

Company Registration No 08235117 (England and Wales)

NCS TRUST C.I.C
(COMMUNITY INTEREST COMPANY)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2016

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NCS TRUST C.I.C
(COMMUNITY INTEREST COMPANY)
COMPANY INFORMATION

Directors

Rt Hon the Lord David Blunkett
Dame Julia Cleverden DCVO CBE
Nick Farnhill
Stephen Greene
John Harley
Natasha Kizzie*
Michael Lynas*
Martina Milburn CBE
Shaun Whatling
Will Gallagher*
Sue Gray
Pippa Dunn

* Denotes executive directors

Company number 08235117

Registered office 1 Silchester Road
London
W10 6EX

Auditors RSM UK Audit LLP
Chartered Accountants
Davidson House
Forbury Square
Reading
Berkshire
RG1 3EU

NCS TRUST C.I.C (COMMUNITY INTEREST COMPANY) STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2016

National Citizen Service

National Citizen Service (NCS) is a life-changing opportunity for young people — regardless of their family income, background or ambition — to step outside their comfort zone, grow in character and make a difference. More than 275,000 young people have taken part in NCS making it, according to the Cabinet Office, the fastest growing youth movement in the UK since the Scouts started a century ago. The programme is very popular and makes a big impact: around 9 out of 10 participants happy to recommend NCS to others, 7 in 10 feel more confident about getting a job when they leave the programme, and 8 in 10 keep in contact with their NCS peers*. NCS is backed by Her Majesty's Government (HMG), which ensures that young people can take part for a modest contribution of £50, with financial assistance available if needed.

NCS is a 4 week programme, open to 15 to 17-year-olds in England and Northern Ireland, taking place in the summer holidays. There is also a shorter version of NCS which runs during the autumn and spring.

NCS enables young people to explore their passion for volunteering beyond the duration of the programme itself. "NCS Leaders" is an opportunity for 100 graduates to participate in a residential experience where they organise community projects, engage in media activities and act as NCS ambassadors. NCS graduates can also participate in regional and national Youth Boards to debate and recommend changes they would like to see to the programme.

The programme has been created to tackle social challenges prevalent in the UK and deliver positive outcomes in these areas:

-Social cohesion to unite the country in building stronger, more integrated communities and fostering understanding between young people from different backgrounds

-Social mobility to help young people develop essential skills for work and life — including confidence, leadership and communication — investing in our country's future talent

-Social engagement to engage young people in social action in their communities and the democratic process, building their understanding of their responsibilities as citizens

NCS Trust C I C ("The Trust") is a not for profit social enterprise Community Interest Company set up to oversee and manage the NCS programme.

NCS has been successful in recruiting young people from a wide range of different backgrounds. Providers of the programme (which The Trust regards as its delivery partners) are incentivised to ensure that each participating group represents the mix of young people who live in the local authority area — a strong social mix is at the heart of everything NCS does. The programme takes place in groups of no more than 15 young people.

To achieve this social mix, delivery partners are encouraged to engage with a range of young people and not just those who are naturally inclined to take part in youth programmes.

The Trust itself has four key objectives:

- 1 To grow the NCS programme
- 2 To maintain the quality of the programme
- 3 To sustain the programme into the long term
- 4 To reduce the unit cost of the programme

* Ipsos MORI Social Research Institute, Aug 2014 National Citizen Service 2013 Evaluation
Ipsos MORI Social Research Institute, Dec 2015 National Citizen Service 2013 Evaluation - One Year On
Ipsos MORI Social Research Institute, Dec 2015 National Citizen Service 2014 Evaluation

**NCS TRUST C.I.C
(COMMUNITY INTEREST COMPANY)
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016**

National Citizen Service (continued)

The model for delivering NCS is to develop a strong local partner network with a mixture of large and small delivery partners. This harnesses the talent of over 200 local organisations which work in regional teams to deliver NCS. Each region has a lead partner to support programme delivery.

The Trust delivers high quality support and training to the partner network, especially in the areas of commissioning and tendering, contract management, marketing, communications and safeguarding. In addition, NCS manages a programme of quality assessment to deliver a consistently high quality programme.

New provider contracts were put in place during 2015/16, in connection with which NCS Trust also developed and launched a central operating system that all delivery partners use to operate the programme. This ensures there is one central place for information, allows partners and the Trust to message young people before, during and after the programme, and allows one place for NCS participants to go to for information about post graduate activities. The Trust is capitalising the cost of developing the central operating system which will be amortised over five years.

There is continued evidence of substantial interest in the programme amongst 15 to 17 year-olds. More than 75,000 young people participated in 2015/16 (57,000 in 2014/15) and further growth in participation is occurring in 2016/17.

The then Chancellor of the Exchequer announced in his Autumn Statement on 25 November 2015 that substantial funds were being earmarked in HMG's strategic review for major expansion of the NCS programme over the 5 year period to 2020/21.

At the 2016 State Opening of Parliament, Her Majesty the Queen announced that NCS will be put on a "permanent statutory footing", demonstrating HMG's commitment to helping NCS achieve its vision of becoming a national institution for all young people. It is expected that a Bill will be introduced to Parliament in the Autumn of 2016.

Review of the business

Operations

In November 2013 The Trust became responsible for managing the NCS programme independently of the Cabinet Office which had previously run the programme. This involves commissioning, contract managing and paying delivery partners over 19 regions in England (with support for programmes in Northern Ireland), co-ordinating national functions to drive efficiency and quality and developing a national brand to ensure the programme grows sustainably. In 2015/16 the Trust delivered an increase in participation of 32% with over 75,000 young people taking part.

Government Grants

The NCS programme is substantially funded by grant from HMG through the mechanism of an annual Grant Agreement between The Trust and the Cabinet Office. The grant is paid quarterly in advance to The Trust and any surplus monies are returned by deduction from the subsequent quarter's grant so that The Trust expects to generate neither a profit nor loss over the medium term. Under its constitution as a Community Interest Company, dividends cannot be declared by The Trust and any surplus must be reinvested in community activities.

Staffing

The average number of staff engaged in The Trust's central function has increased to 50 in 2015/16 (2014/15 40) reflecting the growth in the year and preparation for continued further expansion to meet HMG's programme participation targets over the next 5 years.

**NCS TRUST C.I.C
(COMMUNITY INTEREST COMPANY)
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016**

Matters of strategic importance

A formal risk appraisal process is undertaken annually. During the year the principal risks for NCS Trust were identified as follows:

- Maintaining the quality of the programme to ensure that it does deliver the desired outcomes
- Sustaining HMG's support for and funding of the programme
- Ensuring young people are safe while on the programme
- Recruiting sufficient numbers of young people to make a significant social change
- Improving cost efficiency of the programme

The Board has agreed actions to address and manage these risks.

Chair's Statement

I am immensely proud to serve as Chair for this highly effective programme. The achievements outlined in this document are a testament to the dedication, spirit and passion of our network of delivery partners. NCS is much more than a government backed youth programme — we are a family of hundreds of grassroots organisations, each with their own unique expertise and ability to inspire young people on their NCS journey. Together, we are committed to building a national institution, a rite of passage that has a special place in the hearts and futures of our young people. Together, we will continue to deliver positive societal impact for generations to come.

I also want to give a special thanks to the more than 75,000 young people who participated in NCS in 2015/16. Behind that bare statistic are 75,000 stories — thousands of lives changed, young people with new horizons, bright ambitions and extraordinary achievements to come. 2016/17 is already delivering further expansion in the number of NCS participants, helping us reach more young people than ever before. We want to ensure their volunteering spirit is given the platform it deserves. We are very proud the quality in outcomes continues to match the growth in output.

Over the past year, the team at NCS Trust have done an amazing job in supporting the programme. I thank that team at the Trust for their enthusiasm, professionalism and dedication and am honoured to serve as their Chair.

On behalf of the Board of Directors



Stephen Greene
Chair

**NCS TRUST C.I.C
(COMMUNITY INTEREST COMPANY)
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2016**

The directors of NCS Trust C I C ("The Trust" or "The Company") present their annual report and financial statements for the year ended 31 March 2016

Principal activities

The principal activity of the company during the year was that of managing the delivery of National Citizen Service

Results

The Trust recorded neither a surplus nor a deficit for the year (2015 surplus £290,634) The Trust is funded on an annual basis by Her Majesty's Government through an "Annual Grant Agreement" which is designed to cover The Trust's costs after other sources of income have been taken into account Grant is paid quarterly in advance and any surplus provision is repaid by deduction in a subsequent quarter Although timing differences can arise between cash funding through the Grant Agreements and accounting for costs under UK GAAP, the directors are satisfied that The Trust's costs are fully covered and have had assurance from Her Majesty's Government of continuity of funding to meet the obligations of The Trust

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows

		Status	Board meeting attendance	Committee Membership
Stephen Greene		Non Executive Chair	7/7	Nominations, Remuneration (Co-Chair)
Rt Hon the Lord (David) Blunkett		Non Executive Director	5/7	
Dame Julia Cleverdon DCVO CBE		Non Executive Director	7/7	Nominations
Bill Crothers CB	Resigned 31 December 2015	Non Executive Director	4/4	Audit and Risk, Remuneration
Pippa Dunn	Appointed 15 June 2016	Non Executive Director	n/a	
Nick Farnhill		Non Executive Director	6/7	Nominations (Chair)
Sue Gray	Appointed 20 January 2016	Non Executive Director	3/3	Audit and Risk, Remuneration (Co-Chair)
John Harley		Non Executive Director	6/7	Audit and Risk (Chair), Remuneration
Alan Hirzel	Resigned 15 June 2016	Non Executive Director	5/7	Audit and Risk
Martina Milburn CBE		Non Executive Director	4/7	Remuneration
Shaun Whatling		Non Executive Director	5/7	Nominations
Michael Lynas		Chief Executive Officer	7/7	
Doug Fraley	Resigned 12 June 2015	Executive Director	1/1	
Will Gallagher	Appointed 15 July 2015	Executive Director	6/6	
Simon Jones	Resigned 22 January 2016	Executive Director	4/4	
Natasha Kizzie		Executive Director	7/7	

**NCS TRUST C.I.C
(COMMUNITY INTEREST COMPANY)
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016**

Results and dividends

The results for the year are set out on page 10

Qualifying third party indemnity provisions

The Trust has made qualifying third party indemnity provisions for its directors during the year. These provisions remain in force at the reporting date.

Supplier payment policy

It is Trust policy to agree the terms of payment as part of the commercial arrangements negotiated with suppliers and then to pay according to those terms based on the timely receipt of an accurate invoice. The company follows the Prompt Payment Code as launched by the Department for Business Energy and Industrial Strategy (sponsored by the Institute of Credit Management). Details of the code can be found on the website www.promptpaymentcode.org.uk

Corporate Governance

The Trust is a Community Interest Company limited by guarantee. The directors remain committed to high standards of best practice in corporate governance. Whilst not bound by the provisions of the Code of Best Practice identified within the Combined Code, The Trust aims to ensure that it complies with best practice in all relevant areas.

The Board consists of the Chair and eleven directors. There are three executive directors, seven non-executive directors, one Government appointed non-executive director and the Chair. The role of the Board is to establish the corporate strategy, ensuring that the company is properly resourced and able to carry out its functions effectively, impartially and independently.

The Board meets quarterly and detailed papers are circulated in advance of each meeting to ensure that the directors are able to make informed decisions at meetings. The directors believe they have full and timely access to all relevant information required to carry out their functions. Registers of directors' interests are maintained.

Committees

The Board has delegated some of its responsibilities and decisions to committees. At Board meetings the committee chairs provide written or oral reports of the key issues considered at earlier committee meetings. Details of the Board's committees are as follows:

Audit and Risk Committee

The audit and risk committee, which meets up to six times a year, consists of the three non-executive directors one of whom chairs the committee. This committee reviews on behalf of the board plans, budgets, internal control arrangements, financial statements, internal and external audit reports and the company's risk register before submission to the board. The committee also considers matters brought to its attention by the internal and external auditors. The Trust has a whistleblowing policy which is set out in the staff handbook and is reviewed periodically by the audit and risk committee.

Executive Committee

An executive committee chaired by the Chief Executive Officer meets at least once a week throughout the year. This committee oversees the day-to-day management of the company on behalf of the Board of Directors and is the decision making body for those matters not reserved to the board.

Nominations Committee

The nominations committee, which meets when required, consists of the Chair, two non-executive directors and a chairman independent of the Executive. This committee looks at the makeup of the Board, succession planning and identifying candidates.

**NCS TRUST C.I.C
(COMMUNITY INTEREST COMPANY)
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016**

Remuneration Committee

The remuneration committee, which meets when required, consists of the Chair, two non-executive directors and a chair independent of the Executive. This committee reviews all aspects of executive director remuneration and general employee remuneration policy.

Internal control

The Board is responsible for the Trust's system of internal control, which is designed to manage and reduce the risk of failure, to achieve business objectives and to provide reasonable assurance against material misstatement or loss. The Board, with the advice of the audit and risk committee, has reviewed the effectiveness of the internal control system operated from 1 April 2015 to the date of this report and considers that the company complies with the relevant sections of the Financial Reporting Council's "Guidance on Risk Management, Internal Control and Related Financial and Business Reporting".

Financial instruments

The Trust does not utilise complex financial instruments.

Disabled persons

The Trust will employ disabled persons when they are suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise. There is a training scheme in operation so that employees who have been injured or disabled in the course of their employment can, where possible, continue in employment with the company.

During employment the company seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

Employee involvement

The Trust encourages the involvement of its employees through regular company-wide meetings designed for the dissemination of information of particular concern to employees and for receiving their views on important matters of policy. The Trust recognises the importance of all employees engaging in the NCS programme and so all staff are encouraged to visit the programmes throughout the country. The Trust also operates a volunteering policy for employees to encourage engagement in other social action and charitable projects.

Future developments

The Trust aims to secure increased participation in the programme in 2016/17 as it aspires to the targets implicit in the Government's spending review and autumn statement in November 2015.

The Trust is focused on driving growth by increasing awareness, focused marketing and improving the young person's experience from showing interest in NCS to participating and graduating. NCS Trust is doing this by continuing to invest in a centralised operating and customer relationship management system to enable a better journey and increase recruitment.

Auditor

The auditor, RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to the auditor

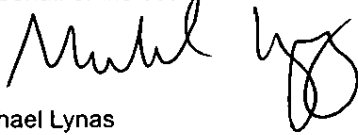
So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

**NCS TRUST C.I.C
(COMMUNITY INTEREST COMPANY)
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016**

Matters of strategic importance

The directors have chosen in accordance with section 414C(11) of the Companies Act 2006 to include in the strategic report information in respect of business activities and risk as the directors consider these are of strategic importance to the company

On behalf of the board



Michael Lynas
Director
9/11/2016

**NCS TRUST C.I.C
(COMMUNITY INTEREST COMPANY)
DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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 in business
- state whether applicable UK Accounting Standards have been followed, subject to any material departure disclosed and explained in the financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NCS TRUST C.I.C

We have audited the financial statements on pages 10 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

This report is made solely to the 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 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 directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit 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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

RSM UK Audit LLP

Kerry Gallagher (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor
Chartered Accountants
Davidson House
Forbury Square
Reading
Berkshire
RG1 3EU

13 December 2016

NCS TRUST C.I.C
(COMMUNITY INTEREST COMPANY)
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	2015 £
Turnover	3	156,339,348	117,340,093
Cost of sales		(139,004,584)	(103,301,131)
Gross profit		17,334,764	14,038,962
Administrative expenses		(17,454,378)	(13,804,722)
Operating (loss)/profit	4	(119,614)	234,240
Interest receivable and similar income	8	119,614	59,023
Profit on ordinary activities before taxation		-	293,263
Taxation	9	-	(2,429)
Profit on ordinary activities after taxation and for the financial year	19	-	290,834
Retained earnings at 1 April 2015		290,834	-
Retained earnings at 31 March 2016		290,834	290,834

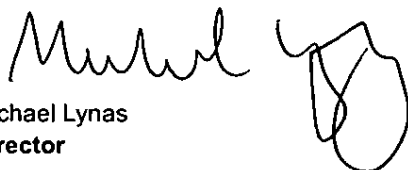
The statement of income and retained earnings has been prepared on the basis that all operations are continuing operations

**NCS TRUST C.I.C
(COMMUNITY INTEREST COMPANY)
BALANCE SHEET**

AS AT 31 MARCH 2016

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Intangible assets	10		428,107		168,209
Tangible assets	11		444,016		-
			<u>872,123</u>		<u>168,209</u>
Current assets					
Stocks	12	172,249		107,212	
Debtors	13	7,992,149		269,215	
Cash at bank and in hand		8,643,831		21,130,681	
		<u>16,808,229</u>		<u>21,507,108</u>	
Creditors amounts falling due within one year	14	<u>(17,346,418)</u>		<u>(21,384,483)</u>	
Net current (liabilities)/assets			<u>(538,189)</u>		<u>122,625</u>
Total assets less current liabilities			<u>333,934</u>		<u>290,834</u>
Provisions for liabilities	16		<u>(43,100)</u>		<u>-</u>
Net assets			<u>290,834</u>		<u>290,834</u>
Capital and reserves					
Profit and loss reserves	19		<u>290,834</u>		<u>290,834</u>

The financial statements were approved by the board of directors and authorised for issue on 09/11/2016 and are signed on its behalf by


Michael Lynas
Director

NCS TRUST C.I.C
(COMMUNITY INTEREST COMPANY)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016		2015	
		£	£	£	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	22	(11,751,088)		13,719,197	
Income taxes paid		-		(2,429)	
Net cash (outflow)/inflow from operating activities		(11,751,088)		13,716,768	
Investing activities					
Purchase of intangible assets		(326,809)		(174,804)	
Purchase of tangible fixed assets		(528,567)		-	
Interest received		119,614		59,023	
Net cash used in investing activities		(735,762)		(115,781)	
Net (decrease)/increase in cash and cash equivalents		(12,486,850)		13,600,987	
Cash and cash equivalents at beginning of year		21,130,681		7,529,694	
Cash and cash equivalents at end of year		8,643,831		21,130,681	

**NCS TRUST C.I.C
(COMMUNITY INTEREST COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

1 Accounting policies

Company information

NCS Trust C I C is a company limited by guarantee domiciled and incorporated in England and Wales. The registered office is 1 Silchester Road, London, W10 6EX

The company's principal activities are disclosed in the Directors' Report

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £, except where otherwise indicated

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below

Going concern

The directors have considered the going concern principle with reference to the Financial Reporting Council publication "Going Concern and Liquidity Risk Guidance for Directors of UK Companies (April 2016)". The directors have considered whether any matters constitute a material uncertainty that may lead to significant doubt about going concern, and have concluded that there are no such matters. Given the firm commitment of central government to supporting the Trust and to ensuring that it is able to execute its full programme going forward, the directors have concluded that with present funds, committed grants, and grants and donations under discussion, the Trust will be in a position to execute its full planned programme over the period of at least twelve months from the date of completion of these financial statements. Therefore the financial statements are prepared on a going concern basis

Turnover

Government grants received for funding of programme and operational activities (core funding) are recognised on an accruals basis, covering the period when related costs are incurred. Procurement income is received for merchandise purchases made on behalf of the programmes charged at a mark up and recognised on an accruals basis

Parental contributions are recognised on an accruals basis covering the period of attendance

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost less accumulated amortisation and accumulated impairment losses

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases

Software	straight line over 5 years
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**NCS TRUST C.I.C
(COMMUNITY INTEREST COMPANY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016**

1 Accounting policies (Continued)

Tangible fixed assets

Tangible fixed assets are measured at cost, net of depreciation and any impairment losses

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases

Fixtures & Fittings	straight line over 1 -5 years
Computer hardware	straight line over 3 years
Leasehold improvements	straight line over 2 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**NCS TRUST C.I.C
(COMMUNITY INTEREST COMPANY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016**

1 Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other creditors that are classified as debt, are initially recognised at transaction price

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method

Taxation

Income in relation to grants received from government departments used in the principal activity of the company are considered to be outside the scope of UK corporation tax, all other income is within the scope of UK corporation tax

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits

Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed

NCS TRUST C.I.C
(COMMUNITY INTEREST COMPANY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. There have been no material judgements made in the year.

3 Turnover and other revenue

An analysis of the company's turnover is as follows

	2016	2015
	£	£
Turnover analysed by class of business		
Programme & operational grants	154,874,431	117,112,651
Central procurement	400,308	227,442
Other	1,064,609	-
	<u>156,339,348</u>	<u>117,340,093</u>

Other income includes parental contributions and non-exchange transactions

Other revenue		
Interest income	119,614	59,023
	<u>119,614</u>	<u>59,023</u>

Turnover analysed by geographical market

	2016	2015
	£	£
United Kingdom	156,339,348	117,340,093
	<u>156,339,348</u>	<u>117,340,093</u>

4 Operating (loss)/profit

	2016	2015
	£	£
Operating (loss)/profit for the year is stated after charging		
Depreciation of owned tangible fixed assets	84,551	-
Amortisation of intangible assets	66,911	6,595
Operating lease charges	228,810	261,055
	<u>380,272</u>	<u>267,650</u>

NCS TRUST C.I.C
(COMMUNITY INTEREST COMPANY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016

5 Auditors' remuneration

	2016	2015
	£	£
Fees payable to the company's auditor and its associates		
For audit services		
Audit of the company's financial statements	29,000	32,340
For other services		
All other non-audit services	21,340	104,170

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was

	2016	2015
	Number	Number
Staff	50	40

Their aggregate remuneration comprised

	2016	2015
	£	£
Wages and salaries	2,769,852	2,095,996
Social security costs	333,972	243,908
Pension costs	121,206	108,438
	<u>3,225,030</u>	<u>2,448,342</u>

7 Directors' remuneration

	2016	2015
	£	£
Remuneration for qualifying services	511,182	466,608
Company pension contributions to defined contribution schemes	23,489	23,025
	<u>534,671</u>	<u>489,633</u>

Remuneration disclosed above include the following amounts paid to the highest paid director

Remuneration for qualifying services	137,253	117,688
Company pension contributions to defined contribution schemes	6,343	5,775

NCS TRUST C.I.C
(COMMUNITY INTEREST COMPANY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016

8 Interest receivable and similar income		
	2016	2015
	£	£
Interest income		
Interest on bank deposits	119,614	59,023
	<u> </u>	<u> </u>

9 Taxation		
	2016	2015
	£	£
Current tax		
Adjustments in respect of prior periods	-	2,429
	<u> </u>	<u> </u>

The charge for the year can be reconciled to the (loss)/profit per the profit and loss account as follows

	2016	2015
	£	£
Profit before taxation	-	293,263
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 21.00%)	-	61,585
Tax effect of expenses that are not deductible in determining taxable profit	31,170,705	24,540,876
Tax effect of income not taxable in determining taxable profit	(31,187,808)	(24,606,632)
Unutilised tax losses carried forward	-	2,786
Adjustments in respect of prior years	-	2,429
Fixed asset differences	30,292	1,385
Underprovision in current year	(13,189)	-
	<u> </u>	<u> </u>
Tax expense for the year	-	2,429
	<u> </u>	<u> </u>

The company has estimated trade losses of £13,265 (2015: £13,265) available to carry forward against future trading profits

NCS TRUST C.I.C
(COMMUNITY INTEREST COMPANY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016

10 Intangible fixed assets

	Software
	£
Cost	
At 1 April 2015	174,804
Additions	326,809
	<u>501,613</u>
At 31 March 2016	501,613
Amortisation and impairment	
At 1 April 2015	6,595
Amortisation charged for the year	66,911
	<u>73,506</u>
At 31 March 2016	73,506
Carrying amount	
At 31 March 2016	428,107
	<u><u>168,209</u></u>
At 31 March 2015	<u><u>168,209</u></u>

11 Tangible fixed assets

	Fixtures & Fittings	Computer hardware	Leasehold improvements	Total
	£	£	£	£
Cost				
Additions	399,838	55,988	72,741	528,567
	<u>399,838</u>	<u>55,988</u>	<u>72,741</u>	<u>528,567</u>
Depreciation and impairment				
Depreciation charged in the year	49,235	11,084	24,232	84,551
	<u>49,235</u>	<u>11,084</u>	<u>24,232</u>	<u>84,551</u>
Carrying amount				
At 31 March 2016	350,603	44,904	48,509	444,016
	<u><u>350,603</u></u>	<u><u>44,904</u></u>	<u><u>48,509</u></u>	<u><u>444,016</u></u>
At 31 March 2015	-	-	-	-
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

12 Stocks

	2016	2015
	£	£
Finished goods and goods for resale	172,249	107,212
	<u><u>172,249</u></u>	<u><u>107,212</u></u>

NCS TRUST C.I.C
(COMMUNITY INTEREST COMPANY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016

13 Debtors

	2016	2015
	£	£
Amounts falling due within one year		
Trade debtors	184,410	71,661
Other debtors	50,000	43,000
Prepayments and accrued income	7,757,739	154,554
	<u>7,992,149</u>	<u>269,215</u>

Prepayments and accrued income at 31 March 2016 includes £6,300,000 of grant due from Her Majesty's Government under the 2015/16 Grant Agreement the payment of which was deferred by mutual agreement to 2016/17

14 Creditors amounts falling due within one year

	2016	2015
	£	£
Payments received on account	-	19,181,671
Trade creditors	13,947,477	871,709
Other taxation and social security	113,464	74,719
Other creditors	43,977	9,697
Accruals and deferred income	3,241,500	1,246,687
	<u>17,346,418</u>	<u>21,384,483</u>

Trade creditors at 31 March 2016 includes £12,073,651 in respect of payments due to Regional Delivery Providers

15 Financial instruments

	2016	2015
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	7,404,464	114,661
	<u>7,404,464</u>	<u>114,661</u>
Carrying amount of financial liabilities		
Measured at amortised cost	17,232,954	21,309,764
	<u>17,232,954</u>	<u>21,309,764</u>

16 Provisions for liabilities

	2016	2015
	£	£
Dilapidations	43,100	-
	<u>43,100</u>	<u>-</u>

NCS TRUST C.I.C
(COMMUNITY INTEREST COMPANY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016

16 Provisions for liabilities (Continued)

Movements on provisions

Dilapidations
£

Additional provisions in the year	43,100
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43,100

The provision for dilapidations is made in respect of The Trust's occupation as its principal office of accommodation at the Kensington Aldridge Academy, 1 Silchester Road, London W10 6EX

17 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £121,206 (2015 - £108,438). At the balance sheet date contributions of £10,673 (2015 - £9,697) were outstanding and included in creditors.

18 Company limited by guarantee

The company is limited by guarantee. The liability of its members, who number 1 shall not exceed £1 each.

19 Reserves

Reserves of the Company represent the following:

Retained earnings

Cumulative profit and loss net of distributions to owners

20 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016	2015
	£	£
Within one year	59,833	66,396
Between two and five years	181,500	1,896
	<u>241,333</u>	<u>68,292</u>

NCS TRUST C.I.C
(COMMUNITY INTEREST COMPANY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016

21 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows

	2016	2015
	£	£
Aggregate compensation (including employer's NI)	551,153	516,625

22 Cash generated from operations

	2016	2015
	£	£
(Loss)/profit for the year after tax	-	290,834
Adjustments for:		
Taxation charged	-	2,429
Investment income	(119,614)	(59,023)
Amortisation of intangible assets	66,911	6,595
Depreciation of tangible fixed assets	84,551	-
Increase in provisions	43,100	-
Movements in working capital		
(Increase) in stocks	(65,037)	(107,212)
(Increase) in debtors	(7,722,934)	(133,243)
(Decrease)/increase in creditors	(4,038,065)	13,718,817
Cash (absorbed by)/generated from operations	(11,751,088)	13,719,197

CIC 34

Community Interest Company Report

For official use
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*Please
complete in
typescript, or
in bold black
capitals.*

**Company Name in
full**

NCS Trust CIC

Company Number

08235117

Year Ending

31 March 2016

This template illustrates what the Regulator of Community Interest Companies considers to be best practice for completing a simplified community interest company report. All such reports must be delivered in accordance with section 34 of the Companies (Audit, Investigations and Community Enterprise) Act 2004 and contain the information required by Part 7 of the Community Interest Company Regulations 2005. For further guidance see chapter 8 of the Regulator's guidance notes and the alternate example provided for a more complex company with more detailed notes.

(N.B. A Filing Fee of £15 is payable on this document. Please enclose a cheque or postal order payable to Companies House)

PART 1 - GENERAL DESCRIPTION OF THE COMPANY'S ACTIVITIES AND IMPACT

In the space provided below, please insert a general account of the company's activities in the financial year to which the report relates, including a description of how they have benefited the community.

National Citizen Service (NCS) is a life-changing opportunity for young people — regardless of their family income, background or ambition — to step outside their comfort zone, grow in character and make a difference. More than 275,000 young people have taken part in NCS making it, according to the Cabinet Office, the fastest growing youth movement in the UK since the Scouts started a century ago. The programme is very popular and makes a big impact: around 9 out of 10 participants happy to recommend NCS to others, 7 in 10 feel more confident about getting a job when they leave the programme, and 8 in 10 keep in contact with their NCS peers*. NCS is backed by Her Majesty's Government (HMG), which ensures that young people can take part for a modest contribution of £50, with financial assistance available if needed.

* Ipsos MORI Social Research Institute, Aug 2014 National Citizen Service 2013 Evaluation
Ipsos MORI Social Research Institute, Dec 2015 National Citizen Service 2013 Evaluation - One Year On
Ipsos MORI Social Research Institute, Dec 2015 National Citizen Service 2014 Evaluation

(If applicable, please just state "A social audit report covering these points is attached")

(Please continue on separate continuation sheet if necessary)

PART 2 – CONSULTATION WITH STAKEHOLDERS – Please indicate who the company's stakeholders are, how the stakeholders have been consulted and what action, if any, has the company taken in response to feedback from its consultations? If there has been no consultation, this should be made clear

The company's stakeholders are primarily the young people who participate in our National Citizen Service programmes, the Cabinet Office and the company's directors. We seek and obtain feedback from the participants by various means and use this information to determine the success of and as the basis on which we develop and implement improvements to our programme delivery and effectiveness. In addition to obtaining feedback from the participants themselves, we maintain and monitor a number of key performance indicators that provide us with data we use to evaluate and manage programme delivery regionally through our various contractors.

The Cabinet Office, through extensive oversight of our activities including particularly programme delivery, provides us with advice with regard to the achievement of our applicable metrics and of government policy in connection with the National Citizen Service and young people.

The Company's directors, by virtue of their relevant experience, monitor and oversee our operations and effectiveness and provide overall direction with regard to our delivery of the programme.

We respond to the information gleaned from the key performance indicators and other metrics referred to above and the forms of oversight and management we have in place with a view to ensuring the successful and efficient delivery of the National Citizen Service.

(If applicable, please just state "A social audit report covering these points is attached")

PART 3 – DIRECTORS' REMUNERATION – if you have provided full details in your accounts you need not reproduce it here. Please clearly identify the information within the accounts and confirm that, "There were no other transactions or arrangements in connection with the remuneration of directors, or compensation for director's loss of office, which require to be disclosed" (See example with full notes). If no remuneration was received you must state that "no remuneration was received" below

See Note 7 of the Financial Statements for Directors' Remuneration note.

There were no other transactions or arrangements in connection with the remuneration of directors, or compensation for director's loss of office, which require to be disclosed.

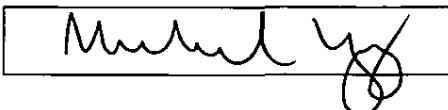
PART 4 – TRANSFERS OF ASSETS OTHER THAN FOR FULL CONSIDERATION – Please insert full details of any transfers of assets other than for full consideration e.g. Donations to outside bodies. If this does not apply you must state that “no transfer of assets other than for full consideration has been made” below

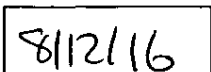
No transfer of assets other than for full consideration has been made

(Please continue on separate continuation sheet if necessary)

PART 5 – SIGNATORY

The original report must be signed by a director or secretary of the company

Signed 

Date 

Office held (delete as appropriate) Director/Secretary

You do not have to give any contact information in the box opposite but if you do, it will help the Registrar of Companies to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record

Tel	
DX Number	DX Exchange

When you have completed and signed the form, please attach it to the accounts and send both forms by post to the Registrar of Companies at:

For companies registered in England and Wales: Companies House, Crown Way, Cardiff, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland: Companies House, 4th Floor, Edinburgh Quay 2, 139
Fountainbridge, Edinburgh, EH3 9FF DX 235 Edinburgh or LP – 4 Edinburgh 2

For companies registered in Northern Ireland: Companies House, 2nd Floor, The Linenhall, 32-38
Linenhall Street, Belfast, BT2 8BG

The accounts and CIC34 **cannot** be filed online

(N.B. Please enclose a cheque for £15 payable to Companies House)