

National Citizen Service
Annual Report & Accounts
Year ending 31st March 2018

NCS Trust CIC
(Community Interest Company)
Company Registration No. 08235117
(England and Wales)

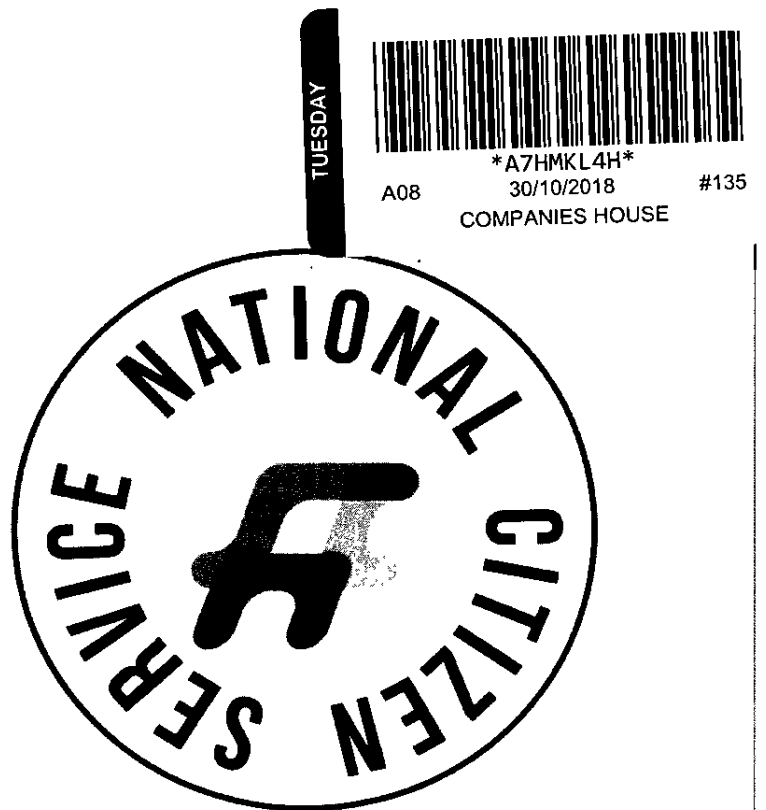


Table of Contents

Company Information	2
About Us	3
Chair's Report	4
CEO's Report	6
The NCS Experience	8
Strategic Report	10
Financial Review	20
Key Performance Indicators	22
Directors Report	25
Risk Management	25
Approval of the Accounts	27
Remuneration Report	28
People Report	30
Directors' Responsibilities Statement	32
Governance Statement	33
Our Board	33
Internal Controls	33
Structure	34
Biographies	36
Auditors Report	37
Financial Statements	40

Company Information

NCS Trust C.I.C. is a not for profit social enterprise that exists to run the NCS programme which looks to shape, support, champion and lead a thriving National Citizen Service.

Directors

Michael Lynas*
Natasha Kizzie* (resigned 3 March 2018)
Stephen Greene
Dame Julia Cleverdon DCVO CBE
Dame Martina Milburn DCVO CBE
Shaun Whatling
John Harley (resigned 12 April 2017)
The Rt Hon. the Lord David Blunkett
Nick Farnhill
Sue Gray
Pippa Dunn
John Maltby (appointed 14 June 2017)

*Denotes Executive Directors

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About Us

Expanding from just 8,000 participants at its launch in 2011, to almost 100,000 in 2017/18, National Citizen Service (NCS) is the country's fastest-growing youth programme in over a century. To date over 400,000 young people have said 'Yes' to NCS.

Operating across England and in Northern Ireland, NCS works with 16 to 17 year-olds, from a range of different backgrounds, at a pivotal point in their lives in order to improve social mobility, social cohesion and social engagement.

We are working hard to ensure NCS becomes a rite of passage that is a normal part of growing up, which helps to equip and empower generations of young people.

We do this by bringing young people together in common purpose for two or four weeks to design and deliver their own community action projects – building their confidence in what they can achieve, as well as creating bridges across social divides and ladders to opportunity. By offering young people an innovative and engaging shared experience, NCS helps them to become better individuals and, in turn, better citizens.

Our programme is a unique chance for teenagers to live away from home, develop key life skills and interact with other young people from different backgrounds. NCS is funded by the Government, which means no one is prevented from taking part for financial reasons. Our programmes take place outside of term time; the summer programme takes four weeks to complete, with a shorter two-week version taking place in the autumn and spring. The programme is delivered by a family of over 100 grassroots organisations, each with unique local expertise and a passion for inspiring young people.

NCS participants experience a range of outdoor activities, learn new skills (from teamwork, leadership and public speaking to basic cooking and budgeting) and meet with local charities and entrepreneurs, and then commit 30 hours to a social action project, which they themselves deliver and promote – empowering young people to make a real change in their local communities, while fostering a sense of social responsibility for the future.

Longer term, NCS graduates have exclusive access to a wealth of work and volunteering opportunities across the country. Following graduation, former participants can also continue to make their mark within the organisation through our Regional Youth Board, Leaders Programme and National Youth Board – ensuring that young people's voices remain at the heart of the decisions we make.

Chair's Report – Stephen Greene

We are pleased to present NCS Trust's Annual Report for 2017/18.

Over the years, NCS has grown into a wide-reaching family of over 100 grassroots organisations, each with unique local expertise and a passion for inspiring young people. In 2017, we worked with more external stakeholders than ever before, building strong partnerships with other third sector organisations and delivery partners at both national and local level.

We must recognise the NCS team leaders and volunteers – including my fellow Board members, along with the National and Regional Youth Boards. It is these volunteers, along with frontline staff throughout our network of organisations, who are the heart of NCS. NCS Trust is not a government organisation, but NCS is funded by Government and we would like to thank our partners in government for their partnership.

For 2017/18, our total income was £185.7m which comprises funding from Central Government, parental contributions and partnership income. **Our expenditure was £183.2m** which covers our delivery partners and key central function costs. Throughout the year, we continued to review our programme and procedures to ensure that we always offer excellent value for money, as well as a truly enriching experience for young people. NCS really works. It is a powerful way of building generations of empowered young people, and a hugely worthwhile investment in the future of our country, with every pound invested returning many more in value to society.

More than 400,000 young people have now taken part in NCS since its launch, and the programme is well on the way to becoming a cornerstone development stage for young people across the country. NCS is a chance to make new friends from different backgrounds and become a team. Then, everyone works together to gain the skills and confidence necessary to affect change in the neighbourhood, town, city and country.

In May 2017, NCS was granted a Royal Charter – an accolade previously granted to prestigious organisations such as the BBC, the Bank of England, the Universities of Oxford and Cambridge and the British Red Cross Society. I am immensely proud that NCS Trust is the youngest organisation to be awarded Royal Charter status as this demonstrates the impact that has already been made and the importance of preserving it.

A major priority for the Trust is now overseeing the ongoing transition to becoming a Royal Charter body – a status that recognises NCS as a public interest organisation demonstrating professionalism, pre-eminence, stability and permanence in its field.

Looking forward, other priorities for the Trust will be to oversee the recommissioning and expansion of our network of NCS partners whose current contracts expire in 2019. In addition, NCS Trust and its partners look forward to participating in the comprehensive Government Spending Review to demonstrate the long-term efficacy of NCS for our young people and society.

An ever-stronger emphasis on impact, the quality of the programme and the increasing inclusivity of the experience – combined with greater value for money – will be the main ingredients for this success. I am fully confident that NCS Trust will succeed and thrive in the future. As the Trust continues to grow, the organisation is certainly showing the necessary adaptive attitude to evolve and prosper while building a new generation of empowered young people.

In closing, after six years, I will be stepping down as Chair of NCS Trust in 2018/19 after a handover period with the incoming Chair Designate of the Royal Charter body, and hence this is the last Annual Report I will be introducing in this role. Working with NCS is not a job, it is a mission. One leaves a job

but never a mission, and this is why I am excited to be continuing my support for NCS in the capacity of a Patron, joining an incredible group of NCS patrons who represent the best of the United Kingdom.

I would like to thank everyone I have worked with during my time at this incredible organisation: the dynamic and driven executive team, my Board, the Trust's network, our partners and, most importantly, the thousands of young people who have so inspired me and made this role such a privilege to hold.

Stephen Greene
Chair

CEO's Report – Michael Lynas

2017/18 has been another exciting year for the NCS team. We refreshed our strategy, focusing on five pillars.

Firstly, we focused on **growing our reach with young people**. Almost 100,000 young people took part in NCS in 2017 – one in six of 16 year olds – making this our highest ever participation year. This means there are now over 400,000 NCS graduates, who have thrown themselves into new challenges, while discovering their own power to make a difference.

We were pleased to have worked with Government on guidance improving our partnership model with schools, colleges and local authorities. We also sharpened our focus on the hardest-to-reach young people, rolling out new approaches and playing a significant role alongside other organisations in the Government's Opportunity Areas. We remain proud that, as we grow, we are reaching proportionately more young people from disadvantaged backgrounds, and we continue to do even more to broaden our reach.

Secondly, we focused on **improving our quality and impact**. With NCS, hundreds of thousands of young people have forged friendships across divides, developed skills for life and work and helped to build stronger communities through social action. The programme has also given them the chance to experience things that many never imagined they would.

We continue to work to improve our curriculum to offer life-changing new experiences that will equip young people with the skills they need in the twenty-first century. Our exciting new partnership with Raspberry Pi will help young people develop digital skills and use these to solve social problems. We are also investing in supporting our delivery team to be the best possible mentors to young people. To that end, we initiated a partnership with Young Minds and rolled out mental health and resilience training to the thousands of amazing people who bring NCS to life.

We have also improved our alumni journey, as NCS graduates contribute to a wide range of initiatives - proving the maxim that "you haven't done NCS, you're doing NCS." One of the most poignant moments in the 10 years I have been with NCS was in July 2017, as almost 100 NCS graduates were involved in centenary commemorations for Passchendaele, the devastating First World War battle in which hundreds of thousands of people died. I felt privileged that NCS could play a significant role in helping the next generation remember the sacrifices of those who gave their lives.

Our third focus was **delivering value for money**. NCS is an investment in the next generation, and we continue to demonstrate that this investment generates a positive return. Better individuals make better citizens, and better citizens make a better society. That's what NCS is all about. We know of the positive impacts of NCS not only through the things that so many young people and their parents and guardians tell us, but also through a range of independent evaluations.

Independent analysis from the Universities of Oxford and Manchester published in early 2018 showed that NCS helps positively impact young people's social integration. Importantly, the greatest impact was found among those young people from the most disadvantaged and segregated communities. A separate independent evaluation showed that NCS increases young people's confidence and helps them influence the world around them.

It may be hard to put a 'pounds and pence' value on a young person whose attitude to themselves and the world around them has been transformed. Yet a range of independent reports published in the last year have shown a consistent and positive return on investment for society for every pound spent on NCS.

Fourthly, we focused on **expanding our network of partners**. Hundreds of brilliant organisations bring NCS to life at local level, and we are opening up to new partners, so that NCS can be truly locally

embedded across the country. In 2017, we announced a significant new partnership with The Scout Association, and are currently working hard with them to make this a reality.

Our fifth focus was on **building NCS as an independent, accountable organisation with broad support**. As a key part of that, we're excited about NCS Trust's transition to a Royal Charter body and implementing the National Citizen Service Act of 2017. We will be independent of government, and accountable to Parliament. As we look forward to writing the next chapter for NCS with Brett Wigdortz as Chair, we pay tribute to Stephen Greene and our Board for their inspirational work.

For me, there's a final defining memory from the last 12 months: Grenfell. Our London office was based in Kensington Aldridge Academy, a great school next to Grenfell Tower led by David Benson. As a part of the local community the NCS team joined so many people desperate to try to alleviate the suffering. The true power of civil society became apparent, as charities, churches, mosques, social enterprises and individuals all opened their doors. NCS will continue to do everything we can to build stronger communities in North Kensington as well as around the country.

Michael Lynas
CEO

The NCS Experience

To date, more than 400,000 young people have participated in our programme. Here's what some of the graduates who said 'Yes' to NCS in 2017 said about us.

"NCS is the opportunity of a lifetime! It teaches you that, together with other people, you can really make a difference. It's like being part of a family. It really helped with educating myself about mental health, and how to express myself in different situations. I got a job soon after the programme, and I don't think I'd have been able to do that without NCS!" – Amy

"There's quite a negative attitude towards our generation, but NCS shines a completely different light on that, proving we're not how the media portrays us. I used to be quite shy and anxious, but NCS made me much more sociable. It's also given me the confidence to broaden my horizons. NCS is life changing!" – Artemis

"NCS was amazing! Just all the new experiences, the outdoor activities, public speaking, meeting different people... I got so much out of it. A big thing for me was that I've never been great at working with other people – I like to do things my way! – but it taught me the value of teamwork, which will be incredibly useful in the workplace." – Benjamin

"My friends and family thought NCS was wonderful – they saw that I had more confidence and was more passionate about things, and I was actually getting out of the house rather than staying in all the time! I've since taken up climbing, which I love, and the programme pointed me to a college course in Outdoor Adventure. I wasn't aware it existed beforehand, so if it wasn't for NCS I wouldn't be doing the course I love now." – Casey

"NCS gave me the chance to talk to new people from different backgrounds, from various parts of West Yorkshire, and I learnt quite a lot from them. It was really inspirational, because some of them had come from really tough backgrounds. I thought my background was quite bad, but talking to others made me realise that I'm actually really lucky." – Kisler

"Youth organisations like NCS are the way forward, as they give you a massive platform to go out and make a change. A lot of young people want to get their voices heard more, and it gives you those links – like the Regional Youth Board running a trip to Parliament to talk about politics and the issues affecting young people. Through NCS, I also got invited to Kickstart, where I met people from Northern Ireland, Birmingham... I have friends across the country now!" – Poppy

"NCS was like nothing I'd ever experienced. I'd do it again tomorrow! It was great to meet so many young people who actually want to make a change – I'm so grateful for that. They teach you the skills you don't get at school, like leadership, communication, or how to present yourself at interview. It also opens a lot of doors to new opportunities and can put you in touch with other organisations." – Rais

"I think there's a lack of awareness of what charities are out there, or how you can contribute. I'd always wanted to do something to improve my community, but didn't know how to get involved – so NCS was the perfect opportunity. My NCS experience has definitely made me want to do more for my community. It's important to do something. If you want to see a change, you have to make that change happen" – Wendy

"You often hear that people my age are reluctant to help out in the community. But we're now No. 1 in terms of getting involved – compared to seventh place a few years ago – purely due to NCS. That's really impressive! I've really got into charity work now. I like helping people. I always thought I'd work in coding, but since NCS I've had second thoughts. I want to do something more around social action. If there's a job that lets me do both, that'd be amazing." – Shaf

“Anyone who’s unsure about doing NCS should just go for it. You’ll be exposed to people from loads of different backgrounds, and you’ll leave knowing you’ve made a difference to the community as well as to yourself. It’ll help you stand out, essentially. And you’ll have the time of your life!” – Andy

Asked to rate the experience, 48% of our summer programme participants gave us 10 out of 10, while 95% rated us 6 or above.

(source: DCMS Evaluation, 2017)

Strategic Report

Our Achievements and Performance in 2017/18

Our year at a glance

2017

April

- The NCS Bill received royal assent and NCS Trust was granted a Royal Charter

June

- New Ofsted guidance was launched, outlining the positive impact NCS has on young people and the potential benefits for schools

July

- We announced our partnership with The Scout Association, enabling us to support more young people and have an even greater impact
- 100 graduates represented NCS at the centenary commemoration of the battle of Passchendaele in Belgium

BOX QUOTE: "Going to Belgium with NCS as part of the Passchendaele 100 was an incredible experience. It was such an important event, and totally unique. There were thousands of people there, including Royals, and it was all televised. It's not something I ever thought I'd get the chance to do, and I felt really proud to be a part of it." – NCS graduate Hannah Darroch

- David Cameron, the chair of NCS Patrons, joined the new Board of Patrons at their first meeting

Summer

- Our largest summer to date with over 82,000 young people participating
- Launch of school & college co-ordinator pilot to incentivise a dedicated NCS champion within 100 target schools
- 2.95 million hours were given by NCS participants to social action projects
- 139 MPs from all political parties made programme visits
- The Prime Minister visited young people on the programme twice, including the day many were getting their GCSE results
- 16,000 seasonal staff, working in local communities, helped to make NCS possible

October

- Our first Kickstart event took place with 240 NCS Regional Board Members

- New government guidance was launched to help local authorities further engage with NCS – ensuring that local communities are able to benefit from its positive impacts
- BBC Radio 1, 1Xtra and Asian Network ran the year-long awareness campaign My Mind & Me (<https://www.bbc.co.uk/programmes/p04pxgfk>) in conjunction with NCS, encouraging young people to explore issues surrounding their mental health

BOX QUOTE: “Mental wellbeing is a big issue for young people. For My Mind & Me, I took part in a series workshops to help design and structure the campaign, and shared my story in a video (<https://www.bbc.co.uk/programmes/p05j7896>), released on World Mental Health Day. It made me feel like my experiences could raise awareness and help shape the conversation around young people and mental health. Hopefully, anyone going through something similar can relate to it – and reach out for the help they need.” – NCS graduate Blessing Odunyemi

December

- We launched the first ever NCS youth report – Welcome To Our World: Life as a Teen in 2017 (<http://www.ncsyes.co.uk/welcome-to-our-world>)
- Publication of National Citizen Service 2016 evaluation by Kantar Public and London Economics on behalf of DCMS (http://www.ncsyes.co.uk/sites/default/files/NCS%202016%20EvaluationReport_FINAL.pdf)

January 2018

- Publication of the Full Time Social Action Review (https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/679078/The_Steve_Holliday_Report.pdf) highlighting the importance of NCS

March

- 1,200 graduates from across the country delivered a day of coordinated social action

Introduction

NCS is fast becoming a rite of passage for young people and making a difference for generations to come.

During the past 12 months, we developed expertise in every area of our operation, which, together with our evidence-based approach, has enabled us to innovate and engage a greater number of young people, reaching more 16 - 17-year-olds than ever before. We strengthened our partnerships network, continued to focus on offering excellent value for money, and took further steps to becoming a key national institution as we began the transition to becoming a Royal Charter body.

Growth

98,000 young people took part in the NCS programme in 2017, an increase of 5%. We fell just short of our target for the calendar year by filling 98% of our scheduled places. This represents the largest number of participants since NCS was formed.

Inclusivity is key for NCS. A recent report by the House of Lords Select Committee on Citizenship and Civic Engagement found that our programme compares well against more established youth programmes, such as The Scouts or The Duke of Edinburgh's Award, in terms of attracting disadvantaged young people and ensuring that young people from hard to reach communities are involved.

In 2017, we also met key performance indicators around inclusive engagement, exceeding our participation mix targets for ethnicity, special educational needs and disability.

However, we know there is always more that can be done to reach out and better support the most vulnerable young people in our society and we are committed to identifying and removing barriers to accessing NCS programmes. In the past year we have piloted a range of innovative projects to ensure we are able to attract harder to reach young people.

Our Personal Coach pilot scheme, for example, focused on building partnerships with key workers to plan an individual's pathway through NCS while ensuring that the right level of support was in place to enable them to fully participate and maximise their personal outcomes. Over half the young people involved with this pilot were looked after children.

We also want NCS to feel like a shared national experience. For that to be the case, people who participate in different parts of the country need to see a clear common thread between the programmes that they went through – in terms of the skills that they learnt, the activities that they did or themes that they dealt with. To achieve this, we are constantly adapting and exploring new initiatives, to ensure that NCS remains relevant and accessible to as broad an audience as possible.

Programme Quality and Impact

We are committed to increasing the impact that NCS has on young people and communities, while continuously improving the quality of our programme.

We use innovation and evaluation to learn more about maximising the positive impacts of NCS for young people, their families and communities, and society as a whole – working with partners to openly evaluate the programme, ensuring that NCS is the best it can be as we continue to grow. All of our published evaluation and research reports, including independent evaluations from Ipsos MORI and DCMS can be found at www.ncsyas.co.uk/about-us.

Tens of thousands of young people benefit greatly from NCS every year, and have a truly rewarding time while doing so. This is borne out by the recent DCMS impact evaluation revealing the likelihood that graduates would recommend NCS to other young people was very high – 83% of summer participants and 78% of autumn participants stated that they 'definitely would'.*

NCS participants are changed for the better on multiple fronts, developing a range of life skills – from emotional resilience and team working to presentational skills. To take just one example, NCS has been shown to increase graduates' likelihood of having the confidence to lead a team by 20 percentage points*.

**DCMS Evaluation, December 2017:*

http://www.ncsyas.co.uk/sites/default/files/NCS%202016%20EvaluationReport_FINAL.pdf

Safeguarding

In 2017 we employed an additional safeguarding specialist. As part of our Safeguarding policy, NCS promotes and prioritises the safety and wellbeing of young people and ensures everyone understands their roles and responsibilities. All staff are provided with appropriate safeguarding learning

opportunities, and with training to recognise, identify and respond to signs of abuse, neglect and other safeguarding concerns.

During the past year nearly 100,000 young people attended programmes. 4% of this cohort required safeguarding related support. We have identified and implemented training for all NCS staff including face-to-face and online training. We have raised Prevent awareness through training and identified trends for improving safeguarding practices. We have developed policies and procedures such as a Minimum Standard Safeguarding Framework, a safeguarding manual and a Drugs, Alcohol and Psychoactive Substances policy.

In the event of an incident or concern of abuse, NCS is committed to providing appropriate support and to ensure that confidential, detailed and accurate records of all safeguarding concerns are maintained and securely stored. The policy and procedures are widely promoted and are mandatory for everyone involved in NCS.

Innovation

In 2017, NCS piloted more than 20 initiatives, involving 11,000 young people. These included a Buddy Scheme which, drawing on research around the importance of social connections, partnered young people via a secure online platform prior to them participating in NCS. Trialled in 935 schools across multiple regions, we found the initiative increased the likelihood of young people turning up at the start of the programme by up to 6.4%.

Following the Prime Minister's announcement in August 2017 that NCS will develop new plans to support mental health awareness amongst young people, we have made great progress towards being able to deliver a robust mental health initiative. These plans can be categorised into three main areas: workforce training, programme content and Mental Health graduate champions.

In partnership with YoungMinds, a leading youth mental health charity, we have designed and delivered a bespoke Mental Health training package to our workforce so that they are able to recognise mental health issues in young people on programme and refer them to the appropriate service.

NCS is working with Shift, a service design agency, and a number of our expert delivery partners to pilot a more consistent and structured approach to guided reflection, with the aim of scaling across the network for 2019.

Members of NCS's National Youth Board have been selected and trained to become Graduate Mental Health Champions. They will be volunteering their services on programmes to support both attendees and service providers throughout the 2018 summer and autumn NCS sessions.

Partnering for Success

In 2017/18, NCS continued to expand its diverse network of partners. In order to deliver the programme, we now work with nine regional partners and over 100 local partners – including charities, football clubs, cities and councils, schools and colleges, and a faith organisation.

In 2017 NCS announced a partnership with The Scout Association to pilot ways to further expand their joint reach and impact. The three year partnership will test new ways to integrate the NCS experience within Scouting – helping to support the growth of both organisations

We also work with a range of corporate partners both during the programme itself and to provide further opportunities for our graduates once they have completed NCS.

Notable partnerships during the past year included that with EDF Energy (under which over 600 young people carried out a power station tour or attended careers talks led by the company, with seven

different events taking place during the summer), and professional services giants EY, which is working with NCS to equip and empower future talent via career guidance workshops and apprenticeship opportunities.

Throughout 2017, we partnered with BBC Radio 1, 1Xtra and Asian Network on a year-long campaign, encouraging young people to explore issues surrounding their mental health. NCS graduates became social action champions for the *My Mind And Me* initiative (<http://www.bbc.co.uk/mediacentre/latestnews/2017/my-mind-and-me>), working with the stations to help shape the campaign throughout the year, offering their insights, stories and experiences, and leading discussions on the key issues around mental health.

In terms of political partners and public affairs work, more than 200 external visitors – mostly MPs, peers and civil servants – visited the programme in 2017. As well as the Prime Minister, we hosted many members of the Cabinet, alongside many senior Labour MPs. We also hosted many senior civil servants, including the Permanent Secretary of DCMS, and have reached out to influential stakeholders at the major party conferences

Engaging with Schools

In 2017, NCS engaged with over 4,000 schools and colleges to attract more and more young people to our programme. We worked with 92% of all mainstream schools across England, as well as awarding 575 schools NCS Champion School status – recognising their exceptional commitment to the programme.

In July 2017, the programme was profiled in Ofsted's *Schools Inspection Update*, with Ofsted guidance for inspectors now allowing schools to draw on NCS participation as evidence of provision for personal development. November 2017, meanwhile, saw the publication of *NCS Guidance for Schools and Colleges* (<https://www.gov.uk/government/publications/national-citizen-service-guidance-for-schools-and-colleges>) – a document created by the Department for Education (DfE) in collaboration with NCS in order to help schools and colleges better engage with our programme.

In 2017, we focused on building relationships with local authorities in DfE's Opportunity Areas: 12 regions of the UK deemed in need of extra support to help boost social mobility. Examples of initiatives in these areas include engaging NCS graduates in council discussions to set local youth priorities for youth provision, targeting harder to reach schools, and developing ways of engaging with specific groups of young people – such as young carers, those living in care or those being educated outside of mainstream schooling.

We have also tested a hypothesis that giving financial incentives to schools will increase sign-ups to NCS, reduce attrition, and – in the longer term – could deliver cost savings on recruitment and marketing. From 100 targeted schools across eight regions, including six Opportunity Areas, we have already engaged 76 schools in a pilot scheme.

Value for Money

We believe that NCS is an investment in the future of our country and, as such, NCS is committed to achieving value for money in everything that we do.

For every £1 of taxpayer money spent on the programme, we currently provide more than twice that value in terms of social benefit*, by boosting the wellbeing and higher education outcomes of participants. Indeed, a value for money analysis undertaken by DCMS and published in December 2017 estimated the annual economic benefit of our programme at £263.3m*. We regularly re-evaluate our costs, and are committed to delivering even better value for money in the coming years.

“In reviewing the cost-effectiveness of the NCS, will the Secretary of State take into account the absolutely brilliant impact it has on so many young people? I have seen this for myself in Nottingham. Many young people who are disadvantaged or facing other challenges in life come together in the programme, and it makes a real difference to them.” Labour MP Vernon Coaker, House of Commons, 2018

Preparing for the Future

Our vision for NCS is that it becomes a new national institution, dedicated to helping the next generation come together, get ahead and make their mark in their communities – both in the short and long term. To this end, we’ve been working to ensure that progression pathways beyond the NCS programme itself – such as our Regional Youth Boards – continue to add more value: both as a development opportunity for NCS graduates as well as further benefiting local communities and regional partners.

In 2017, we took a more proactive approach to equipping young people to join a Regional Youth Board, including running a residential programme for applicants. 240 young people attended our new Kickstart programme designed to prepare graduates that are going to be representing their Regional Youth Board in the year ahead. The three day event involved a series of sessions designed to help the young people get to know each other and hear about the varied NCS experiences they have had so far. A number of interactive workshops included a graduate led session ‘Passions for change’, a Radio 1 session called ‘How to be brilliant at coming up with great ideas’, and each young person had social media and PR training.

The future looks bright for NCS. In 2017, the NCS Bill received Royal Assent and as a result, NCS is now transitioning to a Royal Charter body – independent of government and accountable to Parliament. This gives NCS Trust the historic opportunity to embed NCS as a key part of growing up in this country, supporting generations of young people while building a stronger country for us all.

On the following pages, we look in more detail at the three social challenges that NCS exists to help tackle: social mobility, social cohesion, and social engagement.

Social Mobility

NCS is making a positive contribution towards developing our country’s future talent – improving young people’s confidence, communication, leadership abilities and life skills. The programme also helps increase social mobility, by reaching those in disadvantaged communities, offering new opportunities and broadening horizons.

NCS helps young people follow their dreams

“NCS is the best thing ever!” enthuses 19-year-old Hannah, who joined the programme after hearing about it in a video by celebrity YouTuber Zoella.

“It sounds quite clichéd but it’s definitely the most worthwhile thing you can do with your summer. There’s nothing else like NCS out there, and I’m so grateful that I could do it. It really inspired me, and gave me the confidence to try a lot of new things.”

“It was thanks to NCS that I decided to go to Uni actually,” she continues. “I thought I’d never be able to do it – either because it just wasn’t for me, I wouldn’t have the money, or I wasn’t confident enough – but getting to experience a University environment while on NCS made me feel like maybe I could do it.

And I found out from different talks on careers while on the programme that I could access funding, so I realised that maybe I could go to Uni after all.”

“If it wasn’t for NCS, then I definitely wouldn’t be doing what I’m doing now,” adds Hannah, who has gone on to study French, Spanish and Italian at BA (Hons) level. “There are so many positive opportunities out there to explore, and NCS helps you access them. It gives you the space, resources and motivation to overcome any fears or doubts you might have, and it’s really expanded my horizons.”

While studying, Hannah has continued to work alongside NCS, representing the organisation at Regional and National Youth Board level and as part of the BBC’s My Mind & Me mental health campaign, as well as being interviewed on local radio about what freedom means to young people today.

70% of young people leave NCS feeling more confident about getting a job*

NCS lowers anxiety and boosts young people’s confidence*

NCS graduates are more confident leaders and team players*

£263.3m: The estimated annual economic benefit of the NCS programme**

90% of young people consistently say they would recommend NCS to others*

**Ipsos MORI evaluation, August 2017*

***DCMS Evaluation, December 2017*

“I met group after group of motivated and positive NCS participants. It is wonderful to endorse such a great programme. Young people like this are our employees of the future.” Tom Thayer, Education & Skills Manager, EDF Energy (NCS corporate partner)

“Our students who take part in NCS really benefit from the travel, the challenge, the meeting of others and the chance to work on a community project. That’s why we promote it; we know it’s a wonderful opportunity and a very tangible way for pupils to enhance their CVs for college, work and life.” -- Simon Garnham, Assistant Head Teacher at Harwich and Dovercourt High School in Essex

“NCS really is a golden thread within every young person’s development into adulthood. It moulds young people in to becoming the next model society, with life goals and ambitious targets set throughout.” -- Jade Hibbert, Education and Inclusion Development Manager, Shrewsbury Town FC in the Community programme (delivery partner)

Social Cohesion

NCS is helping to foster greater understanding, inclusion, integration and cohesion between young people from a range of different backgrounds. Programme participants meet people from all walks of life – whom they might otherwise never had mixed with – to work together, share ideas and experiences, have fun and form firm friendships.

Casey and Waj

Bridging cultural differences through friendship

Casey and Waj, both from Rotherham in South Yorkshire, met on the NCS programme in 2017. Despite coming from very different backgrounds, and living on opposite sides of town, they have since become firm friends. Their story also featured in the BBC’s *Crossing Divides* season, which looked at the ways in which different people connect.

"I'd never have met Waj were it not for NCS," says 17-year-old Casey, who comes from a predominantly white British area of Rotherham. "We bonded during a massive hike up a mountain, and hit it off immediately."

"Where I'm from, it's not ethnically diverse," she explains. "I'd not really interacted with people from different backgrounds, so meeting Waj was a new experience. On NCS, there are so many different groups of people, but it gives you those commonalities and talking points. For example, I didn't know the ins and outs of what Halal meat was until I met Waj, and I remember asking her about her hijab, and whether she wears it at home."

"I think there's often a lack of understanding about different cultures. You don't really learn about it in school, but being aware of and accepting other people's cultures makes you a more rounded person."

"To begin with, our conversation was mostly about our differences, which meant we learnt from each other," agrees fellow NCS graduate Waj, 16. "People think difference will tear people apart, but it actually brings people closer together, and that's powerful."

"Casey definitely learnt a lot about my culture, and she taught me to try more new things. She'll give anything a go! Also, before I visited where she lives, I wouldn't have been completely comfortable about going to a predominantly white area, in case there was some kind of hate there."

"Integration is really important," continues Waj. "We're such an ethnically diverse country, so it's great when people get to meet people from different backgrounds, like at NCS. For me, having friends from different races and religions means you get to learn different things every day. It makes you more knowledgeable and well informed. And you get to try lots of different foods!"

16% of 2017 NCS participants who receive free school meals, compared with 12% nationally*

29% of 2017 NCS participants in 2017 self-classify themselves as BAME (Black, Asian and minority ethnic)*

15% of our participants are from minority religions*

5% of participants in 2017 had special needs or disabilities, compared with a 2% national equivalent*

Following NCS, participants from the most segregated communities became almost 20% more likely to mix positively with other ethnic groups**

**NCS data*

*** Independent research report Meeting Mixing Mending: How NCS Impacts Young People's Social Integration, February 2018*

"NCS is making a massive difference to young people and to local communities in Salford and Trafford. It enables people from very different backgrounds and with different abilities to meet, mix and make lasting connections and relationships. Many of these young people simply wouldn't have met each other if it wasn't for NCS – even though they live within a few miles of each other. Consequently, NCS is building stronger, more inclusive communities, and creating a generation that is motivated to make a difference through social action and volunteering throughout their lives." – Phil East, Deputy Chief Executive, Salford Foundation (NCS delivery partner)

Social Engagement

NCS continues to build positive connections between young people and their local communities, using social action initiatives to develop more aware, responsible, democratically active and socially engaged

citizens for the future. This legacy lasts well beyond the programme, with many participants going on to volunteer longer term in their local area.

Ensuring continuing engagement and the benefits of thinking big

“2017 was our fifth summer working with NCS,” says Dav Doone, Project Officer for Leeds United Foundation, the charitable arm of the football club. “We worked with hundreds of young people, and it’s going up each year.”

“One of the biggest social action projects we’ve worked on has been with Batley Homeless Project,” he continues. “NCS graduates completely renovated a council-owned building and turned it into a youth centre, which now hosts around 80 young people a week. Together with staff, they got donations from supermarkets to feed local homeless people, then put in a shower and toilet facilities, so homeless people who need to freshen up can drop by during the week.”

“Many youth centres in the local area are shutting down, so it’s good to have somewhere on the estate that young people can go to socialise and get advice or supervision if needed. It’s also a great example of the impact you can have if you think outside the box. The young people here have become really invested, and can see the benefits of putting long-term effort in, rather than just doing something for a couple of weeks. Most NCS participants have continued to put something back into the community. They usually return after the programme, with many becoming project ambassadors or staff members.”

10 million hours given by NCS participants to social action projects to date*

68% of NCS graduates feel they can make a difference to their world compared to 53% of non-participants**

After NCS, graduates say they feel more equipped to tackle problems in their communities**

270 politicians (144 MPs and 106 Councillors) visited an NCS programme in 2017*

NCS encourages young people to vote in partnership with Bite The Ballot and Rock Enrol.

**NCS data*

***DCMS Evaluation, December 2017*

http://www.ncsyas.co.uk/sites/default/files/NCS%202016%20EvaluationReport_FINAL.pdf

“The future success of Kirklees lies in young people being active citizens, willing to contribute their ideas and enthusiasm to make the area an even better place to live, learn, work and play. Which is why we want all eligible teens in Kirklees to have the opportunity to take part in NCS. It offers them an amazing once-in-a-lifetime experience that grows confidence and self-belief. It not only benefits them as individuals, but also our local communities, education providers and, in the longer term, local businesses.” – Cllr Masood Ahmed, Cabinet Member for Community Cohesion & Schools, Kirklees Council

“NCS graduates make a real, lasting difference. A stand-out moment for me was last summer when I visited a group of our NCSers running a free summer club with the local community centre for their social action project. The coordinator of the club, Fern, was one of our graduates from Autumn 2016! She had continued her NCS journey after completing the programme by applying to sit on the committee of the community centre, where she now organises various programmes for residents with local council funding. Her pilot programmes went so well that they’ve been rolled out across the borough. We can’t wait to go back and support her with future NCSers!” – Beth Hoyle, Senior NCS Programme Coordinator, APM (delivery partner)

Financial Review

This review provides a summary of the Trust's financial performance for 2017/18, as relates to these financial statements, which have been prepared in accordance with FRS102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The Trust, which is primarily funded through a Central Government grant, operated at a surplus for the year, due to an increase in self-generated income. However, our government grant is only used for expenditure directly linked to delivery of our programme and associated costs.

Our central Government grant funding increased to pay for additional participants (2018: 99,000; 2017: 93,000) as well as investment in the Trust's ongoing development.

Our Income

Central Government Grant - £181.1m (2017: £180.5m)

We receive funding from Central Government. Funding limits are approved on an annual basis, and linked to target participant numbers.

Other Income - £4.6m (2017: £7.2m)

The Trust also generates income directly from parental contributions to the programme, and partnership income from corporate sponsorship.

Our Costs

Delivery Partner Costs - £146.5m (2017: £148.4m)

The significant portion (2018: 80.9%; 2017: 82.2%) of the Central Government grant is distributed through our nine regional delivery partners (RDPs), who work with over 100 local delivery partners (LDPs), to pay for delivery of the programme. In 2017, NCS continued in their role as RDP for one of the regions, working directly with LDPs.

Support Costs - £31.8m (2017: £25.9m)

The Trust manages key central functions, including Marketing, Strategy, Operational Support, Partnerships, IT, People & Office and Finance, all of which support the continued delivery of the programme and growth of NCS. Crucially, by providing these services centrally, on behalf of the network, we can decrease duplication, improve quality, and reduce costs in the long term.

Strategic Investment Costs

The following costs are included in delivery and support costs.

Staff Costs - £10.3m

In order to continue growth in our programme delivery at the levels agreed with Central Government, we needed to invest in increasing our staffing at the Trust, resulting in a cost increase of £4.7m.

Call Centre Costs - £1.6m

Our Call Centre handles a monthly average of 31,256 calls (24,979 outbound and 6,277 inbound) and 2,524 live chats a month.

Customer Relationship Management - £0.9m

In order to engage with higher numbers of young people and parents, NCS uses targeted direct mailing to contact homes we have recognised as potentially interested in the programme.

Salesforce - £1.8m

This year we negotiated a five year licencing deal with Salesforce.org. The deal is one of the largest of its type in the not-for-profit sector at £1.8m per year. It provides NCS with a significant discount, and the volume and mix of licences to power the information services we need to manage and continually improve our programme. Our relationship with Salesforce.org, which is a standalone social enterprise, is deepening and we believe there will be further opportunities for us to benefit from working together.

Reserves Policy

In order to support the financial management of the Trust, reserve funds held consist of unutilised funds received from other income sources and parental contributions.

Working Capital

At the end of the year, our working capital was £6.1m (2016/2017: £3.4m). The increase is as a result of the Trust's receipt of £3.7m in parental contributions, which are held as part of our reserves policy.

The Trust 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. Only 3.0% (2016/2017: 0.8%) of the trade payables balance at 31 March was older than 30 days.

Key Performance Indicators

How we performed against our key performance indicators.

Objective 1: Increase demand to fill places and improve retention of participants

- Total number of filled places: KPI 101,000 vs Actual 98,808* (NOT MET)
- Total number of core spring programme participants: KPI 2,531 vs Actual 2,455 (NOT MET)
- Total number of core summer programme participants: KPI 81,963 vs Actual 82,561 (MET)
- Total number of core autumn programme participants: KPI 16,486 vs Actual 13,792 (NOT MET)
- Attrition (% of sign-ups not participating): KPI 19% vs Actual 22% (NOT MET)
- Participant completion rate: KPI 93% vs Actual 92% (NOT MET)

* The annual participation figure reported (98,808) does not include 371 participants in Northern Ireland (249 in summer 2017, and a further 122 in autumn).

A participant is defined as a young person who attends at least the first day of an NCS programme and is based on data recorded by delivery partners.

A young person is counted as attrition if they have completed the sign up process (including payment) but then do not attend the programme.

Objective 2: Ensure delivery of high quality NCS places

- Participant Net Promoter Score: KPI 55% vs Actual 62% (MET)

The Net Promoter Score (NPS) is based on feedback collected from participants at the end of the programme. Rant & Rave collect the data submitted and pass this to NCS to work out a NPS based on the responses, with detractors (scores of 0-6) subtracted from promoters (score of 9-10).

Local authorities compliant with participant mix:

- Ethnicity: KPI 90% vs Actual 91% (MET)
- Free school meals: KPI 90% vs Actual 89% (NOT MET)
- Special education needs: KPI 80% vs Actual 90% (MET)

The above three KPIs are calculated based on information provided by NCS participants to their delivery partner.

Objective 3: Improve programme impact

Please note data not yet published and therefore should be considered draft. The targets have been set based on the 2015 evaluation, now used to judge the 2017 results

- Social cohesion: Participants with positive experiences with people from different backgrounds: KPI 80% vs Actual 77% (NOT MET)

This is based on responses to the question: "I feel more positive towards people from different backgrounds" in the 2017 impact evaluation.

- Social mobility: Participants more confident to find a job: KPI 74% vs Actual 79% (MET)

This is based on responses to the question: "I now feel more confident about getting a job" in the 2017 impact evaluation.

- Leadership: Participants confident to lead a team: KPI 63% vs Actual 62% (NOT MET)

This is based on responses to the question: "How confident to you feel being the leader of a team" in the 2017 impact evaluation.

- Civic engagement: Participants feeling able to influence the world around them: KPI 68% vs Actual 66% (NOT MET)

This is based on responses to the question: "I am more likely to help out on my local area" in the 2017 impact evaluation.

Please note data not yet published and therefore should be considered draft. The targets have been set based on the 2015 evaluation, now used to judge the 2017 results.

Objective 4: Secure sustainability by building a broad base of support

- Successful new partnerships: KPI 5 vs Actual 8 (MET)

Successful new partnerships are defined as those which are agreed with organisations NCS has not previously worked with before.

- Prompted awareness among parents: KPI 45% vs Actual 45% (MET)

This is the awareness of NCS among parents or guardians of 15-17 year olds, as captured by surveys issued by Crowd DNA.

Objective 5: Increase value for money for taxpayers

- All-in unit cost of core 2017 programme - calendar year: KPI £1,816 vs Actual £1,738 (MET)

Calendar year unit cost calculations are based on the National Audit Office methodology of apportioning financial year spend to align with calendar year participation. This accounts for the prepayments NCS makes to its partners to deliver the programmes.

NCS takes the financial year spend on provider payments, Trust operating costs and special projects/ investment, for 2016/17 and 2017/18. This spend is then allocated to the calendar year that it relates to. This split is 59% : 41%. These percentages reflect the proportions of spend in the financial year which are used to fund each calendar year's participation. 2017 calendar year cost is therefore equal to 41% of the spend in financial year 2016/17 and 59% of the spend in 2017/18. This 2017 calendar year cost is then divided by 2017 participation, to give the 2017 calendar year unit cost.

- All-in unit cost of core 2017 programme - financial year: KPI £1,773 vs Actual £1,692 (MET)

Financial year unit cost calculations apportion the calendar year participant numbers to financial years. This accounts for the prepayments the Trust makes to its partners to deliver NCS programmes and essentially gives the number of NCS places funded from a given financial year's budget.

Calendar year participation figures are split across financial years using the same % splits used to calculate calendar year unit costs (59% : 41%). For 2017/18, the number of places funded for the budget is equal to 59% of the 2017 participants, plus 41% of the 2018 participants.

The expected total FY17/18 spend is then divided by the apportioned participant number, to give the 2017/18 financial year unit cost

- Places commissioned that did not result in a participant: KPI 2,020 vs Actual 5,888 (NOT MET)

Defined as places which were commissioned and paid for by NCS but then were not subsequently filled. This is calculated after accounting for places which were de-commissioned, where that de-commissioning resulted in no financial loss to the Trust.

- Amount of non-government funding achieved: KPI £10m of which £1m should be in cash vs Actual £17.2m of which £0.4m in cash (MET)

Includes any sponsorship, discount or gift in kind received by the Trust. Also includes any revenue generated by the Trust, other than contributions made by parents to secure a young person a place on an NCS programme.

Objective 6: Develop innovative approaches to the NCS programme

- Number of standard innovation places commissioned: KPI 8,789 vs Actual 7,492 (NOT MET)

Standard innovation means the place is delivered through existing provision or additional provision that is otherwise entirely in line with existing provision.

- Number of non-standard innovation places commissioned: KPI 3,589 vs Actual 3,196 (NOT MET)

Non-standard innovation means the place is either not directly on a standard NCS programme, or involves a completed new provider, or a delivery model that really is fundamentally a step away from anything that currently exists.

Directors' Report

Principal Activities

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

Results

The Trust had a surplus of £2.5m (2017 £4.1m).

Financial Instruments

The Trust does not utilise complex financial instruments.

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.

Risk Management

NCS aims to maintain high standards of corporate governance, including effective management of risks across the organisation. The system of internal control is designed to manage risk to an acceptable target level rather than to eliminate all risk.

During the year we have continued our efforts to improve our risk management assessment and management capability. This year has seen the Board review its appetite for risk against each item on the corporate risk register. Two members of our management team have become certified Risk Practitioners this year helping to further embed risk consideration into our decision making processes and to continue to improve the function. We have also brought about greater consistency in our departmental risk registers so that they mirror our corporate process.

We continue to follow a three lines of defence model. The first line is our operational management who own the assessment, ownership and control of risks. The second line of defence consists of control functions including Finance, IT and Portfolio Management Office who monitor and facilitate the implementation of effective risk management. The third line is provided by the independent internal and external audit functions as overseen by the Audit and Risk Committee.

Once a risk is identified it is scored based on the likelihood of it occurring, and the level of impact it would have if realised. Risks are scored in terms of their inherent risk, before any mitigating controls are applied, their residual risk after mitigating controls are applied, and also against a target. Risks are considered against the organisation's primary strategic objectives.

The Senior Leadership Team reviews the corporate risk register on a monthly basis, ensuring an action plan is in place to mitigate against key risks. This is further supported by an assessment of individual project risk and any aggregate risks managed by the Portfolio Management Office. The corporate risk register is also reviewed by the Audit and Risk Committee on a quarterly basis. We are working to ensure the concept of risk management is more deeply embedded in the organisation, and that all relevant people receive training in how to assess and manage risk. Potential risks are considered against the strategic aim that they could impact upon. Selected principal risks and uncertainties are outlined below, along with some of our key mitigating controls.

Increase demand to fill places, improve retention and deliver high quality places

Insufficient participant numbers

NCS has made a commitment to the Government to deliver 110,000 places to young people aged 16-17 years old in 2018. In order to do so, it needs to ensure the programme reaches sufficient numbers of potential participants and their supporters, and that they are aware of how to sign up.

We have implemented a regular cross functional seasonal delivery model meeting which focuses on the summer 18 campaign.

Our integrated strategy, business plan and budget processes help to identify the appropriate current and future year projects to promote and deliver the programme with our regional and local delivery partners. We also provide these partners with central support for all branding, sales and marketing activity.

We also continue to work to access and explore opportunities within policy support or use of government data.

Increase value for money for taxpayers

Principal Risks

Key Mitigating Actions

Insufficient financial controls

As a publicly funded organisation, we have a fiduciary duty to ensure funds are managed and assets protected.

We have reviewed our existing controls around payments both in terms of the validation of data in our systems and the control mechanisms within the organisation. This has included a review of system access rights and enhanced segregation of duties.

We approved a new Anti-Fraud and Anti-Bribery policy during the year.

Our business units are supported by finance business partners to help them review their performance and monitor their expenditure against budget. Our Senior Leadership Team also reviews our management accounts each month.

Increase demand to fill places, improve retention and deliver high quality places

Principal Risks

Key mitigating actions

Data protection breaches

NCS manages a significant amount of sensitive information, particularly due to its work with young people. At a time when cyber threats are significant, it is paramount we have sufficient controls in place, not only to comply with the Data Protection Act 1998, and guard against cyber security threats, but also to protect our participants.

Our system has undergone further improvements, including the use of strong encryption for the storage of key personal data we manage, and the robust management of user accounts on our key systems to minimise the risk of inappropriate access.

We are redesigning systems to reduce the amount of data transfer between different systems and have developed Information Management and Privacy policies. During the year we also developed an information asset register.

Future Developments

The Trust aims to secure increased participation in the programme in 2018/19 as it aspires to grow, reduce costs, improve quality and build broad-based support.

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.

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.

Auditor

The auditor, RSM UK Audit LLP, is 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.

Approval of Annual Report

The Annual Report and Accounts, including the Remuneration Report, was approved by the Board for signature on 01 October 2018.

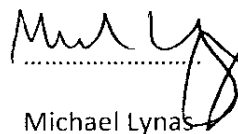
On behalf of the Board

On behalf of the Board



Stephen Greene

Chair



Michael Lynas

CEO

NCS registered office: The Pembroke Building, Kensington Village, Avonmore Road, London, W14 8DG

Remuneration Report

Our Remuneration Approach

Our remuneration approach ensures that money is well spent to attract, motivate and retain our people, while driving up individual and collective performance and ensuring we advance equality and do not discriminate.

Our Remuneration Committee

Our Remuneration Committee meets as required and approves NCS Trust's remuneration policy, executive director remuneration and any performance award payment linked to organisational results. The Committee consists of four non-executive directors, including the Chair of the Board and a government representative, in order to ensure accountability and transparency.

Remuneration of Employees

Salaries are reviewed annually to ensure payments are appropriate for a non-profit, publicly funded organisation. Reviews are based on market rates for our sector, performance against agreed objectives, competency in core skill areas and living organisational values. We are committed to paying the Living Wage for all employees.

In order to motivate our people to achieve our ambitious targets, eligible employees who have shown very strong performance may receive a discretionary annual performance award payment of up to 10% of their base salary. This is calculated based on individual performance, determined by performance review scores; and organisational results, based on performance against government agreed key performance indicators. The percentage of the performance award linked to organisational results, is awarded by our Remuneration Committee made up of non-executive Board directors.

Executive Director Remuneration

Our executive director remuneration is based on what is required to attract, motivate and retain high calibre leaders who will drive the performance of the organisation, whilst ensuring that public money is well spent. We benchmark all salaries to ensure that executive director remuneration is proportionate to that of other employees.

Performance award payments for our Senior Leadership Team are based solely on the organisation's results against government agreed key performance indicators and the percentage applied (up to a maximum of 10%) is determined by the Remuneration Committee.

Our Pension Plan

We offer our employees a 5% non-contributory pension plan. Employees can contribute to this pension at a rate of their choice, enabling them to flexibly plan for their retirement as their individual circumstances allow.

THE REMUNERATION OF SENIOR LEADERSHIP TEAM

SENIOR LEADERSHIP TEAM	Annualised Salary (£'000)		Gross Salary (£'000)		Performance Award (£'000)		Employer's Pension Contributions (£'000)		Benefits (£'000)		Total (£'000)	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Michael Lynas Chief Executive Officer	115-120	115-120	115-120	115-120	0-5	0-5	5-10	5-10	-	-	125-130	125-130
Natasha Kizzie (i) Director of Marketing & Communications	115-120	115-120	110-115	115-120	- (ii)	0-5	5-10	5-10	-	0-1	115-120	125-130
Kate Wood Chief People Officer	140-145	140-145	140-145	80-85	0-5	0-5	5-10	5-10	5-10	0-5	160-165	90-95
Joann Passingham (iii) Chief Financial & Commercial Officer	135-140	-	40-45	-	0-1	-	0-5	-	-	-	40-45	-
Jeroen Sabbe Director of Strategy & Implementation	70-75	70-75	70-75	30-35	0-5	0-1	0-5	0-1	-	-	75-80	30-35
Simon Woods Director of IT	95-100	95-100	95-100	15-20	0-5	-	0-5	-	-	-	100-105	15-20

- (i) Left 03 March 2018
- (ii) Ineligible for performance award as left before the year end
- (iii) Joined 11 December 2017

People Report

Our people are our most important asset and are responsible, with our partners, for the NCS Programme - the country's fastest growing and largest programme for 16-17 year olds - which has supported over 400,000 young people to have life-changing experiences.

We aim to attract, develop, motivate and retain the right diverse people with a winning culture to achieve our strategy and targets; whilst ensuring we are ready to leverage performance and deliver growth.

Our people are based in three offices: Exeter, London and Newcastle and during 2017/18 NCS Trust had a monthly average of 183 employees. Employee costs are included in Note 6 to the Financial Statements.

Growing Our Capability

We are reaching more young people than ever before and continue to significantly increase our capability in order to facilitate the ongoing growth of the NCS Programme and prepare for our transition to a Royal Charter body.

We have introduced Chief roles to add further commercial and specialist skills to our Senior Leadership Team and draw from their varied experienced backgrounds as we grow. Deep specialists in key areas such as safeguarding, information security and innovation have joined our team to further our work in these vital areas.

We are committed to providing opportunities for young people within NCS Trust, through apprenticeships, opportunities in our annual conference and roles at Kick Start (an extension programme for graduates of the NCS Programme) and the Passchendaele centenary commemoration.

The establishment of a small, in-house recruitment team has increased our effectiveness in finding talented, diverse and dedicated people to join our organisation. In 2017-18, 61% of our recruitment was direct (no fees), ensuring that we recruit in a timely, fair and transparent manner, whilst ensuring we get value for money for NCS Trust.

Engaging Our People

We are dedicated to engaging with our people and our customers, the young people of our country, are at the heart of our approach.

We encourage all of our employees to continuously connect with the NCS Programme and our customers through programme visits, working with our National and Regional Youth Boards, attending key annual events such as Kick Start and our annual conference.

Our CEO leads our weekly all-team meetings in our London office, broadcasting live to our people on the road and in our Exeter and Newcastle offices. At these meetings we share current progress against our strategy and targets, as well as important business updates and messages from our partners and our customers.

This year we refreshed the format of our annual People survey, which received a phenomenal 99% response rate. Our people are highly engaged, with 86% telling us that 'NCS Trust is a good place to work'. 86% of our people also said that NCS Trust would change for the better or be the same next year and we have established working groups on our key improvement areas to harness our people's insights to build on our success.

This year we have also introduced People Champions for each of our teams and locations to spread good practice and to ensure continuous improvement on all people matters.

The Trust also operates a volunteering policy for employees to encourage engagement in other social action and charitable projects.

Developing Our People

Our people are our most important asset and we provide learning and development opportunities to assist them to deliver brilliant results and develop their skills and capabilities.

For all our people, their journey starts with an on-boarding programme to help them learn about our mission and values as an organisation and to help them deliver successfully. We encourage learning and development through on the job experiences, and we offer a comprehensive programme of skills development which is open to all of our employees. Attendance at these programmes is aligned to agreed personal development plans to assist our employees to perform; these are supported by their line managers to ensure maximum impact.

We also encourage our people to explore external learning opportunities, and with the support of a business case process, offer funding for professional qualifications related to their role to enhance their skills and set them up for success in the future. Finally, we offer professional coaching with our Head of Learning and Development who is a qualified coach with 20 years' experience; this offers our people specific and targeted support.

All courses in our core learning programme are continually evaluated and reviewed to ensure they deliver the best learning experience possible for our people and that there are significant benefits to NCS Trust. Our people have scored the quality of their learning experience at 4.6 out of 5.

Diversity and Inclusion

NCS Trust's policy is to advance equality, and value diversity and differences while preventing discrimination, harassment and victimisation.

NCS Trust is committed to an active Equal Opportunities policy from recruitment, through learning and development, performance reviews, remuneration and promotion to retirement. All our employment decisions are objective, free from bias and based solely upon work criteria and individual performance contribution.

People with disabilities will continue to be given full and fair consideration for employment opportunities at NCS Trust. We will reasonably make adjustments to support our people with disabilities who work at NCS Trust to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

Directors' Responsibilities Statement

The directors are responsible for preparing the Strategic Report, 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.

Governance Statement

Our CEO and Chair, supported by the Board of Directors, have responsibility for maintaining a sound system of internal control that supports the achievement of NCS's community interest aims and objectives, as set out in its Articles of Association.

Additionally, as part of our funding agreement with Her Majesty's Government ("HMG"), our Board is required to follow guidelines set by DCMS, with the purpose of safeguarding public funds.

Our Board

Our Board consists of both executive members and non-executive members, with a majority of non-executive directors. Non-executive directors are selected so as to provide a diverse skills set to the Trust, and support the executive directors in achieving its vision and mission, living its values, and helping to manage and mitigate risk.

Method of Appointment

The Board strives to achieve representation from people of different ages, religions, ethnicities and socio-economic groups, and to meet or exceed the Government's target of 25% female representation.

In order to achieve a diverse skills set, non-executive members are appointed as follows.

- A member appointed by the **Government**
- A member with passion for **citizenship and social action**
- A member with **legal and procurement** experience
- A member with **FTSE 100 and operations** experience
- A member with **voluntary and youth-sector** experience
- A member with experience of **digital engagement**
- A member who can represent youth or **youth culture**
- A member with experience in corporate **strategy**
- A member with experience of **education**
- A member with **brand partnership** experience

Review of Effectiveness

The Board members receive appropriate updates on NCS Trust's financial positions, forecasts, risks and performance against strategic goals at their scheduled meetings.

Our CEO and Chair of the Board have responsibility for reviewing the effectiveness of the system of internal control. This review is informed by the work of the internal auditors and the Senior Leadership within NCS who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditor in their management letters and other reports.

Organisational Structure

The Board delegates specific responsibilities to its Committees. Recommendations made by Committees are presented to the Board as a whole for approval. A brief description of each Committee and its function is given on page 34.

Internal Controls

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

Key risks and the Board's mitigation strategy are outlined on page 25. As NCS works with young people, we take seriously the additional risks associated with their safety and data.

Independent Assurance

As part of HMG's funding agreement with NCS, HMG places certain requirements on our Board to ensure governance of the NCS Trust is sufficiently robust. In order to comply with these requirements, NCS undertakes internal audit reviews, conducted by an external firm of accountants. Six internal audits were conducted during the year. Areas covered included governance policies, data security and safeguarding.

Structure

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 Trust's governance framework consists of a Board, and a number of sub-committees, all of which report to the Board. 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.

The Board

- Consists of the Chair and 10 Directors (2 executive, 7 non-executive, 1 Government appointed)
- Exists to establish corporate strategy in order for the Trust to effectively, impartially and independently carry out its functions
- Expects to meet quarterly

Audit and Risk Committee

- Consists of 4 non-executive directors, 1 of whom chairs
- Reviews board plans, budgets, internal control arrangements, financial statements, internal and external audit reports and the Trust's risk register
- Meets at least 4 times a year

Remuneration Committee

- Consists of 3 non-executive directors, 1 of whom chairs
- Sets the remuneration policy for executive directors, as well as review of performance pay
- Meets when required

Nominations Committee

- Consists of 4 non-executive directors, 1 of whom chairs
- Looks at the makeup of the Board, succession planning and identifying candidates
- Meets when required

Board and Committee Attendance

Name	Board	Audit and Risk Committee	Remuneration Committee	Nominations Committee
Mr Stephen Greene (Chair of Board and Co-Chair of Remuneration Committee)	4/4	2/2	1/1	2/2
Mr Michael Lynas	4/4			
Ms Natasha Kizzie (resigned 3 March 2018)	3/4			
Dame Martina Milburn DVCO CBE	3/4		1/1	
Dame Julia Cleverdon DCVO CBE	4/4			2/2
The Rt Hon. the Lord Blunkett	3/4			
Mr Shaun Whatling	4/4			2/2
Mr Nick Farnhill (Chair of Nominations Committee)	4/4			2/2
Mr John Harley (resigned 12 April 2017)	1/1			
Mr John Maltby (appointed 14 June 2017 and also Chair of Audit and Risk Committee)	2/2	3/3		
Ms Sue Gray (also Co-Chair of Remuneration Committee)	3/4	2/4	1/1	
Ms Pippa Dunn	3/4	3/4		

Biographies

Non-Executive Directors



Mr Stephen Greene (Chair)

As CEO and co-founder of RockCorps, Stephen delivered social

engagement platforms in ten countries around the world, across six continents. He is also a trustee of The Fowler Center, GoodGym, and The Young Camden Foundation. Following his advisor role to the UK Office of Civil Society from 2010, Stephen was appointed Chair of the NCS Trust in November 2012.



Dame Martina Milburn DVCO CBE

Martina is Group Chief Executive of

The Prince's Trust Prior to joining The Trust, Martina was Chief Executive of BBC Children in Need She co-chairs the Youth Action Group, which includes voluntary sector organisations and nine government departments.

The Rt Hon the Lord Blunkett

With a political career starting when he was 22, David was elected to Parliament in 1987. He became Education and Employment Secretary in 1997, Home Secretary in 2001, and Work and Pensions Secretary in 2005 In September 2015 he was appointed to the House of Lords. David is also Chairman of the David Ross Multi Academy Charitable Trust and a patron of City Year UK

Executive Directors

Mr Michael Lynas (CEO)



Michael was appointed CEO of NCS Trust in January 2014, after joining NCS as Director of Strategy in February 2013 Michael joined NCS from No. 10 where he

was a Senior Civil Servant in the Policy Unit In addition to his central role in establishing NCS, his main work was on civil society, culture and philanthropy Michael has previously worked as a Strategy Consultant for Bain & Co. He has an MA in Politics from Cambridge University and a Masters in Public Policy from the Kennedy School of Government at Harvard.



Dame Julia Cleverdon DCVO CBE

Dame Julia is Chair of the National Literacy

Trust, Vice Patron of Teach First and Vice President of Business in the Community Julia is a co-founder and trustee of Step Up To Serve and the #iwill campaign and sits on the board of the Careers and Enterprise Company She also chairs Transform – an alliance of Teach First, Police Now, Unlocked, Think Ahead and Frontline to collaborate on the many common issues facing public service leadership



Mr Shaun Whatling

Shaun has 20 years' experience working in marketing for

both the public and private sector, including co-founding one of the world's leading action-sports agencies. He is now the CEO of the strategic consultancy Redmandarin.

Mr Nick Farnhill



Nick is a founding partner of POKE, a creative 'practice' focused on delivering original and effective interactive communications

across all digital platforms and channels. He's also founder and co-chair of Internet Week Europe and the Lovie Awards In 2017, he became CEO of Publicis London.



Ms Natasha Kizzie (Director of Marketing and Comms) Resigned 3rd March 2018

Natasha is a youth marketing specialist with over 13 years broad category experience in the private sector Most recently she was Head of Entertainment for Arnold KLP She was the strategic business lead responsible for creative ideation for all entertainment new business account wins Guinness, Smirnoff Ice, Hennessy, Orange UK, Orange group, Nokia and Bacardi. She has a successful track record conceiving and delivering youth and young adult 360 cross-channel communications campaigns that drive awareness, consideration and engagement



Mr John Harley Resigned 12th April 2017

John was a Senior Partner in EY until his retirement in 2011 He is now Chair the University of Brighton and Deputy Chair of the EY Foundation John sits on Higher Education Funding Council for England's Audit Committee and is also a Panel member for the Competition Commission Previously he was Chair of Groundwork London. John also chairs Trade River Finance Limited, the Kent Investor Network and the Becket Trust, an affordable housing charity

Ms Sue Gray

Sue joined the Cabinet Office in the late 1990s Before joining the Cabinet Office,



Sue worked in Transport, Health and Department for Work and Pensions covering a range of roles which included both policy and front line delivery.

Ms Pippa Dunn

Pippa Dunn is co-founder of Broody, the mission of which is to help turn great ideas



in to successful businesses Pippa was previously Chief Marketing Officer of Consumer at Everything Everywhere (EE) She joined Orange in 2003,

holding various director roles Prior to Orange, Pippa spent time at NTL and Coca-Cola

Mr John Maltby

Appointed 14th June 2017



John has a portfolio of non-executive roles. He is Chairman of Good Energy Group plc, an AIM listed renewable energy company Additionally, he is Chairman of Scandinavian bank Bluestep Bank AS, non-executive director of Bank of Ireland UK and non-executive director and Chairman of Risk & Audit for Tandem Bank plc. John's executive career was primarily in banking as CDEO of Williams & Glyn; Group Director at Lloyds Banking Group; and CEO of Kensington Group. His early career was as a management consultant for Andersen Consulting and Price Waterhouse

Independent Auditor's Report to the Members of NCS Trust C.I.C (Community Interest Company)

Opinion

We have audited the financial statements of NCS Trust CIC (the 'company') for the year ended 31 March 2018 which comprise the statement of comprehensive income, balance sheet, statement of cashflows 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 directors 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.

Independent Auditor's Report to the Members of NCS Trust C.I.C (Community Interest Company)

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 strategic report and the directors' report 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 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 directors

As explained more fully in the directors' responsibilities statement set out on page 32, the directors 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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 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

Independent Auditor's Report to the Members of NCS Trust C.I.C (Community Interest Company)

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.

RSM UK Audit LLP

KERRY GALLAGHER (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Davidson House
Forbury Square
Reading,
Berkshire
RG1 3EU

Date: *8 October 2018*

NCS Trust C.I.C
 (Community Interest Company)
 Statement of Comprehensive Income
 For the year ended 31 March 2018

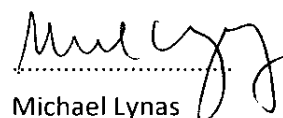
		2018	2017
	Notes	£'000	£'000
Turnover	3	185,678	187,661
Cost of sales		(151,446)	(157,642)
		<hr/>	<hr/>
Gross profit		34,232	30,019
Administrative expenses		(31,774)	(25,910)
		<hr/>	<hr/>
Operating surplus	4	2,458	4,109
Interest receivable and similar income	8	37	36
		<hr/>	<hr/>
Surplus before taxation		2,495	4,145
Taxation	9	6	(13)
		<hr/>	<hr/>
Surplus for the financial year	19	2,501	4,132
		<hr/> <hr/>	<hr/> <hr/>

NCS Trust C.I.C
 (Community Interest Company)
 Balance Sheet
 For the year ended 31 March 2018

Company Number: 08235117

		2018		2017	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	10		477		651
Tangible assets	11		244		227
			<u>721</u>		<u>878</u>
Current assets					
Stocks	12	91		228	
Debtors	13	6,155		7,777	
Cash at bank and in hand		13,134		23,312	
			<u>19,380</u>	<u>31,317</u>	
Creditors: amounts falling due within one year	14	(13,240)		(27,875)	
			<u>6,140</u>	<u>3,442</u>	
Net current assets			<u>6,140</u>	<u>3,442</u>	
Total assets less current liabilities			<u>6,861</u>	<u>4,320</u>	
Provisions for liabilities	16		(87)		(47)
Net assets			<u>6,774</u>	<u>4,273</u>	
Capital and reserves					
Profit and loss account	19		6,774		4,273
			<u>6,774</u>	<u>4,273</u>	

The financial statements were approved by the board of directors and authorised for issue on 01 October 2018 and are signed on its behalf by:



Michael Lynas
 Director

NCS Trust C.I.C
 (Community Interest Company)
 Statement of Cashflows
 For the year ended 31 March 2018

		2018		2017	
	Note	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Cash generated from operations	22		(10,033)		15,032
Income taxes paid			6		(13)
			<u> </u>		<u> </u>
Net cash inflow from operating activities			(10,027)		15,019
Investing activities					
Purchase of intangible assets		-		(348)	
Purchase of tangible fixed assets		(188)		(39)	
Interest received		37		36	
		<u> </u>		<u> </u>	
Net cash used in investing activities			(151)		(351)
Net cash used in financing activities			-		-
			<u> </u>		<u> </u>
Net increase/(decrease) in cash and cash equivalents			(10,178)		14,668
Cash and cash equivalents at beginning of year			23,312		8,644
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			<u>13,134</u>		<u>23,312</u>

NCS Trust C.I.C

(Community Interest Company)

Notes to the Financial Statements

For the year ended 31 March 2018

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 The Pembroke Building, Kensington Village, Avonmore Road, London, W14 8DG, company number 08235117.

The company's principal activities are disclosed in the Annual 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 £'000, except where otherwise indicated.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below. NCS Trust C.I.C. constitutes a public benefit entity as defined by FRS 102.

Going concern

The directors have considered the going concern principle with reference to the Financial Reporting Council publication "Guidance on the Going Concern Basis of Accounting and Reporting on Solvency and Liquidity Risks" (April 2016).

The National Citizen Service Bill announced in May 2016 allowed for the formation of a new entity which will be established under Royal Charter status within the near future.

Whilst the operational activity of the NCS programme will pass to the new Royal Charter body, the Directors are confident that NCS Trust CIC will retain sufficient reserves beyond this date to be able to meet its liabilities as they fall due for a period of at least twelve months from the date of authorising these financial statements and therefore continue to adopt the going concern basis of accounting in their preparation.

NCS Trust C.I.C

(Community Interest Company)

Notes to the Financial Statements

For the year ended 31 March 2018

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
----------	----------------------------

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 the shorter of length of lease or 5 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.

Items are capitalised on a unit basis, whereby individual items over the value of £1,000 are capitalised. A full month's depreciation is charged on the month of acquisition.

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' of FRS102 to all of its financial instruments.

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

NCS Trust C.I.C

(Community Interest Company)

Notes to the Financial Statements

For the year ended 31 March 2018

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, being the transaction price less any amounts settled and any impairment losses.

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 are classified according to the substance of the contractual arrangements entered into.

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, being the transaction price less any amounts settled.

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 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.

NCS Trust C.I.C

(Community Interest Company)

Notes to the Financial Statements

For the year ended 31 March 2018

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.

Non-cash benefits

Where material goods or services have been donated, management has estimated their value, in accordance with FRS102 PBE34.64 to PBE34.74, and recognised these within income and corresponding expense within the financial statements.

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.

NCS Trust C.I.C
 (Community Interest Company)
 Notes to the Financial Statements
 For the year ended 31 March 2018

Critical judgements

The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

Non-cash benefits

Where non-cash benefits have been donated, management make a judgement as to whether these should be included within the financial statements and where they are included management has made an estimate of the value of donations in kind, and, where the amount is material, the donor has verified the estimate.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2018	2017
	£'000	£'000
Turnover analysed by class of business		
Programme & operational grants	181,125	180,492
Donations in kind	85	2,368
Other income	4,468	4,801
	<u>185,678</u>	<u>187,661</u>

Other income includes parental contributions and sponsorship income.

Turnover analysed by geographical market

	2018	2017
	£'000	£'000
United Kingdom	<u>185,678</u>	<u>187,661</u>

4 Operating profit/(loss)

	2018	2017
	£'000	£'000
Operating profit/(loss) for the year is stated after charging:		
Depreciation of owned tangible fixed assets	162	252
Loss on disposal of tangible fixed assets	9	4
Amortisation of intangible assets	174	125
Stock recognised as an expense (during the year)	712	492
Operating lease charges	<u>782</u>	<u>200</u>

NCS Trust C.I.C
 (Community Interest Company)
 Notes to the Financial Statements
 For the year ended 31 March 2018

5 Auditors' remuneration

	2018	2017
	£'000	£'000
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the company's financial statements	49	35
For other services		
All other non-audit services	19	9

6 Employees

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

	2018	2017
	Number	Number
Staff	183	104

Their aggregate remuneration comprised:

	2018	2017
	£'000	£'000
Wages and salaries	8,878	4,816
Social security costs	979	565
Pension costs	416	171
	<u>10,273</u>	<u>5,552</u>

The number of employees whose remuneration exceeded £60,000 for the year is detailed below. These figures include all of the Senior Leadership Team who are listed in the remuneration report.

	2018	2017
	Number	Number
£60,000 - £64,999	13	3
£65,000 - £69,999	5	-
£70,000 - £74,999	8	5
£75,000 - £79,999	5	1
£80,000 - £84,999	4	3
£85,000 - £89,999	1	1
£90,000 - £94,999	1	-
£95,000 - £99,999	5	1
£100,000 - £104,999	2	1
£105,000 - £109,999	1	-

NCS Trust C.I.C
 (Community Interest Company)
 Notes to the Financial Statements
 For the year ended 31 March 2018

£110,000 - £114,999	1	1
£115,000 - £119,999	-	-
£120,000 - £124,999	1	2
£125,000 - £129,999	-	-
£130,000 - £134,999	-	-
£135,000 - £139,999	-	-
£140,000 - £144,999	-	-
£145,000 - £149,999	1	-
	<u>48</u>	<u>18</u>

7 Directors' remuneration

	2018	2017
	£'000	£'000
Remuneration for qualifying services	233	357
Company pension contributions to defined contribution schemes	12	18
	<u>245</u>	<u>375</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2017 - 2)

7 Directors' remuneration (continued)

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

	2018	2017
	£'000	£'000
Remuneration for qualifying services	122	122
Company pension contributions to defined contribution schemes	6	6
	<u>128</u>	<u>128</u>

8 Interest receivable

	2018	2017
	£'000	£'000
Interest income		
Interest on bank deposits	37	36
	<u>37</u>	<u>36</u>

9 Taxation

	2018	2017
	£'000	£'000
Current tax		
UK corporation tax on profits for the current period	(13)	13
	<u>(13)</u>	<u>13</u>

NCS Trust C.I.C
 (Community Interest Company)
 Notes to the Financial Statements
 For the year ended 31 March 2018

The total tax charge for the year included in the profit and loss account can be reconciled to the profit before tax multiplied by the standard rate of tax as shown below:

	2018 £'000	2017 £'000
Profit before taxation	2,494	4,145
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2017: 20.00%)	474	829
Tax effect of expenses that are not deductible in determining taxable	34,615	36,315
Tax effect of income not taxable in determining taxable profit	(35,142)	(37,254)
Adjustments in respect of prior years	(13)	13
Deferred tax adjustments in respect of prior years	2	5
Fixed asset differences	65	77
Underprovision in current year	(2)	1
Deferred tax not recognised	(5)	27
Tax expense for the year	(6)	13

The company has estimated taxable trade losses of £81,379 (2017: £109,364) available to carry forward against future taxable trading profits.

10 Intangible fixed assets

	Software £'000
Cost	
At 1 April 2017	850
Additions	-
At 31 March 2018	850
Amortisation and impairment	
At 1 April 2017	199
Amortisation charged for the year	174
At 31 March 2018	373
Carrying amount	
At 31 March 2018	477
At 31 March 2017	651

NCS Trust C.I.C
 (Community Interest Company)
 Notes to the Financial Statements
 For the year ended 31 March 2018

11 Tangible fixed assets

	Fixtures & Fittings £'000	Computer hardware £'000	Leasehold improvements £'000	Total £'000
Cost				
At 1 April 2017	412	64	85	561
Additions	13	19	156	188
Disposals	(16)	-	-	(16)
At 31 March 2018	<u>409</u>	<u>83</u>	<u>241</u>	<u>733</u>
Depreciation and impairment				
At 1 April 2017	244	30	60	334
Depreciation charged in the year	88	25	49	162
Disposals	(7)	-	-	(7)
At 31 March 2018	<u>325</u>	<u>55</u>	<u>109</u>	<u>489</u>
Carrying amount				
At 31 March 2018	<u>84</u>	<u>28</u>	<u>132</u>	<u>244</u>
At 31 March 2017	<u>168</u>	<u>34</u>	<u>25</u>	<u>227</u>

12 Stocks

	2018 £'000	2017 £'000
Finished goods	<u>91</u>	<u>228</u>

13 Debtors

	2018 £'000	2017 £'000
Amounts falling due within one year:		
Trade debtors	103	240
Other debtors	380	6,361
Prepayments	233	1,131
Accrued income	5,439	45
	<u>6,155</u>	<u>7,777</u>

NCS Trust C.I.C
 (Community Interest Company)
 Notes to the Financial Statements
 For the year ended 31 March 2018

14 Creditors: amounts falling due within one year	2018	2017
	£'000	£'000
Trade creditors	2,437	5,987
Other taxation and social security	270	231
Other creditors	63	27
Accruals	8,124	8,595
Deferred income	2,346	13,035
	<u>13,240</u>	<u>27,875</u>

15 Financial instruments	2018	2017
	£'000	£'000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>5,922</u>	<u>6,646</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>10,624</u>	<u>14,609</u>

16 Provisions for liabilities	2018	2017
	£'000	£'000
Dilapidations provision	<u>87</u>	<u>47</u>

16 Provisions for liabilities (Continued)	
Movements on provisions:	Dilapidations
	£'000
At 1 April 2017	47
Additional provisions in the year	<u>40</u>
At 31 March 2018	<u>87</u>

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

NCS Trust C.I.C
 (Community Interest Company)
 Notes to the Financial Statements
 For the year ended 31 March 2018

17 Retirement benefit schemes

	2018	2017
	£'000	£'000
Defined contribution		
Charge to profit or loss in respect of defined contribution schemes	416	171

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.

At the balance sheet date contributions of £52,299 (2017: £27,400) 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 Profit and loss account

The profit and loss reserve represents cumulative profit and loss net of any distributions.

	2018	2017
	£'000	£'000
At the beginning of the year	4,273	141
Profit for the year	2,501	4,132
At the end of the year	6,774	4,273

Profit for the year relates to the other income received from parental contributions to the programme and sponsorship net of related expenditure.

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:

	2018	2017
	£'000	£'000
Within one year	1,142	103
Between one and five years	2,102	132
	3,244	235

NCS Trust C.I.C
 (Community Interest Company)
 Notes to the Financial Statements
 For the year ended 31 March 2018

21 Related party transactions

Remuneration of key management personnel (KMP)

The remuneration of KMP, is as follows.

	2018	2017
	£'000	£'000
Aggregate compensation (including employer's National Insurance)	<u>796</u>	<u>406</u>

KMP in 2017/18 are considered to be the executive directors and Senior Leadership Team and in 2016/17 the KMP were considered to be executive directors.

22 Cash generated from operations

	2018	2017
	£'000	£'000
Profit for the year after tax	2,501	4,132
Adjustments for:		
Taxation charged	(6)	13
Investment income	(37)	(36)
Loss on disposal of tangible fixed assets	9	4
Amortisation and impairment of intangible assets	174	125
Depreciation and impairment of tangible fixed assets	162	252
Increase in provisions	40	4
Movements in working capital:		
Decrease/(increase) in stocks	137	(56)
Decrease/(increase) in debtors	1,622	175
(Decrease)/increase in creditors	<u>(14,635)</u>	<u>10,419</u>
Cash generated from/(absorbed by) operations	<u>(10,033)</u>	<u>15,032</u>

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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 C.I.C.

Company Number

08235117

Year Ending

31ST MARCH 2018

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

National Citizen Service (NCS) is the country's fastest growing youth programme in a century, bringing together 15 to 17 year-olds from different backgrounds, at a pivotal point in their lives in order to improve social mobility, social cohesion and social engagement.

This is done by bringing young people together in common purpose for two or four weeks to design and deliver their own community action projects – building their confidence in what they can achieve, as well as creating bridges across social divides.

NCS participants experience a range of outdoor activities, learn new skills (from teamwork, leadership and public speaking, to basic cooking and budgeting) and meet with local charities and entrepreneurs, and then commit 30 hours to a social action project, which they themselves deliver and promote – empowering young people to make a real change in their local communities, while fostering a sense of social responsibility for the future. To date more than 400,000 young people have now taken part in NCS.

70% of young people leave NCS feeling more confident about getting a job*

NCS lowers anxiety and boosts young people's confidence*

NCS graduates are more confident leaders and team players*

£263.3m: The estimated annual economic benefit of the NCS programme**

90% of young people consistently say they would recommend NCS to others*

*Ipsos MORI evaluation, August 2017

**DCMS Evaluation, December 2017

PART 2 – CONSULTATION WITH STAKEHOLDERS –

The company's stakeholders are primarily the young people who participate in our National Citizen Service programmes, the Department for Culture Media and Sport (DCMS) 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 (KPIs) that provide us with the data we use to manage and evaluate the programme delivery regionally through our regional and local delivery providers.

The DCMS, through extensive oversight of our activities, particularly programme delivery, provides us with advice regarding achievement of applicable metrics and of government policy with the National Citizen Service and young people.

The Company's directors, by virtue of their relevant experience, monitor and oversee our operational effectiveness and provide overall direction on programme delivery.

We respond to information gleaned from the KPIs 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.

PART 3 – DIRECTORS' REMUNERATION

Please refer to the Remuneration Report section in the NCS Trust C.I.C. Annual Report and Accounts 2017-18.

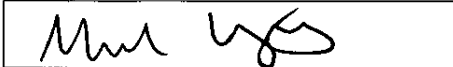
There were no other transactions or arrangements in connection with the remuneration of directors, or compensation for director's loss of office, which require to be disclosed.

PART 4 – TRANSFERS OF ASSETS OTHER THAN FOR FULL CONSIDERATION

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

PART 5 – SIGNATORY

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

Signed *Michael Lynas*


Date **25/10/2018**

Director

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.

Dave Beveridge
Head of Finance
Tel: 07948 353380

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)