

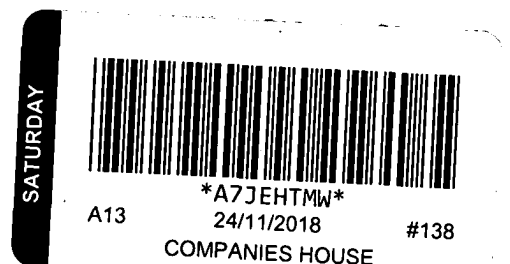


NOCN

(A Company limited by guarantee)

Report and Consolidated Financial Statements
31 July 2018

Registered Charity No. 1079785
Company Registration No. 03829217



NOCN

Report and Consolidated Financial Statements

31 July 2018

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Trustees' Report

The trustees, who act as directors for the purposes of company law, present their report along with the financial statements of the Charity for the year ended 31 July 2018.

Trustees

The trustees, who were also directors, serving during the year and since the year-end, are as follows:

Gareth Jones	(Chair)
Alison Lamplough	(Vice Chair from 14 August 2017)
Seb Schmoller	
John Fuller	
Kay Dickinson	(reappointed 31 October 2017)
Peter Wallwork	(reappointed 26 July 2018)
Anthony Saunders	
Leckraz Boyjoonauth	
Kam Penglin	(appointed 15 September 2017)
Graham McPhail	(appointed 15 September 2017)
Corrina Hembury	(appointed 15 September 2017)
Michael Mason	(appointed 26 October 2017)

Principal and Registered Office

The principal and registered office of the Charity is Acero Building, 1 Concourse Way, Sheaf Street, Sheffield, S1 2BJ.

Structure, Governance and Management

Governing Document

The organisation is a charitable company limited by guarantee (company number 03829217, charitable number 1079785) incorporated on 18 August 1999.

The National Open College Network (NOCN) was registered in England and Wales as a charity on 10 March 2000. The members agreed by vote on 10 October 2013 to change the name to NOCN. This change was formally recorded in Companies House on 18 October 2013. The members of the company as at 31 July 2018 were 7 of NOCN's recognised centres as well as ONE Awards (formerly OCN North East Region) and OCN Northern Ireland, who both have been appointed as third party contractors under Condition C1 of the General Conditions of Recognition.

In the UK a collaboration agreement remains in place with OCN Northern Ireland for the foreseeable future and One Awards will be joining the NOCN Group with effect from 1 August 2018 following a change in its articles which gives NOCN majority voting rights on the Board. NOCN also has a growing number of partnership arrangements, such as those with BPEC, L&WI in the UK, Institute of Productivity, Global Awards in Europe, AIMA in India and NPCC in Mauritius.

In July 2017 NOCN India Skills Foundation was incorporated in India as a subsidiary of NOCN and is included as part of these consolidated set of accounts.

Appointment of Trustees

As set out in the revised Articles of Association, NOCN seeks and recruits trustees who are drawn from a wide range of backgrounds, including industry sectors where NOCN works. As at the 31 July 2018 there were 12 trustees in post. The chairs of the Board and the sub-committees are appointed trustees.

Since 1 August 2017 there have been no trustee resignations. During this period the following trustees have been appointed: Corrina Hembury, Graham McPhail and Kam Penglin on 15 September 2017. Mick Mason was appointed on 26 October 2017. Additionally, Kay Dickinson and Peter Wallwork were reappointed during the year.

Trustee posts are advertised. Applications are reviewed by the Board and where appropriate a shortlist established for interview. The Board makes the final appointment.

Trustee Induction and Training

When new Trustees join the Board, a formal briefing from the Chair and Group Managing Director takes place and they receive an induction pack. Trustees receive formal training on their responsibilities, including their legal obligations. The latest training for a new trustee took place in September 2018.

Statement of Compliance

All awarding organisations are required to submit their formal statement of compliance, under the General Conditions of Recognition, published by Ofqual. This is a key governance document, which NOCN submitted to the 3 regulators of qualifications in the UK in September 2017 and September 2018 to CCEA, Qualification Wales and Ofqual. NOCN recorded that it was compliant with the General Conditions of Recognition both times.

On 1 August 2017 NOCN took over the responsibility for the Cskills Awards Awarding Body following its acquisition from the Construction Industry Training Board. The separate statement of compliance for this Awarding Body was submitted to the 3 regulators on 26 September 2017. On 1 April 2018 Cskills Awards was incorporated within the NOCN awarding body Ofqual licence and ceased to have a separate Awarding Organisation licence.

In November 2017 NOCN signed the Government's compliance document entitled Conditions for End-Point Assessment Organisations as it had entered the new education market for Trailblazer Apprenticeship Standards, which was launched by the Government in May 2017.

Organisational Structure

The Board of Trustees meets quarterly with a full business agenda including a review of the Management Accounts and budget. During the year the Board was supported by three sub-committees: Finance & Resources; Audit; and Regulation and Enhancement. Each sub-committee meets between 3 and 4 times in the year and reports its activities and recommendations, at the Board meeting immediately following their own meetings.

The Board of Trustees delegates the management of the Charity to the Group Managing Director who undertakes these responsibilities through a Senior Management Team and a Management Team.

During the period the NOCN Management Team was as follows:

Graham Hasting-Evans	Group Managing Director
Jane Jones	Group Deputy Managing Director/Director of Business Development (left 31 July 2018)
Simon Renny	Group Director of Finance and Corporate Services
Stephanie Birch	Group Director of Customer Service and Operations (joined 25 June 2018)
Darren Howells	Head of Business Development
Jackie Bailey	Head of Operations & Customer Services
Thomas Burton	Head of Assessment
Keith Horkan	Head of Assurance
Mark Buckton	Head of Construction
Paul Johnson	Head of Product Development
Stephen Ram Kissun	Head of International Business Development and Marketing

Risk Management

NOCN operates to a risk management policy and strategy. A revised policy was presented to the Board of Trustees on 27th October 2017. The aims of the policy and strategy are to:

- Consider best practice in designing a risk management framework;
- Encourage well-managed taking of risk to deliver business objectives;
- Provide staff with policies and procedures necessary to manage risk;
- Embed risk management in the day-to-day conduct of business;
- Identify and prioritise risk using the risk management technology;
- Regularly monitor risk at Managing Director and Director Level; and
- Achieve continuous improvement in risk management.

During the year the Audit Committee has routinely considered the Strategic Risk Register and examined specific areas of risk at the request of the Board. The Audit Committee has also regularly reviewed the Strategic Issues Register. The Strategic Risks and Issues are also reported to the Board on a Quarterly basis. The Strategic Risk Register is also reviewed on a monthly basis by the NOCN Management Team.

NOCN's reserves policy provides for mitigation against financial risk.

In addition, the Regulation and Enhancement Committee has regularly considered issues of risk relating to NOCN's status as a recognised and regulated awarding organisation, within the context of being compliant with the General Conditions of Recognition.

The key risks NOCN has faced in the year have been:

- NOCN fails to properly integrate the Cskills business into NOCN. We have attempted to mitigate this risk by project managing the planning and implementation of the transfer of the business; recruiting an experienced Customer Service and Operations Director and increased customer service and operations staff; and investing in improving NOCN's business systems.
- Our business systems and IT providers do not meet our evolving needs. We have attempted to mitigate this risk by increased senior management focus on

developing and improving our business systems with the recruitment of the Director of Customer Services and Operations; bringing our IT infrastructure support inhouse; the development of a new website platform; and the development of a long term digital strategy.

- We do not have the products that meet market requirements and we fail to diversify into new markets. We have attempted to mitigate this risk by increasing our staffing resource in Product development; monthly Product Development Plan progress reviews; developing our EPA offer and range of standards we support; increasing business development resource in the UK and internationally.
- Government policy in respect of apprenticeships, T-levels and other skills initiatives negatively impact on NOCN's future. Although largely outside our control we have attempted to mitigate this risk by engaging with Government, FAB, AOC and other stakeholders to ensure that our views and concerns are taken on board.
- We do not have the right resources or capabilities to support our evolving business. We have attempted to mitigate this risk by increasing our resources generally across the organisation as well as in HR, and in those areas of the business where there is a business need.

Qualifying Third Party Indemnity Provisions

The company has insurance, which provides protection for the directors against any action against them by a third party up to £2,000,000 in aggregate in any one period of insurance.

Aims, Objectives and Activities

The Purpose of the Charity

NOCN is a charity whose purpose is to provide skills accreditation, assessment and assurance services, consultancy advice and training in the UK and internationally in order to support people from all communities to progress in employment, develop their skills and careers and gain the life skills they need to enjoy a rewarding and fulfilling life.

The Objectives of the Charity

The Objectives of the Charity were not revised as part of the changes to the Articles of Association approved on 20 July 2017. They remain:

"The advancement of the education of the public in one or more of the following ways:

- *by promoting and widening participation in education and training, including for those people who have previously been excluded from educational opportunities;*
- *by improving the quality and flexibility of education provision for the public benefit, including for those people who have previously been excluded from educational opportunities; and*

- *by improving access to learning opportunities and facilitating progression to further learning, employment and higher education, particularly through the award of credits and credit based qualifications."*

The strategies employed to achieve the Charity's objectives include the following:

- **Regulation** - Ensure the continued recognition of NOCN as an awarding organisation, by the Qualification Regulators in the UK. This includes the self-assessment process undertaken in respect of the new General Conditions of Recognition and the Statement of Compliance submitted to Ofqual. This was extended to the separate awarding organisation Cskills Awards which was acquired on 1 August 2017 and subsequently merged into the NOCN Awarding Organisation. As NOCN expands its activity internationally, the organisations will also ensure that it will comply with the requirements of Regulators within the countries it operates in.
- **Third Party Arrangements** - Ensure that all third party arrangements are compliant with the General Conditions of Recognition, in particular Conditions C1 and C2 or other standards as may be required within the various countries NOCN operates in.
- **Qualification Development** - Maintain and develop our portfolio to meet the requirements of the Qualifications Regulators and meet the UK and international skills policy requirements, promote the use of credit based qualifications and respond to evidential market need.
- **End-point Assessment** - Ensure the assessment instruments and quality assurance procedures for the end-point assessments for Trailblazer Apprenticeships meet the regulatory requirements of the Institute for Apprenticeships.
- **Quality** - Drive up the quality standards within NOCN's national and international business through our compliance activities in NOCN.
- **Marketing** - Develop and implement a UK and international marketing strategy that: results in the NOCN brand being recognised as the awarding organisation that is the leader; positions us with a differentiated vocational qualification and apprenticeships offer; is based on our key values and increases the volume of learners achieving our qualifications and positions NOCN as a leading End Point Assessment Organisation.
- **Staff Development** - Provide opportunities for staff from across the Charity to develop their personal and professional skills.
- **Communication** - Develop the range of methods used to communicate more effectively with stakeholders, partners, customers, suppliers and staff to build confidence in NOCN as a leading awarding organisation and End Point Assessment Organisation.
- **Business diversification** – Diversify the range of NOCN products to include End Point Assessment and other vocational training related products as well as diversifying our customer, geographic and sectoral coverage.

Achievements and Performance

Public Benefit

The Trustees confirm that they 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 future activities.

During the year the Charity continued to advance education and training for the general public through the development and maintenance of credit based or component based qualifications and unit awards in the UK and internationally and through its work as an accredited End Point Assessment Organisation. Within the requirements of the individual qualification standards, NOCN qualifications are open to all members of the public. NOCN is committed to equality, diversity and inclusion and holds the status of a 'Leader in Diversity' by the National Diversity Centre.

The Charity continues to demonstrate its objective of widening participation in education, working with groups and communities that have traditionally not benefited from traditional or formal educational opportunities, for example learners working at lower educational levels; learners with disabilities (SEND); learners with few formal qualifications; learners based in offender institutions; younger learners who are not in employment or training; the unemployed and people working in industries that have not traditionally valued formal qualifications.

Key Achievements in the year

The Charity is able to demonstrate progress against its key objectives and key achievements can be summarised as follows:

The Charity is able to demonstrate progress against its key objectives, and key achievements can be summarised as follows:

- Transferred in and integrated the Cskills Awards business and staff into the NOCN Awarding Organisation. This has resulted in NOCN now being the second largest Awarding Organisation in the Construction sector and ranked ninth largest in England overall.
- Finalised agreement for One Awards to join NOCN Group with effect from 1 August 2018, which increases our product range in the NOCN Group to include Access qualification provision.
- Accredited to carry out the highest number of EPA standards (44 standards) of any registered End Point Assessment Organisation in the UK in 2017/18.
- Passed four EPAO audits by the ESFA, IFA and People1st.
- Developed and launched a new NOCN website, the first phase of which went live in April 2018.
- Increased our geographic presence with the set up a new office in Kings Lynn and moved offices to larger premises in Sheffield as well as setting up a Cardiff office.
- Increased NOCN's profile with key external stakeholders, including political engagement and lobbying with both main parties through thought leadership, sponsorship, events, and appearances at Select Committees and with other senior politicians or Civil Servants.
- Awarded 151,803 qualifications and 610,747 units throughout the year (for England, excluding Wales and Northern Ireland).
- Developed and approved 28 new qualifications, across a range of sectors and levels.
- Extended the provision of our qualifications to 114 new training providers.

Financial Review

The Statement of Financial Activities is on page 15. Total incoming resources for the year were £8,840,489 (2017: £2,931,144) There was a net surplus of incoming resources over outgoing resources of £1,927,614 (2017: £134,032), which has been accumulated in the unrestricted general and designated funds.

This growth in incoming resources and reserves in the year has been mainly due to the incorporation of Cskills Awards into NOCN and the ability to capitalise on organisational synergies in our back office and management costs following the transfer. This has allowed NOCN to increase its organisational capacity and invest in its business infrastructure, systems and products. Alongside using the surpluses to continue to invest in the business's products and services to maximise the organisations impact as a charity, the surpluses will also be used to pay the cost of the Cskills acquisition.

NOCN's non-Cskills related business continues to diversify with increased levels of incoming resources coming into the business from its End Point Assessment work as well as increased incoming resources from our international activities.

NOCN's balance sheet has also increased in size compared to the prior year. The growth in assets and liabilities is nearly all related to the purchase of the Cskills business.

Based on our latest projections of incoming resources and costs as well as taking into account likely additional business acquisitions, NOCN Group continues to forecast continued growth and sustainability with scope for continued investment to support the achievement of its charitable goals despite the difficult market conditions in the sector in the UK.

In the opinion of the Trustees, the funds held at 31 July 2018 were available and adequate to fulfil the Charity's existing obligations and it continues to be a going concern.

Reserves Policy

NOCN's reserves policy was reviewed and updated in January 2017. Under the new policy the charity will aim to retain a level of reserves, over the medium term, of a minimum of 12 weeks of actual operating expenditure, up to a maximum of 26 weeks of actual operating expenditure.

Should reserves drop below 12 weeks an action plan will be agreed by the Board to ensure that NOCN is likely to remain a going concern and build up its reserves to the minimum level. As at the end of July 2018 NOCN's reserve levels are within the required Reserves Policy levels.

Powers of Investment

The trustees are authorised by the Memorandum of Association to invest monies not immediately required for the Charity's own purposes in such investments, securities or property as they deem fit subject to any conditions required by law.

Future Plans

The Charity's objectives for the following three years, which are driven by the context we operate in, our mission and values, the need to maintain our business in what may be a difficult

policy and economic context for a number of years and the need to develop new ways of working, are as follows:

- To diversify our product range, customer portfolio and international presence;
- To maintain our position in the UK market and as a sustainable and compliant organisation;
- To develop our organisational capacity and skills;
- To continue to integrate our new businesses and staff;
- To strengthen our business and digital skills;
- To continue to invest to develop the business range and offer; and
- To improve efficiency and service delivery standards.

Statement as to Disclosure of Information to Auditor

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

This report has been prepared in accordance with FRS 102.

This was approved by the Board on 9th November 2018 and signed on its behalf:



Gareth Jones

Chair, NOCN Board of Trustees

Statement of Trustees' Responsibilities

The Trustees 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. Under that law the directors have elected to prepare the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including its income and expenditure, of the Charity for the year.

In preparing those 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 and FRS 102;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the requirements of FRS 102 and the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF NOCN

Opinion

We have audited the financial statements of NOCN ("the Charitable Company") for the year ended 31 July 2018 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 Group's and of the Parent Charitable Company's affairs as at 31 July 2018 and of the Group's incoming resources and application of resources and the Parent Charitable Company's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Group and the Parent Charitable Company in accordance with the ethical requirements 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 related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon.

The other information comprises: The Trustees Report. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other 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' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- * the Strategic report and the Directors' Report, which are included in the Trustees' report, have 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 Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's 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 by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- * the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- * certain disclosures of Directors' remuneration specified by law are not made; or
- * we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, 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 determines 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 Group's and the Parent 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 Group or the Parent 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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://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.


Hamid Ghafoor (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

Manchester

Date 22/11/2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Statement of Financial Activities

Including the statement of comprehensive income

For the Year ended 31 July 2018

	Notes	2018 Unrestricted funds £	2017 Unrestricted funds £
Incoming resources			
Incoming resources from generated funds:			
Investment income	1	-	21
Incoming resources from charitable Activities	2	8,840,489	2,931,123
Total incoming resources		8,840,489	2,931,144
Resources expended			
Charitable activities	3	6,912,875	2,797,112
Total resources expended		6,912,875	2,797,112
Net incoming / outgoing resources for the Year		1,927,614	134,032
Total funds brought forward		623,875	489,843
Total funds carried forward	20	2,551,489	623,875

The notes on pages 19 to 32 form part of these financial statements.

The incoming resources and resources expended derive from continuing operations.

Consolidated Statement of Financial Position

As at 31 July 2018

	Notes	2018 Unrestricted funds £	2017 Unrestricted funds £
Fixed assets			
Intangible assets	11	5,833,536	-
Tangible assets	12	347,484	44,982
Investments	13	-	99
Total fixed assets		6,181,020	45,081
Current assets			
Debtors	14	1,906,324	719,620
Closing Stock	15	17,458	6,150
Cash at bank and in hand		905,501	416,001
Total current assets		2,829,283	1,141,771
Liabilities			
Creditors: Amounts falling due within one year	16	(1,815,795)	(562,977)
Net current assets		1,013,488	578,794
Total assets less current liabilities		7,194,508	623,875
Creditors: Amounts falling due after more than one year	18	(4,643,019)	-
Total net assets	19	2,551,489	623,875
Represented by			
Designated funds		-	-
General funds	20	2,551,489	623,875
Total funds		2,551,489	623,875

The notes on pages 19 to 32 form part of these financial statements.
All funds are unrestricted.

The financial statements were approved by the Board of Directors and authorised for issue on 9th November 2018 and were signed on its behalf by:



Gareth Jones
Chair, NOCN Board of Trustees

Company Statement of Financial Position

As at 31 July 2018

	Notes	2018 Unrestricted funds £	2017 Unrestricted funds £
Fixed assets			
Intangible assets	11	5,833,536	-
Tangible assets	12	347,484	44,982
Investments	13	99	99
Total fixed assets		6,181,119	45,081
Current assets			
Debtors	14	1,906,114	719,620
Closing Stock	15	17,458	6,150
Cash at bank and in hand		905,091	416,001
Total current assets		2,828,663	1,141,771
Liabilities			
Creditors: Amounts falling due within one year	16	(1,819,472)	(562,977)
Net current assets		1,009,191	578,794
Total assets less current liabilities		7,190,310	623,875
Creditors: Amounts falling due after more than one year	18	(4,643,019)	-
Provisions for liabilities and charges		-	-
Total net assets	19	2,547,291	623,875
Represented by			
Designated funds		-	-
General funds		2,547,291	623,875
Total funds	20	2,547,291	623,875

The notes on pages 19 to 32 form part of these financial statements.
All funds are unrestricted.

The financial statements were approved by the Board of Directors and authorised for issue on 9th November 2018 and were signed on its behalf by:



Gareth Jones
Chair, NOCN Board of Trustees

Consolidated Statement of Cash flows

For the year ended 31 July 2018

	2018 £	2017 £
Cash flows from operating activities		
Net cash provided by operating activities	7,297,085	181,115
Cash flows from investing activities		
Purchase of intangible fixed assets	(6,481,036)	-
Purchase of tangible fixed assets	(326,648)	(37,030)
Purchase of investments	99	(99)
Net cash used in investing activities	(6,807,585)	(37,129)
Changes in cash and cash equivalents in the year	489,500	143,986
Cash and cash equivalents at the beginning of the year	416,001	272,015
Cash and cash equivalents at the end of the year	905,501	416,001
Reconciliation of net income to net cash flow from operating activities		
Net income for the reporting period as per the statement of financial activities	1,927,614	134,032
Depreciation and Amortisation	671,646	10,360
Stock	(11,308)	(6,150)
Trade Debtors	(1,045,100)	(154,503)
Prepayments & Accrued Income	(141,604)	13,744
Trade Creditors	423,789	9,948
Payments on Account	-	(10,735)
Accruals & Deferred Income	(257,920)	219,664
Provision for Liabilities	-	-
Taxes & Social Security	14,237	(30,751)
Other Creditors	5,715,731	(4,494)
Net cash provided by operating activities	7,297,085	181,115

The notes on pages 19 to 32 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Accounting Policies

The following accounting policies have been applied consistently in dealing with items, which are considered material in relation to the Charity's financial statements.

Charitable company information

NOCN is a charitable company, limited by guarantee and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the charitable company information page and the nature of the charitable company's operations and its principal activities are set out in the Trustees' report.

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) (effective 1 January 2015) - (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 note(s).

NOCN meets the definition of a public benefit entity under FRS 102.

Consolidation

The financial statements consolidate the financial statements of NOCN and all its subsidiary undertakings.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual Statement of Financial Activities.

Preparation of the accounts on a going concern basis

The Charity reported a total cash inflow of £489,500 for the year. (2017 £143,986)

The Trustees have carried out a review of the Charity's financial performance and its reserves position, and believe that NOCN has adequate financial resources and is well placed to manage its business risks. The Charity's business planning process, including financial projections, has taken into consideration the uncertainty within the current educational funding and qualification infrastructure and its potential impact on the sources of income and planned expenditure. Based on these forecasts the Trustees have a reasonable expectation that the organisation has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Liability of Members

The Charity is a company limited by guarantee. In the event of the Charity being wound up, the liability of the members is limited to a sum not exceeding £1.00, being the amount that each member undertakes to contribute to the assets of the Charity in the event of its being wound up while he, she or it is a member or within one year after he, she or it ceases to be a member, for:

- payment of the Charity's debts and liabilities incurred before he, she or it ceases to be a member;
- payment of the costs, charges and expenses of winding up; and
- adjustment of the rights of the contributories among themselves.

Incoming Resources

Incoming resources primarily comprise: Learner Registration charges; contributions from Delivery Partners; online assessment fees, delivery of a wide range of endorsed programmes and Apprenticeship End Point Assessment fees.

ACCOUNTING POLICIES (CONTINUED)

NOCN income streams are recognised as follows:

- Interest is accrued on a daily basis;
- Delivery Partner Fees are recognised in full in the year the service is provided;
- Learner registration charges are recognised at the time of registration;
- Replacement certificate income is recognised at point of request and in advance of release of certificate;
- Examination fees are accounted for on receipt of completed examination papers. The income is recognised in the period the examination takes place;
- Apprenticeship End point assessment fees are recognised as follows: Initial up-front charge is recognised when the apprentice is registered with NOCN. The remaining charge is recognised at the point the assessment takes place.

Foreign Currencies

Foreign currency transactions, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with gains or losses being taken to the Statement of Financial Activities.

Financial Instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Resources Expended

Resources expended are recognised on an accruals basis. Resources expended include attributable Value Added Tax which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity.

ACCOUNTING POLICIES (CONTINUED)

Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. The items in the financial statements where these judgements and estimates have been made include:

Tangible Fixed Assets and Depreciation

Tangible assets are included at cost less accumulated depreciation.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful economic lives, using the straight line method as follows:

Computer equipment	- rates varying from 20% to 33.3% per annum
Fixtures and fittings	- 10% per annum

All tangible fixed assets costing over £1,000 are capitalised on acquisition and are included in the balance sheet at cost. The estimated useful economic lives and depreciation method are reviewed at each year end.

Intangible Fixed Assets and Amortisation

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Purchased goodwill is recognised at the cost of acquisition based on the current expectation of the total amount of money that will be paid for the business being acquired less the on balance sheet assets purchased.

Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- The technical feasibility of completing the software so that it will be available for use or sale.
- The intention to complete the software and use or sell it.
- The ability to use the software or to sell it.
- How the software will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the software.
- The ability to measure reliably the expenditure attributable to the software during its development.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

Software development costs	- 5 years
Goodwill	- 10 years

If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

If the net fair value of the identifiable assets and liabilities acquired exceeds the cost of a business combination, the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered. Any excess exceeding the fair value of non-monetary assets acquired is recognised in profit or loss in the periods expected to be benefitted.

Stocks

Stocks are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

ACCOUNTING POLICIES (CONTINUED)

Annual Support Fee Provision

In 2016-17 the charity charged an annual centre support fee for which invoices were raised in July 2017. The support fee period ran from 1 August 2017 to 31 July 2018 and the income was therefore deferred.

The annual centre support fees for the period 1 August 2018 to 31 July 2019 were invoiced in 2018-19 therefore no deferment was required. In reporting the deferred support fee income, a provision is recognised to account for providers who may choose not to continue working with the charity. The deferred Annual Support fee income is therefore adjusted downwards by the provision.

The provision is based on the number of providers who are expected to lapse by the end of a particular period and is based on a combination of historical trends and market behaviours at that time.

Taxation

As a registered Charity, NOCN is exempt from liability to corporation tax on income and gains falling within section 505 of the Taxes Act 1988 or S256 of the Taxation of Charitable Gains Act 1992 to the extent that these are applied to its charitable objects. No provision or charges for taxation have therefore arisen.

Pensions

The pension costs charged in the financial statements represent the contributions payable by the Charity during the year.

Leased Assets

Operating lease costs are charged on a straight-line basis over the term of the lease.

Fund Accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets this criterion is charged to the fund, together with a fair allocation of management and support costs.

Unrestricted funds comprise those funds, which the Trustees are free to use in accordance with the objects of the Charity.

Designated funds are unrestricted funds, which have been allocated for specific purposes by the Trustees.

Notes to the Financial Statements

For the year ended 31 July 2018

1. Incoming Resources from Generated Funds

	2018 £	2017 £
Investment income:		
Bank interest	-	21

2. Incoming Resources from Charitable Activities

	2018 £	2017 £
Licence Fees & Collaboration Agreements	128,250	139,750
Educational Activities	8,712,239	2,791,373
Total	8,840,489	2,931,123

3. Total Resources Expended

	Activities Undertaken Directly £	Support Costs £	2018 £
Charitable activities:			
Awarding Organisation	4,289,571	1,631,747	5,921,318
Educational Activities	619,574	233,578	853,152
Governance	138,405	-	138,405
Total	5,047,550	1,865,325	6,912,875
			2017 £
Charitable activities:			
Awarding Organisation	1,112,033	748,922	1,860,955
Educational Activities	480,329	323,488	803,817
Governance	132,340	-	132,340
Total	1,724,702	1,072,410	2,797,112

4. Allocation of Support

	General Office and IT £	Finance and Legal £	Marketing and Comms £	Human Resources £	Support Staff £	£
Charitable activities:						2018
Awarding Organisation	566,248	128,729	286,887	28,072	621,811	1,631,747
Educational Activities	81,056	18,427	41,067	4,018	89,010	233,578
Total	647,304	147,156	327,954	32,090	710,821	1,865,325
Charitable activities:						2017
Awarding Organisation	176,781	89,174	166,105	10,105	306,757	748,922
Educational Activities	76,358	38,518	71,747	4,365	132,500	323,488
Total	253,139	127,692	237,852	14,470	439,257	1,072,410

Support costs are apportioned based on usage as a percentage of direct expenditure incurred.

5. Governance Costs

	2018 £	2017 £
Meeting costs	13,739	1,869
Trustees' expenses	-	34
Legal costs	5,402	37,789
Audit fees	19,146	10,800
Management costs	100,118	81,848
Total	138,405	132,340

Allocations have been made on the following basis:

- Governance costs are directly attributed.
- Management costs have been apportioned based on estimate of time allocated.

6. Net Incoming Resources

Net incoming resources for the year are arrived at after charging:

	2018 £	2017 £
Depreciation	24,146	10,360
Amortisation	647,500	-
Auditor Remuneration	18,507	10,800
Operating lease in respect of buildings	47,264	70,837
Operating lease in respect of equipment	64,792	41,029

7. Staff Numbers and Costs

	2018 £	2017 £
Wages and Salaries	2,462,815	1,180,280
Social Security Costs	234,051	122,863
Pension Costs	128,968	27,950
Total	2,825,834	1,331,093

In addition to the above, 15 (2017:7) Temporary Agency staff have been employed at a cost of £119,002 (2017: £4,914).

The number of employees whose emoluments as defined for taxation purposes amounted to £60,000 or more in the year was as follows:

	2018 Number	2017 Number
£60,000 - £69,999	-	1
£80,000 - £89,999	1	-
£100,000 - £109,999	1	-
£150,000 - £159,999	-	1
£170,000 - £179,999	1	-

In respect of the above employees' pension contributions paid to a defined contribution pension scheme during the year were £9,897 (2017: £nil).

The number of higher paid employees to whom retirement benefits are accruing under the TPS unfunded benefit scheme are 1 (2017: Nil).

In respect of the above employees' pension contributions paid to the TPS benefit scheme during the year were £12,868 (2017: £11,341).

The average number of employees, calculated on a full-time equivalent basis, analysed by function was:

	2018 Number	2017 Number
Charitable Activities	55	26
Management and Administration of the Charity	17	8
Total	72	34

8. Trustees' Remuneration

The Trustees neither received nor waived any emoluments during the year (2017: £nil).

Out of pocket expenses were reimbursed to Trustees as follows:

	2018 Number	2017 Number	2018 £	2017 £
Travel and Subsistence	-	2	-	44

9. Auditors' Remuneration

	2018 £	2017 £
Audit of Parent Company	18,396	10,800
Audit of NOCN India Skills Foundation (Subsidiary)	111	-
Total	18,507	10,800

10. Net Income / Expenditure attributable to members of the parent company

The net income dealt with in the financial statements of the parent company was £1,927,614. (2017 £134,032). This comprises net income on unrestricted funds.

11. Intangible Fixed Assets

Group and Company	Software Dev £	Goodwill £	Total £
Cost/valuation			
At beginning of year	-	-	-
Additions	10,790	6,470,246	6,481,036
Disposals			
At end of year	10,790	6,470,246	6,481,036
Depreciation			
At beginning of year	-	-	-
Charge for year	475	647,025	647,500
Disposals			
At end of year	475	647,025	647,500
Net Book Value			
At 31 July 2018	10,315	5,823,221	5,833,536
At 31 July 2017	-	-	-

12. Tangible Fixed Assets

Group and Company	Computer Equipment £	Fixtures and Fittings £	Total £
Cost/valuation			
At beginning of year	231,844	27,873	259,717
Additions	60,301	266,347	326,648
At end of year	292,145	294,220	586,365
Depreciation			
At beginning of year	194,935	19,800	214,735
Charge for year	18,994	5,152	24,146
At end of year	213,929	24,952	238,881
Net Book Value			
At 31 July 2018	78,216	269,268	347,484
At 31 July 2017	36,909	8,073	44,982

13. Fixed Asset Investments

Company

	2018 £	2017 £
Cost/Valuation		
At beginning of year	99	-
Additions	-	99
At end of year	99	99

On 16 June 2017 NOCN acquired 99% of the share capital of NOCN India Skills Foundation for a consideration of £99.

Subsidiary Undertakings

The following were subsidiary undertakings of NOCN:

Name	Country of incorporation	Class of shares	Holding
NOCN India Skills Foundation	India	Ordinary	99%

The aggregate of the share capital and reserves as at 31 July 2018 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and Reserves £	Profit/(loss) £
NOCN India Skills Foundation	99	4,564

The registered office of the above subsidiary undertakings is House No. M-27, M- Block Market, Greater Kailash-I, New Delhi, South Delhi, Delhi.

14. Debtors

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Trade Debtors	1,641,212	596,112	1,641,002	596,112
Prepayments and Accrued Income	265,112	123,508	265,112	123,508
Total	1,906,324	719,620	1,906,114	719,620

15. Stock

Group and Company	2018 £	2017 £
At beginning of year	6,150	-
Purchased in the year	135,574	44,989
Charged in the year	(124,266)	(38,839)
At end of year	17,458	6,150

16. Creditors: Amounts falling due within one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	525,837	102,048	525,439	102,048
Accruals	150,859	192,766	154,859	192,766
Deferred income – Note 17	36,500	252,514	36,500	252,514
Other creditors	1,088,362	15,649	1,088,362	15,649
Other taxes / Social Security	14,237	-	14,312	-
Total	1,815,795	562,977	1,819,472	562,977

17. Deferred Income

Group and Company

Annual fees, centre fees and similar charges that are invoiced in advance are deferred to correspond with the period of service provided.

	2018	2017
	£	£
At beginning of the year	252,514	182,498
Released in the year	(252,514)	(182,498)
Charged in the year	36,500	252,514
At end of year	36,500	252,514

18. Creditors: Amounts falling after more than one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Other creditors	4,643,019	-	4,643,019	-
Total	4,643,019	-	4,643,019	-

The other creditor relates wholly to the deferred consideration for the business combination of C Skills Awards.

19. Analysis of Net Assets between Funds

	Group	Company
	£	£
2018		
Intangible fixed assets	5,833,536	5,833,536
Tangible fixed assets	347,484	347,484
Investments	-	99
Current assets	2,829,283	2,828,664
Current liabilities due in less than one year	(1,815,795)	(1,819,472)
Liabilities due after more than one year	(4,643,019)	(4,643,019)
Net Assets at 31 July 2018	2,551,489	2,547,292

	Group	Company
	£	£
2017		
Tangible fixed assets	44,982	44,982
Current assets	99	99
Current liabilities	1,141,771	1,141,771
Provisions	(562,977)	(562,977)
Net Assets at 31 July 2017	623,875	623,875

General funds. Designated funds £nil (2017 £nil).

20. Statement of Funds

Group and Company

	At 1 Aug 2017 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 July 2018 £
General funds	623,875	8,840,489	(6,912,875)		2,551,489
Total Unrestricted Funds	623,875	8,840,489	(6,912,875)		2,551,489

21. Pension Costs

The Charity's employees belong to one of three principal pension schemes, the Teachers' Pensions Scheme (TPS), and stakeholder and auto-enrolment pension schemes run by Friends Provident. The assets of the schemes are held in separate trustee-administered funds.

Introduction - Teachers' Pension Scheme (TPS)

The Teachers' Pension Scheme (TPS or Scheme) is a statutory, unfunded, defined benefit occupational pension scheme. The Scheme is governed by statutory regulations (currently statutory instruments), these being: The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended).

Membership of the Scheme is voluntary and is open to members of the teaching profession in England and Wales who satisfy the membership criteria set out below:

- teacher or lecturer (between the ages of 16 and 75) in pensionable service employed by:
 - a local authority or an academy trust;
 - an independent school which has been accepted into the Scheme;
 - a further or higher education establishment that has been accepted into the Scheme;
 - an accepted function provider (a company awarded a contract to perform functions on behalf of a local authority); or any other approved Scheme employer.

Contributions to the Scheme are set at rates determined by the Secretary of State, taking advice from the Scheme's Actuary. The contributions partially fund payments made by the Scheme with the balance of funding provided by Parliament. The Scheme's administrative expenses are borne by Scheme employers, payable as a percentage of pensionable earnings. It is envisaged that this charge will be reviewed alongside Scheme valuations to ensure that the income raised is equal to the cost.

Pensions are increased in accordance with the Pensions (Increase) Act 1971 and the Social Security Pensions Act 1975, with annual increases being determined by the prevailing Pensions (Increase) Order. Retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. Members contribute on a "pay as you go" basis, with these contributions (along with those made by employers) being credited to the Exchequer under arrangements governed by the above Acts.

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2012 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department on 9 June 2014. The key results of the valuation are: - employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration; - total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion; - an employer cost cap of 10.9% of pensionable pay; - Actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes,

using updated membership data. The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuationreport.aspx>

Friends Provident Schemes

For the Friends Provident schemes, the assets of the schemes are held separately from those of the company in independently administered funds.

The pension charge represents contributions due from the Charity to both schemes and amounted to £86,134 (2017: £27,978). Contributions totalling £12,436 (2017: £NIL), including employee's contributions, were payable to the funds at the year-end and are included in creditors.

22. Financial Commitments

At 31 July 2018, the Group and Company had annual commitments under non-cancellable operating leases as follows:

	2018 £	2017 £
Buildings:		
Within one year:	300,451	65,302
Between two and five years	1,073,579	-
Equipment:		
Within one year:	38,782	13,940
Between two and five years	47,748	-

21. Cash flows from investing activities

Purchase of tangible fixed assets:

During the year NOCN acquired tangible fixed assets with the aggregate cost £326,648. Cash payments were made totalling £326,648 to purchase the equipment.

23. Related Party Transactions

	2018 £	2018 £	2018 £ Amount due from at year end	2017 £	2017 £	2017 £ Amount due from at year end
	Income	Purchases		Income	Purchases	
CITB	2,669	382,490	-	-	-	-
NCC (part of CITB)	126,621	-	20,542	-	-	-
NSAC (part of CITB)	50,525	-	21,978	-	-	-
OCN Northern Ireland	36,250	-	683	54,350	-	350
One Awards	43,779	14,352	-	78,185	15,238	15,987
British Ass'n Construction Heads	-	1,915	-	-	295	-
British Psychological Society	-	505	-	-	-	-
Van Elle (Holdings) Ltd	10,561	-	5,858	-	-	-
Northern College	5,956	-	1,202	9,568	-	-
Credit Services Association	4,803	-	92	6,146	-	(418)
TUC	17,000	-	-	17,000	-	-
Sheffield College	21,123	1,925	1,852	29,616	-	168
Barnsley College	15,812	-	-	3,534	-	25
Jigsaw Training	1,870	-	-	21,607	-	2,578
Maggie Hasting-Evans	-	467	-	-	379	-

Transactions relating to CITB are for learner registration and certification fees from the NCC and NSAC centres that form part of CITB. Graham McPhail is an executive director of CITB.

Transactions with OCN Northern Ireland and One Awards related parties consist of annual Licence fee income and occasional purchases, both were members of the Charity during the year.

Transactions with Van Elle (Holdings) Ltd are for learner registration and certification fees. Michael Mason is a Director of Van Elle Limited.

Transactions with Jigsaw consist of learner registration and certification fees. Mr James Blackhurst, a former Trustee of the Charity is the owner of Jigsaw Training.

Transactions with Sheffield College represent qualification registration and certification income. Seb Schmoller, a Trustee of the Charity, is Chair of Sheffield College and Jane Jones, Deputy Managing Director, is also a Trustee of Sheffield College with effect from August 2017.

Transactions with Barnsley College represent qualification registration and certification income. Kay Dickinson is a Trustee of Barnsley College with effect from December 2016.

Key management personnel comprise the trustees of the Charity, as well as other key employees, who together have authority and responsibility for planning, directing and controlling the activities of the Charity. The total compensation paid to key management personnel for services provided to the Charity is £757,016 (2017: £572,972).

24. Analysis of Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and balances with banks. In 2017 this included funds in Solicitor's client account. Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts.

	2018	2017
	£	£
Cash at Bank/Solicitor's client account	904,952	415,739
Cash in Hand	549	262
Total Cash and Cash Equivalents	905,501	416,001

25. Post Balance Sheet Event

On 1 August 2018, One Awards, which is a registered Charity became a subsidiary of NOCN as a result of a change in the organisation's articles so that NOCN has control of One Awards. The transaction will be detailed in the following year's financial statements.

26. Business Combinations

On 1 August 2017, NOCN completed a trade and asset business combination of Cskills Awards.

Goodwill arising on acquisition is to be amortised over 10 years, being the directors' estimate that the value of the underlying value of the business acquired is expected to exceed the value of the underlying assets acquired.

In calculating the goodwill arising on acquisition, the fair value of net assets acquired from this business combination have been assessed and adjustments from book value have been made where necessary. Details of the schedule of deferred consideration liabilities less than one year, and more than one year, are included with note 16 and 18.

	Book Value	Fair Value Adjustment	Fair Value
	£	£	£
Tangible Fixed Assets	-	-	-
Current assets	452,533	-	452,533
Current liabilities	-	-	-
Net assets upon business combination	452,533	-	452,533
Goodwill (note 11)			6,470,246
Fair value of consideration paid			6,922,779
Cash outflow on business combination			500,001
Deferred contingent consideration			6,422,778
Fair value of consideration paid			6,922,779
Amortisation applied to goodwill on a straight line basis			647,025

Legal and Administrative Information

Registered Charity Name & Number	NOCN Registered Charity No. 1079785
Registered Office	Acero Building, 1 Concourse Way, Sheaf Street, Sheffield, S1 2BJ.
Trustees	Gareth Jones Alison Lamplough Seb Schmoller John Fuller Kay Dickinson Peter Wallwork Anthony Saunders Leckraz Boyjoonauth Kam Penglin Graham McPhail Corrina Hembury Michael Mason
Company Secretary	Sarah Standeven
Group Managing Director	Graham Hasting-Evans
Group Deputy Managing Director	Jan Richardson-Wilde
Group Director of Finance and Corporate Services	Simon Renny
Group Director of Customer Services and Operations	Stephanie Birch
Bank	National Westminster Bank Plc 7 Market Place Derby, DE1 9DS
Solicitors	Andrew Holland Limited Suite 1, The Bakery Millennium Business Park Steeton, Keighley West Yorkshire, BD20 6RB
Auditors	BDO LLP Central Square 29 Wellington Street Leeds LS1 4DL