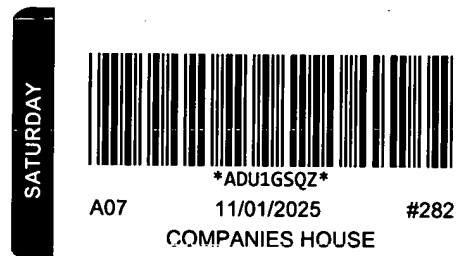


Company number: 2876147
Charity number: 1034750

Open College Network London Region

Report and financial statements
For the year ended 31 July 2024



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Reference and administrative information

For the year ended 31 July 2024

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 (resigned 13 June 2024)
L. Arnold-Courtney	Interim Chair (13 June to 26 September 2024)
J. Farmer	
N. Garner	
P. Ghuman	
K. Hintz	Chair (Appointed 26 September 2024)
K. Holt	
A. May	(appointed 13 February 2024)
A-M. Soyinka	(appointed 13 February 2024)
J. Stockdale	
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
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Solicitors	Grays Solicitors Duncombe Place, York, YO1 7DY
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Auditors	Sayer Vincent LLP Chartered Accountants and Statutory Auditor 110 Golden Lane, London, EC1Y 0TG
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Open College Network London Region (OCNLR)

Trustees' annual report

For the year ended 31 July 2024

The trustees present their report and the audited financial statements for the year ended 31 July 2024.

Reference and administrative information set out on page 3 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, 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 2023–24 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.

In 2023–24 learner registrations on our national regulated qualifications were in line with and in, some cases, ahead of projections. However, registrations onto Access to HE courses reduced by 210 compared to 2022–23; again, reflecting the increased number of students undertaking foundation years at universities and other qualification options, as well as the impact of the cost-of-living crisis. This reduction in registrations was offset, in part, through the introduction of a new service offering Digital Badges to confirm learning on otherwise unaccredited provision.

The maximum number of organisations registered with OCNLR throughout the reporting period was 356. There were 53 new centres approved in 2023–24, including large further education colleges, and a small number of resignations over the year.

Our most popular qualification was the Level 1 Award in Prevent Duty Awareness, while demand for Essential Digital Skills Qualifications remained strong. There were also healthy registrations on the Level 1 Award in Health and Safety in the Construction Environment.

Achievements against 2023–24 strategic priorities

- Recruited three new Trustees to the Board covering areas such as: representation from London borough and GLA stakeholders and expertise in higher education.
- Worked with centres to support them in responding to the QAA changes to the Access to Higher Education Diploma specification and Grade Scheme.
- In response to priorities identified by the Greater London and Greater Manchester Local Skills Improvement Plans, development of a range of modular learning opportunities focused in the sectors of health & social care, construction, green/sustainability and digital.
- Awarded the City of London Silver Award at the London Chamber of Commerce and Industry (LCCI) SME London Business Awards 2024.
- Gained Ofqual approval to provide apprenticeship end point assessment services to the creative theatre sector.
- Member of the City of London Corporation Taskforce supporting women into digital careers and sponsored the LCCI's Women into Business programme.
- Worked with the Digital Policy Alliance (DPA) and other digital sector stakeholders to inform digital skills policy development in conjunction with relevant All Party Parliamentary Groups (APPGs).
- 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.
- Launched new microcredentials product to support lifelong learning and recognise the importance placed on skills development within the workplace and communities, alongside the acquisition of formal qualifications.
- Developed and launched new on-line Access to Higher Education Diplomas in Nursing and Business Studies.
- Began a two year pilot with the Army and partner centres to deliver an on-line Access to HE Diploma (Business Studies) to an initial cohort of 40 learners from the junior NCO Academy.
- 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.
- Retained Cyber Essentials Plus accreditation demonstrating that OCNLR has enhanced levels of cybersecurity protection.

Beneficiaries of our services

Learner registration and certification

In 2023–24 OCNLR received 39,580 learner registrations, representing an increase of 6% on the previous year. Learner demographics were as follows: 55% female; 40% of a Black and Minority Ethnic background; 47% 16–18 year olds; and 45% of learners resident in the top 25% of socioeconomically deprived wards.

There were 2,010 learners registered on Access to HE courses in 2023–24 of which 1,440 achieved the full Diploma (72%). 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 2022/23 period, the Board of Trustees approved a change in the financial reporting period, shifting it from October–September to August–July, effective as of 1 August 2023. Consequently, the financial statements included in this report reflect a preceding 10-month period, from 1 October 2022 to 31 July 2023.

OCNLR in 2023/24 reported a £2,036 surplus on a turnover of £1.9m.

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 17% on the 2022–23 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 continuing interest 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' annual report

For the year ended 31 July 2024

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 continues to represent 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 continue to work closely with representatives and government bodies to ensure that the impact of any potential risks or issues is kept to a minimum.

In addition, the potential for a significant reduction in learner registrations in the context of continuing cost of living pressures remains a significant risk. This applies particularly in relation to Access to HE Diplomas and other larger qualifications where commitment to an extended period of study is not sustainable for some potential learners. OCNLR officers monitor changes in registration patterns on a monthly basis and account managers are in regular contact with centres so that queries and concerns can be addressed promptly. There is also ongoing marketing activity to promote our qualification offer and initiatives in progress to diversify our product range and offer broader choice to potential learners.

Reserves policy and going concern

The Board of Trustees has considered the requirement for the Charity to maintain an appropriate level of free reserves. They feel it is prudent to adopt a risk-based approach when considering the minimum level of reserves to retain.

The Trustees have considered the level of free reserves required to cover the following risks:

- Robustness of current income streams
- Failure to achieve agreed delivery or performance targets
- Lack of compliance with regulatory requirements

Free reserves are deemed to be those not invested into Fixed Assets. Our baseline is to keep this at a minimum of £500k.

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 August, 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 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 2024–25 is positive. The work invested in qualification and materials development and promotion this year has led to additional courses in place for 2024–25 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 existing 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 sub-committee of the Board, the Strategic Development and Engagement Committee (SDEC), has been established with responsibility for advising the Chief Executive and reports to the Board of Trustees on all matters relating to OCN London's strategic, external facing activities, the effectiveness of the customer journey; and the impact that OCN London has on the communities it serves.

Structure, governance and management

Three new Trustees joined the Board in February 2024, adding further expertise in key areas relevant to our work. In June the Chair of the Board stepped down from this role, and following a short interim period a new Chair was appointed by Trustees from among their number.

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

Trustees' annual report

For the year ended 31 July 2024

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. The CEO and other officers also have positive relationships with their counterparts at other awarding organisations who share a common heritage and values with OCNLR.

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).

Trustees' annual report

For the year ended 31 July 2024

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.

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 1 August 2023 was 8 and as at 31 July 2024 was 10. The trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Open College Network London Region (OCNLR)

Trustees' annual report

For the year ended 31 July 2024

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 5 December 2024 and signed on their behalf by



Kurt Hintz

Chair of OCNLR Board of Trustees

Independent auditor's report

To the members of Open College Network London Region

For the year ended 31 July 2024

Opinion

We have audited the financial statements of Open College Network London Region (the 'charitable company') For the year ended 31 July 2024 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 2024 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 described in the relevant sections of this report.

Independent auditor's report

To the members of Open College Network London Region

For the year ended 31 July 2024

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;

Independent auditor's report

To the members of Open College Network London Region

For the year ended 31 July 2024

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 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.

Independent auditor's report

To the members of Open College Network London Region

For the year ended 31 July 2024

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.
- 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.

Independent auditor's report

To the members of Open College Network London Region

For the year ended 31 July 2024

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)

17 December 2024

for and on behalf of Sayer Vincent LLP,

110 Golden Lane, London, EC1Y 0TG

Open College Network London Region (OCNLR)

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

For the year ended 31 July 2024

		2024	2023
		Total	(10 months) Total
	Note	£	£
Income from:			
Charitable activities	2	1,866,952	1,722,676
Other trading activities		70,961	23,180
Interest receivable		2,378	1,890
Total income		1,940,291	1,747,746
Expenditure on:			
Charitable activities	3	1,938,255	1,682,700
Total expenditure		1,938,255	1,682,700
Net income for the year		2,036	65,046
Reconciliation of funds:			
Total funds brought forward		908,303	843,256
Total funds carried forward		910,339	908,303

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 (OCNLR)

Balance Sheet

For the year ended 31 July 2024

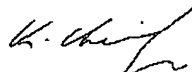
Company number: 2876147

		2024		2023 (10 months)	
	Note	£	£	£	£
Fixed assets	9				
Intangible assets			60,353		
Tangible assets			116,247		167,081
			<u>176,600</u>		<u>167,081</u>
Current Assets					
Debtors	10	239,658		253,769	
Short term deposits		250,000		104,913	
Cash at bank and in hand		479,224		717,225	
		<u>968,882</u>		<u>1,075,907</u>	
Creditors: amounts falling due within one year	11	<u>(198,863)</u>		<u>(324,463)</u>	
Net assets/liabilities			<u>770,019</u>		<u>751,444</u>
Total assets less current liabilities			<u>946,619</u>		<u>918,525</u>
Creditors: amounts falling after more than one year	11		<u>(36,280)</u>		<u>(10,222)</u>
Total net assets/liabilities			<u>910,339</u>		<u>908,303</u>
The funds of the Charity	12				
Unrestricted funds			910,339		908,303
Total charity funds			<u>910,339</u>		<u>908,303</u>

Approved by the trustees on 5 December 2024 and signed on their behalf by:



Lucy Arnold-Courtney
Trustee



Kurt Hintz
Trustee

Open College Network London Region (OCNLR)

Statement of cash flows

For the year ended 31 July 2024

	2024	2023 (10 months)
	£	£
Net income for the reporting periods (as per the statement of financial activities)	2,036	65,046
Adjustments for:		
Depreciation of tangible fixed assets	63,170	65,740
Amortisation of intangible fixed assets	14,747	-
Interest and other trading income	(2,378)	(1,890)
Changes in:		
(Increase)/Decrease in Trade and other debtors	14,111	108,987
Increase/(Decrease) in Trade and other creditors	(99,542)	(17,780)
Net cash flow from operating activities	(7,856)	220,104
Cash flows from investing activities:		
Interest and other trading income	2,378	(1,890)
Purchase of tangible fixed assets	(87,436)	(208,890)
Sale of tangible fixed assets (net of costs of disposal)	-	417,928
Net cash flow from investing activities	(85,057)	207,149
Net increase/(decrease) in cash	(92,914)	12,955
Cash and cash equivalents at the beginning of the year	822,138	809,183
Cash and cash equivalents at the end of the year	729,224	822,138

Notes to the financial statements

For the year ended 31 July 2024

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.

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.

Notes to the financial statements

For the year ended 31 July 2024

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.

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 is 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.

Notes to the financial statements

For the year ended 31 July 2024

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) Intangible fixed asset

Items of software 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:

- Software 3 years

m) Cash at bank and cash 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.

n) 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.

o) 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 £15,328.79 (2023 £32,817.24).

The TPS is an unfunded multi-employer defined benefit 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

Notes to the financial statements

For the year ended 31 July 2024

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 a multi-employer defined benefit 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 2022
Actuarial method	Prospective benefits
Discount rate	5.2%
Salary scale increases per annum	2.9%
Market value of assets at date of last valuation	£6,053m
Fund Surplus	£1.63bn
Funding Level	128%

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 £28,361 (2023 £57,835). No additional payments have been required this year to cover the deficit funded, (2023: Nil).

Notes to the financial statements

For the year ended 31 July 2024

2 Income	2024	2023 (10
	Total	months)
	£	Total
		£
Income from Charitable Activities		
Accreditations and registration income	1,542,888	1,472,290
Unit Development income	28,526	11,330
Subscriptions	238,949	206,336
Other service income	56,589	32,720
	1,866,952	1,722,676
Income from trading activities		
Other income	70,961	23,180
Income from investments		
Interest receivable	2,378	1,890
Total	1,940,291	1,747,746

Open College Network London Region (OCNLR)
Notes to the financial statements
For the year ended 31 July 2024

3 Expenditure	Expenditure on	Governance	2024	Expenditure on	Governance	2023 (10 months)
	charitable activities	Costs	Total	charitable activities	Costs	Total
	£	£	£	£	£	£
Staff costs (Note 5)	1,071,490	18,915	1,090,405	937,889	15,467	953,356
Moderators' fees	80,166	-	80,166	68,215	-	68,215
Subscriptions and publications	74,135	-	74,135	61,710	-	61,710
Rents, rates and insurance	101,934	-	101,934	62,889	-	62,889
Telephone, postage and stationery	58,956	-	58,956	60,890	-	60,890
Consultancy	249,005	-	249,005	184,288	-	184,288
Printing and publishing	-	-	-	6,262	-	6,262
Travel and subsistence	14,979	433	15,412	10,385	-	10,385
Sundry expenses	12,619	-	12,619	11,728	-	11,728
Depreciation	63,170	-	63,170	65,740	-	65,740
Amortisation	14,747	-	14,747	-	-	-
Repairs and maintenance	8,811	-	8,811	33,828	-	33,828
Staff training and recruitment	10,909	-	10,909	16,114	-	16,114
Computer management and maintenance	9,269	-	9,269	5,066	-	5,066
Legal and professional	33,732	-	33,732	23,590	-	23,590
Bank charges and interest	2,670	-	2,670	2,609	-	2,609
Publicity and marketing	24,386	-	24,386	15,878	-	15,878
Bad debt provision	-	-	-	8,921	-	8,921
External verification	72,338	-	72,338	64,000	-	64,000
Access Revalidation	2,990	-	2,990	3,650	-	3,650
Governance costs	-	12,600	12,600	-	23,581	23,581
	11,906,307	31,948	1,938,255	1,643,652	39,048	1,682,700
Governance costs	31,948	(31,948)	-	39,048	(39,048)	-
Total Resources Expended	1,938,255	-	1,938,255	1,682,700	-	1,682,700

Notes to the financial statements

For the year ended 31 July 2024

4 Net (expenditure)/income is stated after charging/(crediting):

	2024	2023 (10 months)
	£	£
Depreciation of tangible fixed assets	63,170	65,740
Amortisation of intangible fixed assets	14,747	-
Payments for operating leases	-	-
Property	112,270	57,631
Auditors remuneration	-	-
for audit services	11,700	10,950
for non-audit services	1,375	1,300

The above audit fees are exclusive of VAT.

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

The total staff and employee benefits for the period are analysed as follows:

	2024	2023 (10 months)
	£	£
Wages and salaries	913,692	787,650
Social Security costs	92,688	83,966
Employer contributions to pension plans	43,784	81,740
Termination costs	40,240	-
	<u>1,090,405</u>	<u>953,356</u>

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

	2024	2023 (10 months)
	No.	No.
£60,000 – £69,999	1	1
£70,000 – £79,999	-	-
£80,000 – £89,999	-	1
£90,000 – £99,999	1	-

Notes to the financial statements

For the year ended 31 July 2024

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £173,778 (2023: £150,707).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2023: £nil). No charity trustee received payment for professional or other services supplied to the charity (2024: £nil).

Trustees' expenses represent the payment or reimbursement of travel and subsistence costs for two Trustees totalling £433 (2023: £0) incurred by 0 (2023: 0) members relating to attendance at meetings of the trustees.

6 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 25 (2023: 25)

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

	2024	2023 (10 months)
	No.	No.
Chief Executive Office	4	2
Administration	3	3
Finance	2	2
Information Technology	2	2
Curriculum group	7	5
Quality group	7	11
	25	25

7 Related party transactions

A number of trustees hold positions at OCNLR approved centres London. This includes: Natalie Garner – Croydon College and Kurt Hintz – Petroc College.

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.

Notes to the financial statements

For the year ended 31 July 2024

9 Fixed Assets

Tangible fixed assets	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At the start of the year	183,808	49,611	233,419
Additions in year	188	21,747	21,935
Transfer to intangible fixed assets	-	(14,400)	(14,400)
At the end of the year	183,995	56,958	240,954
Depreciation			
At the start of the year	48,329	18,007	66,337
Charge for the year	45,968	17,202	63,170
Transfer to intangible fixed assets	-	(4,800)	(4,800)
At the end of the year	94,297	30,409	124,707
Net Book value			
At the end of the year	89,698	26,549	116,247
At the start of the year	135,478	31,603	167,081
Intangible fixed assets		Software £	Total £
Cost			
At the start of the year		-	-
Transfer from tangible fixed assets		14,400	14,400
Additions in year		65,500	65,500
At the end of the year		79,900	79,900
Depreciation			
At the start of the year		-	-
Transfer from tangible fixed assets		4,800	4,800
Charge for the year		14,747	14,747
At the end of the year		19,547	19,547
Net Book value			
At the end of the year		60,353	60,353
At the start of the year		-	-

Notes to the financial statements

For the year ended 31 July 2024

10 Debtors

	2024 £	2023 (10 months) £
Trade debtors	206,005	155,080
Prepayments and accrued income	33,653	98,689
	239,658	253,769

11 Creditors: amounts falling due within one year

	2024 £	2023 (10 months) £
Trade creditors	83,082	129,623
Accruals and deferred income	85,587	148,190
Social security and other taxes	20,357	31,281
Other creditors	9,837	15,368
Total	198,863	324,462

Creditors: amounts falling due after one year

	2024 £	2023 (10 months) £
Accruals and deferred income	36,280	10,228

Within accruals and deferred income as at 31/07/2024 there is £74k which relates to deferred income (2023: £65k).

	2024 £	2023 (10 months) £
Balance brought forward	65,665	223,535
Amounts released from prior reporting periods	(18,403)	(223,535)
Income deferred in the current year	7,227	65,665
Balance carried forward	54,489	65,665

Notes to the financial statements

For the year ended 31 July 2024

12 Analysis of net assets between funds

	Unrestricted funds	Total
	£	£
Fund balances at 31 July 2024 are represented by:		
Tangible Fixed Assets	116,247	116,247
Intangible Fixed Assets	60,353	60,353
Current Assets	968,882	968,882
Creditors: amounts falling due within one year	(235,143)	(235,143)
Creditors: amounts falling due after more than one year	(36,280)	(36,280)
Total	910,339	910,339

Fund balances at 31 July 2023 are represented by:

Tangible Fixed Assets	167,081	167,081
Current Assets	1,075,907	1,075,907
Creditors: amounts falling due within one year	(324,463)	(324,463)
Creditors: amounts falling due after more than one year	(10,222)	(10,222)
Total	908,303	908,303

13 Movements in funds

	Balance at 1 01/08/2023	Movement in funds		Balance at 31 31/07/2024
		Income	Expenditure	
Unrestricted Funds				
General	908,303	1,940,291	(1,938,255)	910,339
Total Funds	908,303	1,940,291	(1,938,255)	910,339

	Balance at 1 01/10/2022	Movement in funds		Balance at 31 31/07/2023
	£	Income	Expenditure	£
Unrestricted Funds				
General	843,256	1,747,746	(1,682,700)	908,303
Total Funds	843,256	1,747,746	(1,682,700)	908,303

Open College Network London Region (OCNLR)

Notes to the financial statements

For the year ended 31 July 2024

14 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	2024 £	2023 (10 months) £
Less than one year	57,631	57,631
One to five years	57,631	57,631
	<u>57,631</u>	<u>57,631</u>

15 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.