u>8,250</u>

3 Income from investments

	Unrestricted £	2023 Total £	2022 Total £
Bank interest receivable	1,890	1,890	421
	<u>1,890</u>	<u>1,890</u>	<u>421</u>

Open College Network London Region

Notes to the financial statements

For the period ended 31 July 2023

3 Analysis of expenditure

	Charitable activities £	Governance costs £	2023 (10 months) Total £	Charitable activities £	Governance costs £	2022 Total £
Staff costs (Note 5)	937,889	15,467	953,356	1,062,363	15,699	1,078,062
Moderators' fees	68,215	–	68,215	62,085	–	62,085
Subscriptions and publications	61,710	–	61,710	64,868	–	64,868
Rents, rates and insurance	62,889	–	62,889	131,242	–	131,242
Telephone, postage and stationery	60,890	–	60,890	49,381	–	49,381
Consultancy	184,288	–	184,288	103,316	–	103,316
Printing and publishing	6,262	–	6,262	6,642	–	6,642
Travel and subsistence	10,385	–	10,385	7,579	–	7,579
Sundry expenses	11,730	–	11,730	39,034	–	39,034
Depreciation	65,740	–	65,740	17,210	–	17,210
Repairs and maintenance	33,828	–	33,828	11,728	–	11,728
Staff training and recruitment	16,114	–	16,114	11,589	–	11,589
Computer management and maintenance	5,066	–	5,066	7,414	–	7,414
Legal and professional	23,590	–	23,590	13,425	–	13,425
Bank charges and interest	2,609	–	2,609	2,665	–	2,665
Publicity and marketing	15,878	–	15,878	15,083	–	15,083
Bad debt provision	8,921	–	8,921	3,000	–	3,000
External verification	64,000	–	64,000	48,963	–	48,963
Access Revalidation	3,650	–	3,650	2,255	–	2,255
Governance costs		23,581	23,581	–	25,189	25,189
	1,643,652	39,048	1,682,700	1,659,842	40,888	1,700,730
Governance costs	39,048	(39,048)	–	–	–	–
Total expenditure	1,682,700	–	1,682,700	1,700,730	–	1,700,730

Notes to the financial statements

For the period ended 31 July 2023

4 Net income for the year

This is stated after charging:

	2023 (10 months) £	2022 £
Depreciation	65,740	17,210
Operating lease rentals:		
Property	57,631	91,768
Auditor's remuneration (excluding VAT):		
Audit	10,950	9,525
Other services	1,300	1,175
	<u> </u>	<u> </u>

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

Staff costs were as follows:

	2023 (10 months) £	2022 £
Salaries and wages	787,650	845,615
Social security costs	83,966	92,384
Operating costs of defined benefit pension schemes	81,739	127,563
Termination costs	–	12,500
	<u>953,356</u>	<u>1,078,062</u>

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

	2023 (10 months) No.	2022 No.
£60,000 – £69,999	1	1
£70,000 – £79,999	–	–
£80,000 – £89,999	1	1
	<u> </u>	<u> </u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £150,707 (2022: £188,289).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £0 (2022: £225) incurred by 0 (2022: 2) members relating to attendance at meetings of the trustees.

Notes to the financial statements

For the period ended 31 July 2023

6 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 25 (2022: 24).

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

	2023 (10 months) No.	2022 No.
Chief Executive Office	2	2
Administration	3	3
Finance	2	2
Information Technology	2	2
Curriculum group	5	5
Quality group	11	10
	25	24

7 Related party transactions

A number of trustees hold positions at member organisations which in the year have engaged with OCN London. These include: Natalie Garner – Croydon College, Kurt Hintz – Capital City College Group. Membership status ended on 20 March 2023 when the new Articles of Association were adopted.

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	266,261	176,135	442,395
Additions in year	165,602	43,289	208,890
Disposals	(248,055)	(169,813)	(417,868)
At the end of the year	183,807	49,610	233,417
Depreciation			
At the start of the year	248,567	169,897	418,464
Charge for the year	47,817	17,923	65,740
On Disposals	(248,055)	(169,813)	(417,868)
At the end of the year	48,328	18,008	66,336
Net book value			
At the end of the year	135,479	31,603	167,081
At the start of the year	17,694	6,237	23,784

All of the above assets are used for charitable purposes.

Notes to the financial statements

For the period ended 31 July 2023

10 Debtors

	2023 (10 months) £	2022 £
Trade debtors	155,080	220,373
Other debtors	–	24,647
Prepayments	98,689	117,736
	253,769	362,756

11 Creditors: amounts falling due within one year

	2023 (10 months) £	2022 £
Trade creditors	129,623	40,690
Taxation and social security	31,281	21,519
Other creditors	15,368	14,420
Accruals	82,525	52,308
Deferred income (note 12)	65,665	223,535
	324,463	352,472

12 Deferred income

Deferred income comprises of OCN ESOL International received in advance

	2023 (10 months) £	2022 £
Balance at the beginning of the year	223,535	175,700
Amount released to income in the year	(223,535)	(175,700)
Amount deferred in the year	65,665	223,535
Balance at the end of the year	65,665	223,535

13 Creditors: amounts falling due after one year

	2023 (10 months) £	2022 £
Accruals	10,228	–

For the period ended 31 July 2023**14a Analysis of net assets between funds (current year)**

	Designated £	General unrestricted £	Total funds £
Tangible fixed assets	–	167,081	167,081
Net current assets	–	751,444	751,444
Long term liabilities	–	(10,228)	(10,228)
Net assets at 31 July 2023	–	908,303	908,303

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

	Designated £	General unrestricted £	Total funds £
Tangible fixed assets		23,784	23,784
Net current assets		836,281	836,281
Long term liabilities		(16,809)	(16,809)
Net assets at 30 September 2022	–	843,256	843,256

15a Movements in funds (current year)

	At 1 October 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 July 2023 £
Unrestricted funds					
Designated funds:					
Future Lease cost	–	–	–	–	–
Total designated funds	–	–	–	–	–
General funds	843,256	65,046	–	–	908,303
Total unrestricted funds	843,256	65,046	–	–	908,303

15b Movements in funds (prior year)

	At 1 August 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 September 2022 £
Unrestricted funds					
Designated funds:					
Future lease costs	100,000	–	–	(100,000)	–
Total designated funds	100,000	–	–	(100,000)	–
General funds	595,677	147,579	–	100,000	843,256
Total unrestricted funds	695,677	147,579	–	–	843,256
Purposes of designated funds					

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

	2023 (10 months) £	2022 £
Net income for the reporting period (as per the statement of financial activities)	65,046	147,579
Depreciation charges	65,740	17,210
Interest and other trading income	(1,890)	(421)
Decrease in debtors	108,987	(85,696)
(Decrease)/increase in creditors	(17,781)	17,561
Net cash (used in) / provided by operating activities	220,103	96,233

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 2023 (10 months) £	2022 £
Less than one year	57,631	91,729
One to five years	57,631	–
	115,262	91,729

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.