

OPEN COLLEGE NETWORK (TROCN)

TRUSTEES' REPORT AND
STATEMENT OF ACCOUNTS

YEAR ENDED 31ST OCTOBER 2004

COMPANY LIMITED BY GUARANTEE



REGISTERED CHARITY NUMBER 1087530
COMPANY NUMBER 4042215

OPEN COLLEGE NETWORK (TROCN)

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Trustees' Report

Legal and Administrative Details

The Open College Network (TROCN) was registered as a private Limited Company on 24th July 2000 and was registered as a charity on 13th July 2001.

Registered Office PO Box 310
Marton Road
Middlesbrough
TS4 3YH

Trustees

The trustees are directors of the Company for the purpose of Company law. The trustees serving during the year and up to the date of this report:

John Hogg – Chairman
John Barrett
Alan Bell
Alfred Bennett (Joined 6th July 2004)
Roger Cannon
Kathleen Dunn
Sarah Farley
Minna Ireland
Susan Kearney
William King (Resigned 3rd June 2004)
Alan Old
Michael Powell
Patricia Whaley

Executive Committee

The executive committee is made up of all of the trustees.

Company Secretary L Cook

Bankers Yorkshire Bank plc
7 Linthorpe Road
Middlesbrough
TS1 1RF

Auditors S V Bye
New Garth House
Upper Garth Gardens
Guisborough
TS14 6HA

Solicitors Eversheds
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3XX

OPEN COLLEGE NETWORK (TROCN)

TRUSTEES' REPORT

The Board presents their annual report and the accounts for the year ended 31st October 2004.

Mission

Open College Network (TROCN) is a regional partnership committed to supporting learning opportunities, measured and valued against national standards, for learners of all backgrounds and aspirations.

Objectives

Open College Network (TROCN)'s aims and objectives, as outlined in the Memorandum of Association are to promote the improvement of the educational welfare of learners by the award of universally recognised credits and credit-based qualifications through a nationally agreed and maintained framework, for the general benefit of the public, thereby enhancing progression, motivation and satisfaction of learners and improving access to learning opportunities and facilitating progression to further learning, employment, training and higher education.

Open College Network (TROCN) addresses its aims by:

- ensuring that there is a quality assured effective and comprehensive accreditation service to consistently award credit for learner achievements and provide access into, and pathways across, the national qualifications system;
- promoting and widening participation in education, learning and training, particularly by those adults who have previously been excluded from educational opportunities;
- improving the quality and flexibility of education, learning and training provision for the public benefit, primarily for those adults who have previously benefited least from formal educational provision;
- safeguarding and promoting the quality of the programmes of learning it accredits;
- providing a means by which progression, access, satisfaction and motivation may be enhanced for learners; and
- operating as an approved validating agency by the Quality Assurance Agency.

Introduction

The Trustees present their report and accounts for the year ended 31st October 2004. These have been prepared in accordance with current statutory requirements and Statement of Recommended Practice "Accounting and Reporting by Charities".

Open College Network (TROCN) operates under licence to the National Open College Network (NOCN) and the Quality Assurance Agency for Higher Education (QAA). The company is governed by its memorandum and articles of association which were last amended on 23rd March 2004.

The development and publication of a new Strategic Plan for 2003-6 stated our main aims and objectives as follows:

- To raise the profile of the Open College Network and QAA awards with key stakeholders in order to provide value and currency for learners' achievement
- To ensure the continuing viability and uniqueness of the business as a regional accreditation body
- To engage with a broader range of partners to increase access to learning
- To work with our partners to actively promote curriculum initiatives; to support widening participation and equal opportunities
- To ensure the continuing quality assurance of provision across the region against national standards
- To be actively involved in national and regional policy and strategy developments.

OPEN COLLEGE NETWORK (TROCN)

TRUSTEES' REPORT

Review of the Period

In serving the aims and objectives, this year Open College Network (TROCN) has:

- Registered 46,975 learners compared to 46,506 in 2002-3
- Awarded 63,294 credits compared to 75,224 in 2002-3
- Approved 33 new organisations into membership bringing the total number of organisations using our services to 132
- Approved or amended 104 programmes bringing the total number of approved programmes on our database to 720
- Provided 25 training events for member organisations.

One Trustee resigned in the period and one new Trustee was appointed through the agreed appointment process as outlined in the charity's articles of association.

In February 2004 we went through the Investors in People re-recognition process. The Assessor stated within the report that *'evidence was found to satisfy all of the requirements of the Investors in People national Standard. In most areas of the standard, the evidence was to a very high quality.'* He concluded that *'TROCN is an excellent example of an Investors in People organisation. It rates as one of the best organisations this assessor has encountered, and everyone concerned is to be congratulated both for the standard set and for the improvements made since the company was last reviewed.'*

Following the review of our AVA licence by the Quality Assurance Agency for Higher Education (QAA) in February 2003, all conditions were confirmed as met in June 2004. Progress has also been made on all recommendations with the majority being met by the same deadline.

As a Qualifications and Curriculum Authority (QCA) Approved Awarding Body, NOCN delegates the administration and quality assurance of its qualifications to named Lead OCNs. Open College Network (TROCN) has continued as the Lead OCN for Trade Union qualifications and the national programme in this capacity. A number of projects have taken place this year with the TUC including a review and updating of the Level 3 Certificate for Trade Union Representatives and a TUC's Union Education On-line Project. We have also been involved in consultation exercises over the development of the TUC Union Learning Academy in England and Wales as well as the Scottish Union Learning Academy.

This year has seen many uncertainties in the area of funding for Open College Network provision across the country. The National Open College Network (NOCN) has been working closely with QCA and the Learning and Skills Council (LSC) to develop a Credit and Qualifications Framework (CQF) which will secure OCN units and qualifications within the national credit framework from September 2005. The effect of changes to funding regulations for 'Other' provision has resulted in some of our member organisations reducing OCN accreditation, however, the increase in organisations from sectors not affected by these regulations and the development of the NOCN CQF will lessen the risk of this reducing further in 2005.

Open College Network (TROCN) staff continue to be active members of National Open College Network strategic and working groups enabling us to influence the development of systems and procedures to support the national strategy.

Once again, Open College Network (TROCN) has continued to develop and widen its services across the regions, reflected in the number and diversity of new member organisations and the consistent number of learner registrations year on year.

TRUSTEES' REPORT

Transactions and Financial Position

The statement of financial activities shows income for the year of £840428 with expenditure of £797782. There were also gains on investments of £6294 and an actuarial loss on the pension scheme of £37000, giving a net increase in reserves of £11940 (2003: Decrease £21436).

Reserves

The Trustees continue to monitor the reserves policy in order to ensure that the charity designates sufficient funds to meet its contractual and statutory liabilities should it need to wind up its affairs. This covers liabilities for payroll and termination costs. This policy also takes account of an amount equating to six months expenditure and thus allows for a continuation of current activities for a period, should income drop significantly, enabling the Trustees to plan accordingly. The Trustees have also agreed to put aside funds for the accommodation needs of the charity in order to ensure that the organisation can continue to grow and develop in line with the needs of the communities it serves.

Investments

The Investment policy was also kept under review and the market value of current investments is contained within the accounts. No new investments were agreed in the period.

Risk Assessment

The Trustees review financial and other risks as an ongoing activity and have established procedures to ensure that all transactions and projects are properly authorised. The significant external risk is that of funding for OCN provision for member organisations. The charity continues to hold adequate reserves and the Trustees have ensured that the policy is kept up to date to address any sudden reduction in this area.

Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of service for all operational aspects of the charitable company. These procedures are constantly reviewed to ensure they continue to meet the needs of the charity and are subject to rigorous external audit.

Approval

This report was approved by the Trustees on 31st January 2005 and signed on their behalf.



L Cook
Secretary

OPEN COLLEGE NETWORK (TROCN)

STATEMENT OF RESPONSIBILITIES

RESPONSIBILITIES OF THE TRUSTEES

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 as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure for the financial year. In preparing those financial statements, the Trustees should follow best practice and:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue on that basis.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

OPEN COLLEGE NETWORK (TROCN)

We have audited the financial statements of Open College Network (TROCN) for the year ended 31st October 2004 on pages 8 to 17 which have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' Responsibilities the trustees (who are also the directors of Open College Network (TROCN) for the purposes of company law) are responsible for the preparation of the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read other information contained in the Trustees Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatement or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 31st October 2004 and of its incoming resources and application of resources, including its income and expenditure, in the year ended and have been properly prepared in accordance with the Companies Act 1985.

New Garth House,
Upper Garth Gardens
Guisborough
TS14 6HA

S V Bye
Chartered Accountants
Registered Auditors
21st February 2005

OPEN COLLEGE NETWORK (TROCN)

STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account)

YEAR ENDED 31ST OCTOBER 2004

	Note	Unrestricted Funds 2004 £	Unrestricted Funds 2003 (15 months) £
Incoming resources			
Activities in furtherance of the charity's objects:			
Accreditation income	2	789644	839231
Project income		36065	42260
Pension income		3000	5000
Bank Interest received		11719	10425
Total incoming resources		840428	896916
Charitable expenditure			
Costs of activities in furtherance of the charity's objects:			
Accreditation costs		688902	736411
Project costs		10637	-
Support Costs		9261	14359
Management and Administration		88982	87123
Total resources expended	3	797782	837893
Net incoming resources/(resources expended)	4	42646	59023
Net gains on investments	8	6294	4541
Actuarial loss on the pension scheme	13	(37000)	(85000)
Net movement in funds		11940	(21436)
Fund balances brought forward at 1 st November		435314	456750
Fund balances carried forward at 31 st October		447254	435314

All incoming resources and resources expended derive from continuing activities.

The notes on pages 10 to 17 form part of these accounts

OPEN COLLEGE NETWORK (TROCN)

BALANCE SHEET

AS AT 31ST OCTOBER 2004

	Note	£	2004 £	£	2003 £
FIXED ASSETS					
Tangible fixed assets	7		32671		26184
Investments	8		114803		108509
			<u>147474</u>		<u>134693</u>
CURRENT ASSETS					
Debtors	9	111123		69137	
Cash at bank and in hand		390391		378333	
		<u>501514</u>		<u>447470</u>	
CREDITORS:AMOUNTS FALLING DUE WITHIN ONE YEAR	10	(99734)		(79849)	
NET CURRENT ASSETS			<u>401780</u>		<u>367621</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>549254</u>		<u>502314</u>
PROVISION FOR PENSION SCHEME DEFICIT 13			(102000)		(67000)
NET ASSETS			<u>447254</u>		<u>435314</u>
FUNDS					
Unrestricted			<u>447254</u>		<u>435314</u>

These financial statements are prepared in accordance with the special Provisions of Part VII of the Companies Act 1985 relating to small Companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

J Hogg

A Bell

) TRUSTEES

Approved by the Board:

The notes on pages 10 to 17 form part of these accounts

OPEN COLLEGE NETWORK (TROCN)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2004

1. ACCOUNTING POLICIES

a) **Basis of Preparation**

The financial statements have been prepared under the historical cost convention as modified by the inclusion of fixed asset investments at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), the Companies Act 1985 and follow the recommendations in Accounting and Reporting by Charities: Statement of Recommended Practice issued in October 2000.

b) **Incoming Resources**

All incoming resources are included in the SOFA when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

c) **Resources expended and basis of allocation**

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered. Costs are allocated to one particular activity where one cost relates to that activity. Staff cost are split on a time apportioned basis to activities and management and administration.

d) **Depreciation**

Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life at the following rates:-

Office Equipment	3-5 years
Fixtures & Fittings	10 years

e) **Unrestricted Funds**

Unrestricted funds are incoming resources receivable or generated for the objects of the charity without further specified purposes and are available as general funds.

f) **Investments**

Investments are shown at their market value at the year end, with any increase or decrease in valuation being recognised in the Statement of Financial Activities.

g) **Pension costs**

The company operates a defined benefit scheme for the benefit of its employees. A full actuarial evaluation by a professionally qualified actuary is carried out every 3 years. The surplus/deficit in the scheme is recognised as an asset/liability on the balance sheet. Changes in the asset/liability are written off in the statement of financial activities or statement of total recognised gains and losses as appropriate.

OPEN COLLEGE NETWORK (TROCEN)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2004

2. ACCREDITATION INCOME

15 MONTHS

	2004 £	2003 £
Membership fees	49017	86742
Learner registration	197090	244587
Certification	249815	274290
Programme Recognition	20350	21275
Programme Registration	58242	49850
Access Registration	108105	91920
National Courses	91927	54030
Moderation Fees	1680	680
Other Income	2484	3876
Qualification	10934	11981
	<u>789644</u>	<u>839231</u>

3. TOTAL RESOURCES EXPENDED

	Accreditation £	Project £	Support £	Management & Administration £	2004 Total £	2003 Total £
Staff costs	359788	-	-	65978	425766	483190
Pensions (current service Cost)	42840	-	-	7194	50034	39431
Recruitment	-	-	-	-	-	2435
Training	13457	-	-	-	13457	9232
Moderators fees & expenses	74098	-	-	-	74098	64593
Travel	15599	-	-	-	15599	20528
NOCN	64730	-	-	-	64730	42462
Panel fees	4290	-	-	-	4290	2807
TUC expenses	-	-	-	-	-	2668
Access	-	-	-	-	-	6589
Premises	15247	-	-	-	15247	20248
Communications & IT costs	18036	-	-	-	18036	25824
Printing & Stationery	21118	-	-	-	21118	31890
Advertising & Marketing	27331	-	-	-	27331	23211
Legal, Professional & Consultancy	-	-	6282	-	6282	11277
Audit fees	-	-	2979	-	2979	3082
Depreciation	10964	-	-	-	10964	13902
Project Costs	-	10637	-	15515	26152	25511
Finance Charges	3149	-	-	-	3149	3944
Repairs	13890	-	-	-	13890	140
Refreshments	2695	-	-	-	2695	2598
Loss on disposal of fixed assets	163	-	-	-	163	80
Bad Debt	-	-	-	-	-	1500
Committee Members Expenses	324	-	-	-	324	211
Archive costs	1183	-	-	-	1183	151
Health & Safety	-	-	-	-	-	223
Sundry expenses	-	-	-	295	295	166
	<u>688902</u>	<u>10637</u>	<u>9261</u>	<u>88982</u>	<u>797782</u>	<u>837893</u>

OPEN COLLEGE NETWORK (TROCNI)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST OCTOBER 2004

4. NET INCOMING RESOURCES FOR THE YEAR	2004	15 MONTHS 2003
This is stated after charging	£	£
Depreciation – owned assets	10964	13902
Auditors' remuneration		
Audit services	2979	3033
Professional Indemnity Insurance	2876	3106
	<u> </u>	<u> </u>

5. STAFF COSTS AND NUMBERS	2004	15 MONTHS 2003
Staff costs were as follows:-	£	£
Wages and Salaries	396730	449096
Social Security Costs	29036	27881
Pensions Costs	50034	39431
Moderators fees	54562	43537
	<u> </u>	<u> </u>
	530362	559945
	<u> </u>	<u> </u>

No employee received emoluments of more than £50,000.

The average number of persons employed during the year, calculated on the basis of full time equivalents was 19 (2003 :18).

No remuneration was paid to Trustees (2003:Nil) and one Trustee was reimbursed for expenses incurred in the year (2003:Nil) (see note 11b).

6. TAXATION

The Company is a registered charity and as such is exempt from Income tax, corporation tax and capital gains tax.

OPEN COLLEGE NETWORK (TROCN)

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2004**

7. TANGIBLE FIXED ASSETS

	Office Equipment £	Fixtures & Fittings £	TOTAL £
COST			
At 1 st November 2003	39963	14614	54577
Additions	15813	1886	17699
Disposals	(8351)	-	(8351)
	<hr/>	<hr/>	<hr/>
At 31 st October 2004	47425	16500	63925
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 st November 2003	24518	3875	28393
Charge for the year	9403	1561	10964
Disposals	(8103)	-	(8103)
	<hr/>	<hr/>	<hr/>
At 31 st October 2004	25818	5436	31254
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 st October 2004	21607	11064	32671
	<hr/>	<hr/>	<hr/>
At 31 st October 2003	15445	10739	26184
	<hr/>	<hr/>	<hr/>

8. INVESTMENTS

	2004 £	2003 £
Investment Bonds:		
At 1 st November 2003	108509	103968
Gain on Investment from change in value	6294	4541
	<hr/>	<hr/>
At 31 st October 2004	114803	108509
	<hr/>	<hr/>
 Historical cost of Investments held at 31 st October 2004	 100000	 100000
	<hr/>	<hr/>

OPEN COLLEGE NETWORK (TROCN)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST OCTOBER 2004

9. DEBTORS

	2004 £	2003 £
Trade Debtors	106250	62563
Prepayments and accrued income	4873	6574
	<u>111123</u>	<u>69137</u>

10. CREDITORS

	2004 £	2003 £
Trade Creditors	52986	32488
Social Security and other taxes	10993	10055
Accruals	29583	31490
Other Creditors	6172	5816
	<u>99734</u>	<u>79849</u>

11. RELATED PARTY DISCLOSURE

a) The company has been awarded a licence to operate an accreditation service to educational organisations by the National Open College Network (NOCN), which is in itself subject to regulation by the Qualifications and Curriculum Authority (QCA) in England and ACCAC, CCEA in Wales and Northern Ireland.

In consideration of the Licence to accredit awards, the company has paid an Annual Membership fee of £30901 to NOCN (2003 £24905). Other charges amounted to £32726 (2003:£14867). At the year end £28284 (2003:£5966) was owed to NOCN.

b) In the year, Minna Ireland (a trustee) was reimbursed £177 for travel expenses incurred during moderation work.

12. MEMBERS CONTRIBUTION

Every Member of the Company undertakes to contribute such amount as may be required (not exceeding £1) to the Company's assets if it should be wound up while they are a member, or within one year after they ceased to be a member, for payment of the Company's debts and liabilities contracted before they ceased to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

There are 117 members.

OPEN COLLEGE NETWORK (TROCN)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST OCTOBER 2004

13. PENSION FUNDING

Employees of this organisation may participate in the Teesside Pension Fund, part of the Local Government Pension Scheme, a defined benefit statutory scheme. The fund is administered by Middlesbrough Borough Council in accordance with the Local Government Pension Scheme Regulations 1997 as amended. The following disclosures are in accordance with Financial Reporting Standard number 17.

The latest formal valuation of the Teesside Pension Fund was at 31st March 2004 and the actuaries have rolled forward that value allowing for changes in financial assumptions as prescribed under FRS17. The assumptions and results are as follows:

	At 31 October 2004	At 31 October 2003	At 31 July 2002
Price Increases	2.8%	2.7%	2.4%
Salary Increases	4.8%	4.7%	4.4%
Pension Increases	2.8%	2.7%	2.4%
Discount rate	5.4%	5.5%	6.0%

The assets in the scheme and the expected rate of return were:

	Long-term Rate of return Expected at 31.10.2004	Value at 31 October 2004 £'000	Long-term rate of return expected at 31.10.2003	Value at 31 October 2003 £'000	Long-term rate of return expected at 31.7.2002	Value at 31 July 2002 £'000
Equities	7.7%	321	8.0%	246	8.0%	162
Bonds	5.0%	64	5.0%	54	5.5%	37
Property	5.7%	23	6.0%	17	6.0%	12
Cash	4.3%	38	3.5%	33	4.0%	29
Total market value of assets		<u>446</u>		<u>350</u>		<u>240</u>
Present value of scheme liabilities		(548)		(417)		(243)
Net pension (liability)/asset		<u>(102)</u>		<u>(67)</u>		<u>(3)</u>

Analysis of the amount charged to operating profit

	2004 £'000	2003 £'000
Current service cost	50	40
Past service cost	-	-
Total operating charge	<u>50</u>	<u>40</u>

OPEN COLLEGE NETWORK (TROCN)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST OCTOBER 2004

Analysis of the amount credited to other finance income

	2004 £'000	2003 £'000
Expected return on pension scheme assets	28	30
Interest on pension scheme liabilities	(25)	(25)
Net return	<u>3</u>	<u>5</u>

Analysis of amount recognised in statement of financial activities

	2004 £'000	2003 £'000
Actual return less expected return on pension scheme assets	(2)	-
Experience gains and losses arising on the scheme liabilities	(1)	7
Changes in assumptions underlying the present value of the scheme liabilities	(34)	(92)
Actuarial loss recognised in STRGL	<u>(37)</u>	<u>(85)</u>

Movement in surplus during the year

	2004 £'000	2003 £'000
Deficit in scheme at beginning of the year	(67)	(3)
Movement in year:		
Current service cost	(50)	(40)
Contributions	49	56
Past service costs	-	-
Net return on assets	3	5
Actuarial losses	(37)	(85)
Deficit in scheme at end of year	<u>(102)</u>	<u>(67)</u>

OPEN COLLEGE NETWORK (TROCN)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST OCTOBER 2004

History of experience gains and losses

	2004 £	2003 £	2002 £
Difference between the expected and actual return on scheme assets:			
amount (£'000)	2	-	(58)
percentage of scheme assets	(0.4%)	-	(24.2%)
Experience gains and losses On scheme liabilities:			
amount (£'000)	(1)	7	3
percentage of the present value of the scheme liabilities	(0.2%)	1.7%	1.2%
Total amount recognised in statement of total recognised gains and losses:			
amount (£'000)	(37)	(85)	(39)
percentage of the present value of the scheme liabilities	(6.8%)	(20.4%)	(16.0%)