THE ASSOCIATION OF COLLEGES CHARITABLE TRUST

England & Wales · Charity number 1040631

Details

Other names	THE AFC CHARITABLE TRUST, AOC CHARITABLE TRUST
Status	Registered
Legal form	Trust
Registered	1994-09-07
Register	View on the Charity Commission register

Contact

Address	The Bloomsbury Office 10 Bloomsbury Way London WC1A 2SL
Phone	02070349686
Email	jim.edwards@aoc.co.uk
Website	https://www.aoc.co.uk/charitable-trust/about-us

Activities

Objects: ADVANCING THE EDUCATION OF MEMBERS OF THE PUBLIC OVER THE AGE OF 16 YEARS.

Activities: The Trust is established for the purpose of advancing the education of members of the public over the age of 16 years.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training
- **Who:** Other Defined Groups

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Geography

- **Area of benefit:** NATIONAL
- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£314,032	£237,117	-	-
2024-03-31	£403,687	£334,594	-	-
2023-03-31	£151,769	£131,392	-	-
2022-03-31	£146,296	£94,439	-	-
2021-03-31	£140,351	£80,194	-	-

Trustees

Name	Role	Appointed
DAVID HUGHES		2016-09-07
Duncan John Adams		2024-02-08
Elizabeth Bishop		2023-09-01
Jane Ann Robinson		2024-02-08
Julie Jean Kapsalis		2024-02-08
MARK WHITE		2016-02-10
PETER JOHN BROPHY		
Sue Higginson		2023-07-05

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THE ASSOCIATION OF COLLEGES CHARITABLE TRUST

England & Wales - Charity number 1040631

Accounts

The AoC Charitable Trust

Annual report and financial statements for the year ended 31 March 2025

Registered charity numbers:
England & Wales 1040631
Scotland SC039064

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Report of the Trustees

The Trustees present their report and the audited financial statements for the year ended 31 March 2025. The financial statements and Trustees' report are prepared in accordance with the Charities Act 2011, the Charities Accounts and Reports Regulations 2008, the provisions of the trust deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. These financial statements comply with current statutory requirements and with the requirements of the Trust's governing document, which is the Trust Deed dated 1 August 1994.

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) – (Charities SORP (FRS 102)), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The trust constitutes a public benefit entity as defined by FRS 102.

Structure, Governance & Management

Legal and Administrative Details

The Trust was registered with the Charity Commission on 1 August 1994 and is governed by its constitution.

Registered Name: Association of Colleges Charitable Trust

Charity Commission Number: 1040631
Office of the Scottish Charity Regulator: SC039064

Trustees:
The Trustees appointed, all of whom have been Trustees for the whole of the year up to the date of this report, unless otherwise indicated, are listed below.

Trustee	Dates	Organisation
D.Adams		Self-Employed Consultant
E.Bishop		AoC (AoC Trust Director)
P. Brophy		AoC (Chief Operating Officer)
S Francis	Resigned 24 October 2024	Campaign Collective
S.Higginson		Independent
D.Hughes		AoC (CEO)
J.Kapsalis		Principal/CEO NESCOT
J.Robinson		Tees University
M.White (Chair)		Independent
Secretary	**Dates**	
J.Edwards		AoC Group Company Secretary

Report of the Trustees *(continued)*

Trustee to whom day-to-day running of the charity is delegated by the Trustees is E Bishop.

Registered Office	Room 3.06 3rd Floor The Bloomsbury Building 10 Bloomsbury Way London WC1A 2SL	**Statutory Auditor**	Bishop Fleming Audit Ltd Brook House Manor Drive Clyst St. Mary Exeter EX1 2QS
Bankers	Barclays 28th Floor 1 Churchill Place Canary Wharf London E14 5HP	**Internal Auditor**	Scrutton Bland LLP Fitzroy House Crown Street Ipswich IP1 3LG
Solicitors	Eversheds Sutherland 1 Wood Street London EC2V 7WS		

Objectives, activities, achievements and performance

The Trust is established for the purpose of advancing the education of members of the public aged over 16 years.

The nature of the governing document is a Trust Deed.

The Trust is devoted to raising funds and overseeing their application for the benefit of post-16 education. The Trustees are appointed from the Association of Colleges' Main Board, the Association's executive officers and independent representatives. Trustees appointed from the Association's Board include, the Chief Executive and the Director of Finance; executive officers include the Trust's Director. Independent representatives are appointed for their knowledge, experience, and status in the sector. All appointments require the approval of the Trustees. An informal induction process is carried out when new Trustees join. As a minimum, the Trustees meet on a termly basis, although additional meetings are held if required.

The Trustees are satisfied that the programmes operating through the Trust have been effective, given the resources. Representatives are pleased that the Beacon Awards Programme has continued to retain and attract the support of external sponsors and that the balance for the Beacon Awards is healthy at the end of the 12-month period.

The AoC Beacon Awards were set up in 1994 to recognise and promote the interdependence of further education colleges and business, professional and voluntary sector organisations to their mutual advantage. The Student of the Year Awards came within the Trust activities in 2017 following a review of all AoC Awards and the need to ensure consistency and rigour.

Report of the Trustees *(continued)*

In the year ending 31 March 2025, ten Beacon Awards were offered along with six Student of the Year categories. The FE Hall of Fame award was launched, replacing the previously names Gold Awards. Three external projects were run and 50 places on the AoC Student Governor Summit were funded.

Beacon Awards

One award was dropped for the 24/25 Beacon Award cycle due to low application numbers and no sponsorship; an additional two new award categories were added. Remaining sponsors were engaged in the process and awards with the Beacon Award sponsors showing commitment through being part of the assessor team. Sponsors agreed with longer lead times and responded positively on the new dissemination activities. Changes to the assessment process are reviewed annually and improvements made.

An annual review of the sponsorship packages and costs has taken place, ensuring that there is a consistent approach with all sponsors. New sponsors are being sought for future awards.

177 applications across 99 colleges were received for Beacon Awards and following an independent two-stage assessment process through the autumn of 2024 and moderation in February 2025 by the AoC Chief Assessor, nine Beacon award winners were recommended. In one award category no winner was selected. These decisions were ratified by the Trust Board. The winners were announced during a ceremony in London in March 2025.

The Beacon Awards remain a central aspect of Trust strategy to celebrate and promote the great work of colleges and their staff.

Student of the Year awards

Student of the Year awards received 261 nominations, across 121 colleges and following a rigorous judging process 14 progressed to finalist stage. These awards are a celebration of the achievements of exceptional individuals from colleges across England. Colleges provide a fantastic array of opportunities for people to help them achieve their ambitions, maximise their talent and to progress in life, learning and work. This is an opportunity for the Trust to recognise outstanding students who deserve recognition and who will go on to inspire others and/or who have gone above and beyond in college, their local community or in extra-curricular activities. The six winners were announced at the AoC Annual Conference in November 2024 as well as invited and celebrated at the AoC award celebration event in March.

FE Hall of Fame

The AoC Gold Awards for Further Education College Alumni has been managed by the Charitable Trust since 1996. In 2020 Trustees agreed these would not be run until the format could be revised. In September 2024 after Board approval, the AoC Gold Awards were reintroduced under a new name, FE Hall of Fame, along with a revised focus. The FE Hall of Fame honours outstanding contributions made by further education alumni. Colleges across the UK are invited to nominate individuals who have completed qualifications at their institutions.

Report of the Trustees *(continued)*

Each year, up to three alumni will be selected, highlighting those who have become true champions of the further education sector. We are seeking nominations for alumni who have had recent, instrumental, tangible links with their college, who have made substantial contributions to their sector, continue to influence FE positively and create role models of success that are rooted in colleges. We received 21 eligible applications, three winners were selected and announced in December 2024, and celebrated at the March awards ceremony. Subsequent events were held at their colleges in the spring of 2025.

Projects

The Trust has had three live projects this year, that are managed by the AoC projects team.

1. Delivering green skills to Level 2 Construction students in London through local collaborative projects, funded by JP Morgan Chase Foundation, running October 2022 – August 2025, with a 2-year longitudinal study.

   Two college groups have been commissioned to deliver the pilot projects in the London area with a focus on delivering green skills training to Level 2 construction students to help them progress into level 3 Apprenticeships and to support their progression into green jobs in the homes and building sector.

2. Creative Arts in FE, funded by Copyright Licensing Agency and UAL Awarding Body, running January – November 2024. Closed within the 2024/25 period.

   Programme gave FE students the chance to create their own piece of creative writing, photography, visual art or the spoken word in response to a brief set by UAL Awarding Body. The project focused on giving students an opportunity to creatively explore issues that are key to young people and their peers, alongside building their own creative practice and portfolios.

3. Creative Writing in FE, funded by Copyright Licencing Agency, running January 2023 – March 2024. Closed within the 2024/25 period.

   The programme encouraged students in FE to respond to a brief and submit a piece of creative writing. To allow students the opportunity to be inspired by author interviews, learn alternative processes and approaches, and build confidence to submit their work for inclusion in an anthology.

Student Governor Summit

The Trust offered to fund 50 places at the Student Governor Summit in November 2024. This new initiative contributes to the Trust purpose of advancing the education of 16+ year olds, offering participants the knowledge and tools necessary to make informed contribution to their institutions and the wider community. The programme aimed to enhance the governance skills of participants, providing student governors with crucial insights into governance within FE.

Report of the Trustees *(continued)*

Use of Funds

The Trust intends to use current funds to make awards to winning colleges and students and to cover the cost of administration and management of the whole award process from inception to completion, this includes the design of awards and criteria, working with sponsors, the launch and publicity, the assessment teams and assessment process, the various reports and guides to support applicants and the celebratory events.

Risk management policy

During the year, the Trustees have considered major risks on an ongoing basis and taken appropriate steps as deemed necessary. Consideration has been given to a material drop in sponsorship for the Beacon Awards and a contingency plan has been put in place for this. A reduction in sponsorship would result in a reduction in awards available and therefore a reserve fund is built to cover the possibility of minimal sponsorship and the winding up of the Trust.

Financial review

During the financial year the principal funding sources were the sponsors of the Beacon Awards and Student of the Year awards, as listed in note 7, together with the Association of Colleges which provides funding for the Beacon Awards, Student of the Year awards and the general running of the Trust through the unrestricted fund. Total incoming resources for the year were £314,032, of which £94,475 relates to projects.

The bulk of the expenditure during the year relates directly to the management, assessment, promotion of the Beacon Awards programme, with the remainder covering the expenditure associated with the Student of the Year Awards, FE Hall of Fame, Student Governors and the development of the awards as a whole. Total resources expended for the year were £237,117, of which £94,475 relates to projects.

The financial outturn this year provided a net positive balance (surplus) of £76,915 and this has been added to reserves which on 31 March 2025 are £586,601.

Structure, governance and management

The AoC Charitable Trust's Trustees shall be as follows:

- Chair
- Vice Chair
- AoC Chief Executive (ex officio)
- AoC President (ex officio)
- AoC Director of Finance and Chief Operating Officer (ex officio)
- Director of the AoC Charitable Trust (ex officio)
- Up to six appointed members with the necessary skills, experience and personal attributes to fulfil the role and responsibilities of being an appointed Trustee.

Report of the Trustees *(continued)*

The maximum permitted number of Trustees shall be 11 including ex officio members.

New Trustees are recruited through a consultation process with the Trust and relevant stakeholders, led by the Chair and senior AoC staff, and their appointments must be approved by a quorate meeting of the Trust.

The term of office for appointed Trustees is four years. Trustees serve a maximum of two four-year terms, subject to re-appointment by the Trust. Their re-appointment for a second four-year term is not automatic and is formally determined by the Trust at a scheduled meeting. Trustees may only be considered for re-appointment beyond two terms in exceptional circumstances if they have special skills that would be otherwise hard to find; or if their experience on the Trust is required to balance out the relative inexperience of new Trustees, and, in any case, only if they have demonstrated excellent commitment to the Trust in terms of attendance and contribution at meetings.

Ex officio Trustees can be Trustees so long as they remain in post and comply with relevant Charity Commission regulations.

The Chair is appointed by AoC Board, and the Vice-Chair is elected by Trustees at a quorate meeting of the Trust.

The term of office for the Chair is four years, and they may be re-appointed for a second four-year term, subject to AoC Board approval. Any term of office as Trustee shall not count towards the maximum term of office of the Chair. In February 2025 it was confirmed that the Chair would continue until July 2026.The term of office of the Vice-Chair match their term of office as an appointed Trustee. Their re-appointment for a second term as Vice-Chair is not automatic and is formally determined by the Trust at a scheduled meeting.

Key management personnel remuneration

The Trustees consider the Board of Trustees as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in note 3 and note 8 to the accounts.

Trustees are required to disclose all relevant interests and register them with the Board of Trustees and, in accordance with the Trust's policy, withdraw from decisions where a conflict of interest arises.

The pay of the charity's director is initiated by the holding company of the trust, Association of Colleges, and as such is reviewed annually and normally increased in accordance with average earnings and performance. Salary is set and reviewed by Association of Colleges and benchmarked against salaries within the organisation to ensure it is fair and not out of line with that generally paid for similar roles.

Report of the Trustees *(continued)*

Reserves policy

The Trustees have reviewed the financial position at year end. This review encompassed the nature of the income and expenditure. The review concluded that to allow the charity to be managed efficiently and to provide a buffer for uninterrupted services, a minimum reserve equivalent to £190,000 should be maintained. This equates to approximately twelve months of expenditure and covering costs of awards where sponsorship cannot be obtained but Trustees choose to continue them.

During the year, the charity's reserves, including restricted funds, increased from £509,686 to £586,601. As the bulk of the Trust's activities relate to restricted funds, the Trustees feel it is appropriate to maintain reserves to facilitate an orderly wind-up of each separate area of activity should the need ever arise.

Public benefit statement

Within the accounting period, 10 AoC Beacon Awards were provided, and 177 applications received. A team of independent assessors worked within a two-stage assessment process between September 2024 and January 2025. The winning colleges were ratified by the Board and were announced in March 2025. The Awards recognise outstanding teaching and learning in colleges and there is potential for all colleges in the sector to benefit from the dissemination of good practice evidenced by the winning college. Six Student of the Year Awards were provided with 261 nominations. Reintroduction of the FE Hall of Fame celebrating alumni that have tangible and impactful connection with the college they attended as a student. Three winners were selected from 21 college submissions. Three externally funded projects that vary in topic, but all enhance the education of post 16 students were overseen. Funding student places on the Student Governor Summit was conducted for the first time.

This directly benefits the public since colleges can replicate the award-winning practice, thereby enhancing the quality of learning and support given to learners across the country. The Trustees have paid due regard to the Charity Commission's guidance in reviewing the Trust's aims and objectives.

Statement as to Disclosure of Information to Auditors

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

Auditor

Bishop Fleming has indicated its willingness to continue in office.

M White
Chair
10 July 2025

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The laws applicable to charities in England & Wales and Scotland require the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities' SORP;
- make judgments and estimates that are reasonable and prudent.
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the provisions of the trust deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Independent Auditor to the Trustees of the AoC Charitable Trust

Opinion

We have audited the financial statements of The Association of Colleges Charitable Trust for the year ended 31 March 2025, which comprise the statement of Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows, and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 March 2025 and of the Trust's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Report of the Independent Auditor to the Trustees of the AoC Charitable Trust
(continued)

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Trustees' Report and Financial Statements other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Trustees' Report and Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditor to the Trustees of the AoC Charitable Trust
(continued)

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

We have been appointed as auditor under section 152 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In assessing the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following.

- the nature of the sector, control environment and the Charity's performance;
- results of our enquiries of management and the Trustees, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Charity's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where

fraud might occur in the financial statements and any potential indicators of fraud.

Report of the Independent Auditor to the Trustees of the AoC Charitable Trust
(continued)

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, purchase ledger, and identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We identified and obtained an understanding of the laws and regulations that are of significance to the Charity by discussions with Trustees and by updating our understanding of the sector in which the Charity operates in. Laws and regulations that are of direct significance to the Charity and of which non-compliance could result in material misstatement are the Charities Act, Charities SORP and tax legislation. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charity's ability to operate or to avoid a material penalty.

Our procedures to respond to risks identified for the Trust, as necessary, included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of the above regulations;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of Trustee meetings; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report of the Independent Auditor to the Trustees of the AoC Charitable Trust
(continued)

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Bishop Fleming Audit Limited

Mark Munro FCA (Senior statutory auditor)
for and on behalf of

Bishop Fleming Audit Ltd
Chartered Accountants
Statutory Auditors
Brook House
Clyst St. Mary
Exeter
Devon
EX5 1GD

Date: 23/10/2025

Statement of Financial Activities

for the year ended 31 March 2025

	Note	Unrestricted funds £	Restricted funds £	**Total funds 2025 £**	Total funds 2024 £
Income and Endowments					
Donations					
Beacon Awards		-	116,000	116,000	114,500
FE Hall of Fame		-	3,000	3,000	-
Student of the Year		-	22,125	22,125	22,500
Green Skills		-	88,960	88,960	210,478
Creative Writing		-	-	-	4,346
Creative Arts		-	5,515	5,515	289
Other voluntary income		25,000	-	25,000	1,714
Investment income					
Interest on deposits		8,015	45,417	53,432	49,860
Total income		33,015	281,017	314,032	403,687
Expenditure					
Costs of raising funds					
Printing, postage and couriers		-	131	131	183
Fundraising and Publicity		-	18,976	18,976	13,795
Total costs of raising funds		-	19,107	19,107	13,978
Expenditure on charitable activities	2				
Beacon Awards		-	100,894	100,894	91,433
FE Hall of Fame		-	719	719	-
Student of the Year		-	14,010	14,010	13,564
Student Engagement		2,139	-	2,139	
Green Skills		-	88,960	88,960	210,478
Creative Writing		-	-	-	4,346
Creative Arts		-	5,515	5,515	289
General		5,773	-	5,773	506
		7,912	210,098	218,010	320,616
Total expenditure		7,912	229,205	237,117	334,594
Net income before transfers		25,103	51,812	76,915	69,093
Transfers		120,000	(120,000)	-	-
Net movement of funds		145,103	(68,188)	76,915	69,093
Reconciliation of funds	4 & 5				
Total funds brought forward		94,795	414,891	509,686	440,593
Total funds carried forward		239,898	346,703	586,601	509,686

The notes on pages 20 to 30 form part of these financial statements. The Trust has no other recognised gains or losses other than the net movement in funds for the period.

Statement of Financial Position

as at 31 March 2025

	Note	**2025**	2024
		£	£
Current assets			
Debtors: amounts falling due with 1 year	10	3,625	12,722
Cash at bank and in hand		1,063,962	1,076,157
		1,067,587	1,088,879
Current liabilities			
Creditors: amounts falling due within 1 year	11	(480,986)	(579,193)
Net assets		**586,601**	**509,686**
Funds			
	5		
Unrestricted		239,898	94,795
Restricted		346,703	414,891
Total funds		**586,601**	**509,686**

The notes on pages 20 to 30 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Trustees on 10th July 2025 and were signed on its behalf by:

P Brophy

Trustee

10 July 2025

The Association of Colleges has the power to amend the financial statements after issue

Statement of Cashflows

as at 31 March 2025

	Notes	2025 £	2024 £
Operating activities			
Cash generated/(used) from operations	9	(65,627)	220,738
Net cash used in operating activities		(65,627)	220,738
Investing activities			
Interest received		53,432	49,860
Net cash from investing activities		53,432	49,860
Net increase/(decrease) in cash and cash equivalents		(12,195)	270,598
Cash & cash equivalents at beginning of year		1,076,157	805,559
Cash & cash equivalents at end of year		**1,063,962**	**1,076,157**

Notes

(Forming part of the financial statements)

1 Accounting Policies

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

Basis of Preparation and assessment of going concern

The financial statements have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) – (Charities SORP (FRS 102)), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The trust constitutes a public benefit entity as defined by FRS 102.

The Trustees have received no indication from any sponsors that they will not continue their sponsorship and therefore forecasted expenditure will be covered by sponsorship for the next 12 months. The Trust also has adequate cash balances to settle liabilities as they fall due. Therefore, the Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Funds Structure

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed. There are three restricted funds in the Trust, Beacon Awards Fund, Gold Awards Fund and the Student of the Year Fund. Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects.

Further details of each fund are disclosed in note 4.

Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably. Donations from sponsors are recognised when the Trust has been notified in writing of the amount and an invoice has been raised to the donor. Where donations are made from individuals or via an auction, income in recognised when received. In the event that a donation is made in a prior financial year to that it is intended, the income is deferred and not recognised until the date the donor has requested. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Notes *(continued)*

Expenditure recognition
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.
All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note 2 below.
Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. They are accrued once the recipient has been notified of the grant award.

Allocation of support and governance costs
Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs. Governance costs and support costs relating to charitable activities have been apportioned based on the ratio of income in the relevant financial year. The allocation of support and governance costs is analysed in note 2.

Costs of raising funds
The costs of generating funds consist of fees for printing and posting the Beacon Award and FE Hall of Fame certificates, as well as marketing fees across all Awards.

Charitable activities
Costs of charitable activities include grants made, governance costs and support costs as shown in note 2.

Taxation
The Trust was registered as a charity in 1993. Under 471-489 of CT Act 2016 and 256 of Chargeable Gains Act 1992 the Trust is not subject to taxation on its charitable activities.

Pension Scheme Arrangements
All employees of AoC Charitable Trust are contractually employed by the parent company (AoC). Therefore, the pension liability has been recorded in the accounts of the parent company. Employees could elect to be members of the London Pensions Fund Authority (LPFA) pension fund (defined benefit) or Flexible Retirement Plan (defined contribution), however membership of the LPFA was closed in December 2024. On commencement of employment, employees now automatically become members of the FRP pension scheme, with the option to opt out.

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

Notes *(continued)*

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument and are offset only when the Charity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial Assets

Trade Debtors - Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Financial Liabilities

Trade Creditors - Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Derecognition Of Financial Assets and Liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Notes *(continued)*

2 Charitable Activities

2025	Grants payable	Consultancy	Support costs	Project Costs	**Total 2025**
	£	£	£	£	**£**
Beacon Awards	-	41,952	58,942	-	**100,894**
FE Hall of Fame	-	-	719	**-**	**719**
Student of the Year	1,980	-	12,030	-	**14,010**
Green Skills	-	-	-	88,960	**88,960**
Creative Arts	-	-	-	5,515	**5,515**
Student Engagement	-	-	2,139	-	**2,139**
General	-	-	5,773	-	**5,773**
	1,980	41,952	79,603	94,475	**218,010**

2024	Grants payable	Consultancy	Support costs	Project Costs	Total 2024
	£	£	£	£	£
Beacon Awards	696	37,182	53,554	-	91,433
Gold Awards	-	-	-	-	-
Student of the Year	2,252	-	11,312	-	13,564
Green Skills	-	-	-	210,478	210,478
Creative Writing	-	-	-	4,346	4,346
Creative Arts	-	-	-	289	289
General	-	-	506	-	506
	2,948	37,182	65,372	215,113	320,615

Governance & support costs	Unrestricted	Restricted	**2025**
Wages and salaries	4,950	28,050	**33,000**
Meetings	-	26,183	**26,183**
Other travel expenses	383	17,106	**17,489**
Audit	394	2,231	**2,625**
Bank charges	46	260	**306**
	5,773	73,830	**79,603**

Governance & support costs	Unrestricted	Restricted	2024
Wages and salaries	300	29,700	30,000
Meetings	108	27,136	27,244
Other travel expenses	69	5,199	5,268
Audit	25	2,475	2,500
Bank charges	4	357	360
	506	64,866	65,372

Notes *(continued)*

Basis of Apportionment

Governance and support costs are apportioned based on the ratio of income of each fund for the financial year to which it relates. This recognises the amount of relevant expenditure in comparison for each fund.

3 Staff Numbers and Costs

For the year ending 31 March 2025 there were no direct staff within AoC Charitable Trust. There is a recharge of £33,000 from AoC to cover costs relating to admin, finance and management staff that work on behalf of the Trust (2024: £30,000 was paid to AoC).

No Trustees received any remuneration for their role as a Trustee. One Trustee received reimbursement for travel expenses of £160 (2024: £nil).

4 Movement of Funds

	1 April 2024	Income	Transfer	Expenditure	**31 March 2025**
	£	£		£	**£**
Restricted funds					
Beacon Awards admin.	375,980	153,402	(120,000)	103,658	305,724
FE Hall of Fame	20,732	4,069	-	9,775	15,026
Student of the Year	18,179	29,071	-	21,297	25,953
Green Skills	-	88,960	-	88,960	-
Creative Arts	-	5,515	-	5,515	-
Total restricted funds	**414,891**	**281,017**	**(120,000)**	**229,205**	**346,703**
Unrestricted funds	94,795	33,015	120,000	7,912	239,898
Total	**509,686**	**314,032**	**-**	**237,117**	**586,601**

Interest received on restricted funds is apportioned across all income streams (excluding projects) based on the income percentage. This percentage is also used to apportion certain overheads to the various awards expenditure streams active during the year (excluding projects).

AoC agreed, during the year, to transfer £120k of its administrative donations from Beacon Awards to General reserves to enable the trust to use the reserves more broadly and fulfil it's strategic objectives.

Purpose of Funds

The AoC Beacon Award sponsorship is used to cover the cost of design of the awards and criteria, working with sponsors, launch and publicity, the independent assessment team, administration, publications, and celebration events.

Notes *(continued)*

An amount is also made available to cover the cost of hosting the finalist announcements at the AoC Annual Conference and the winner's announcements and celebratory event later in the year.

The Student of the Year Awards are funded through sponsorship. The funding is used for the administration of the awards including assessment, event celebration, prize money and PR. They are designed to celebrate the work of colleges in supporting students of all ages and abilities and to raise the profile of the further education sector by rewarding students of FE colleges who have overcome significant personal challenges with ambition.

The reinstatement of the FE Hall of Fame was funded via a combination of a contribution from AoC and reserves from the Gold Awards. The funding was used for marketing and branding.

The funding for projects is used to deliver the contracted key performance indicators and funding requirements along with covering the project management resources and all expenditure over the life of the projects.

Unrestricted funds were used to fund places on the Student Governor Summit in November 2024.

The unrestricted funds are those funds that the Charity has received that were not for specific purposes and as such are held as unrestricted funds.

5 Analysis of Net Assets between Funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances as at 31 March 2025 are represented by:			
Cash at bank and deposits	239,898	824,064	**1,063,962**
Creditors	-	(2,624)	**(2,624)**
Net amount owed by group companies	-	1,700	**1,700**
Accruals	-	(13,240)	**(13,240)**
Deferred Income	-	(463,197)	**(463,197)**
Total	239,898	346,703	**586,601**

	Unrestricted funds £	Restricted funds £	Total £
Fund balances as at 31 March 2024 are represented by:			
Cash at bank and deposits	94,795	981,362	1,076,157
Debtors	-	12,500	12,500
Creditors	-	-	-
Net amount owed by group companies	-	222	222
Accruals	-	(4,810)	(4,810)
Deferred Income	-	(574,383)	(574,383)
Total	94,795	414,891	509,686

Notes *(continued)*

6 Audit Services

Fees payable to Bishop Fleming and its associates in respect of both audit and non-audit services are as follows:

	2025	2024
	£	£
Audit services – statutory audit of the charity	**2,625**	2,500

Notes *(continued)*

7 List of winning and finalist colleges for 2024-25 Awards

Beacon Awards:

Beacon Award name	College
The Sustainable Energy First Award for Education for Sustainable Development	Winner: South West College Finalists: Hull College and West Suffolk College (Eastern Education Group)
The Careers & Enterprise Company Award for Excellence in Careers and Enterprise	Winner: Waltham Forest College Finalist: Capital City College Group (City and Islington College)
The RCU Award for Support for Students	Winner: Wirral Met College Finalists: Plumpton College and Barnet and Southgate College
The City & Guilds Award for College Engagement with Employers	Winner: Salford City College Finalist: Solihull College & University Centre
The NOCN Award for Mental Health and Well Being	Winner: Salford City College Finalists: The College Merthyr Tydfil and Waltham Forest College
The Jisc Award for Effective Use of Digital Technology in FE	Winner: City College Plymouth Finalists: Basingstoke College of Technology (BCoT) and USP College
The Edge Award for Excellence in Real World Learning	Winner: Walsall College Finalists: Bradford College and Plumpton College
The AoC Award for Widening Participation	Winner: EKC Group Finalists: New College Durham and South Eastern Regional College
The Bell Foundation Award for Excellence in ESOL	Winner: Bradford College Finalists: New College Durham and Nottingham College
The British Council Award for Excellence in International Work	Finalists: Coleg Cambria and NCG – Newcastle College

Notes *(continued)*

Student of the Year Awards:

Student of the Year Award name	College
Adult Student of the Year Award, sponsored by Cidori	Winner: Northampton College Finalists: London South East Colleges and Nottingham College
Apprentice of the Year Award, sponsored by AoC	Winner: Exeter College Finalist: Nelson & Colne College Group
Young Student of the Year Award (16 to 18-years-old) sponsored by Edge	Winner: Leicester College Finalist: Barnsley College
Student Green Commitment Award, sponsored by NOCN Group	Winner: Newcastle College University Centre Finalist: Trafford & Stockport College Group (TSCG)
Higher Education Student of the Year Award, sponsored by AoC	Winner: Brooklands Technical College Finalist: NCG – Newcastle College University Centre
AQA Project Excellence Award	Winner: NSCG Newcastle College Finalists: Christ the King Aquina and Christ the King St Mary's

The Beacon Awards are made to winning colleges following a rigorous two-stage application and moderation process, this includes an assessor team visit to the finalist colleges. The team of independent assessors is managed by the Trust Manager and overseen by the Chief Assessor and Trust Director; a lead assessor for each award is appointed and supported by either an additional assessor and/or sponsor assessor. Each application is assessed by the lead assessor and team; the lead will detail their team's observations, grade the applicants at each stage and submit to the Chief Assessor. Following moderation at each stage, those being commended, becoming a finalist, or winning an Award are ratified by the Trust Board.

The assessor team is refreshed each year by inviting the previous year's winning college of an award category to nominate a member of staff to join the team. The team can also include a sponsor assessor.

The Student of the Year awards are made to winning colleges after shortlisting is carried out by AoC staff, with selection of winners and runner ups made by representatives of the Trust Board.

Notes *(continued)*

8 Related Party Transactions

The Association of Colleges (Company number 03216271), the 'parent' company which is also the ultimate controlling party and representative body for further education and sixth form colleges in England, Wales and Northern Ireland, together with its trading subsidiaries AoC Services Ltd and AoC Sport, make up the group. The Association of Colleges (AoC) was created in 1996 as the single voice to promote the interests of incorporated further education and sixth form colleges in England and Wales. Details of the principal activities are provided in the AoC Strategic Report. AoC exists to represent and promote the interests of colleges and to provide members with professional support services. The Association of Colleges donated £40,000 to the Trust (2024: £40,000).

All employees are employed by the Association of Colleges and recharged to the respective entities. A recharge of £33,000 was made to the Trust from AoC to cover staff costs (2024: £30,000). Accommodation charges for the Trust are met by the Association. A recharge of £2,625 was made to the Trust from AoC to cover audit costs (2024: £2,500). £5,676 of staff expenses were charged to the Trust from AoC during the year (2024: £5,958). A recharge of £48,431 was made to the Trust from AoC to cover salary costs for Philip Parle who is working on the Green Skills project (2024: £45,630).

AoC Services provides assistance at the Association's annual conference for the announcement of the finalists for the Beacon Awards and winners of the Student of the Year awards. The costs for this are covered by sponsorship secured by AoC Services as part of the overall annual conference programme. However, accommodation recharges totalling £1,925 (2024: £2,250) were paid. AoC Services managed the Celebratory event in March 2025 for which a recharge of £6,625 has been taken (2024: £8,650). A recharge to AoC Services of £463 was incurred for attendance at the Annual conference as part of ongoing project work within the Trust (2024 £90 for English & Maths conference) and a further £563 for use of the ICC AV team.

9 Reconciliation of net income to net cash generated from operations

	2025	2024
	£	£
Net income	76,915	69,093
Interest receivable	(53,432)	(49,860)
Decrease in trade and other debtors	9,097	7,109
Increase in trade and other creditors	(98,207)	194,396
Cash generated by operations	(65,627)	220,738
Cash and cash equivalents		
Cash and cash equivalents represent:-		
Cash at bank	1,063,962	1,076,157

Notes *(continued)*

10 Debtors: amounts falling due within one year

	2025	2024
	£	£
Trade debtors	-	12,500
Amounts owed by group	3,625	222
Total	3,625	12,722

11 Creditors: amounts falling due within one year

	2025	2024
	£	£
Amounts owed to group	1,925	-
Trade creditors	2,624	-
Accruals	13,240	4,810
Deferred Income	463,197	574,383
Total	480,986	579,193

There is an decrease in deferred income as the Trust has two projects (2024: three) underway that will span over into 25/26, hence income has been deferred to cover expenditure incurred in 25/26.

Notes *(continued)*

12 Statement of financial activity 2024 breakdown

	Unrestricted funds £	Restricted funds £	**Total funds 2024 £**
Income and endowments			
Donations			
Beacon Awards admin. donations	-	114,500	**114,500**
Student of the Year donations	-	22,500	**22,500**
Green Skills	-	210,478	**210,478**
Creative Writing	-	4,346	**4,346**
Creative Arts in FE	-	289	**289**
General	1,714	-	**1,714**
Investment income			
Interest on deposits	499	49,361	**49,860**
Total income	2,213	401,474	**403,687**
Expenditure			
Costs of raising funds			
Printing, postage and couriers	-	183	**183**
Fundraising & publicity	-	13,795	**13,795**
Total costs of raising funds	-	13,978	**13,978**
Expenditure on charitable activities			
Beacon Awards	-	91,433	**91,433**
Student of the Year	-	13,564	**13,564**
Green Skills	-	210,478	**210,478**
Creative Writing	-	4,346	**4,346**
Creative Arts in FE	-	289	**289**
General	506	-	**506**
	506	320,110	**320,616**
Total expenditure	506	334,088	**334,594**
Net income before transfers	1,707	67,386	**69,093**
Transfers	-	-	**-**
Net movement of funds	1,707	67,386	**69,093**
Reconciliation of funds			
Total funds brought forward	93,088	347,505	**440,593**
Total funds carried forward	94,795	414,891	**509,686**

THE ASSOCIATION OF COLLEGES CHARITABLE TRUST

England & Wales - Charity number 1040631

Accounts

The AoC Charitable Trust

Trustees' report
and
financial statements
for the year ended
31 March 2024

Registered charity numbers:
England & Wales 1040631
Scotland SC039064

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Report of the Trustees

The Trustees present their report and the audited financial statements for the year ended 31 March 2024. The financial statements and Trustees' report are prepared in accordance with the Charities Act 2011, the Charities Accounts and Reports Regulations 2008, the provisions of the trust deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. These financial statements comply with current statutory requirements and with the requirements of the Trust's governing document, which is the Trust Deed dated 1 August 1994.

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) – (Charities SORP (FRS 102)), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The trust constitutes a public benefit entity as defined by FRS 102.

Structure, Governance & Management

Legal and Administrative Details

The Trust was registered with the Charity Commission on 1 August 1994 and is governed by its constitution.

Registered Name: Association of Colleges Charitable Trust

Charity Commission Number: 1040631

Office of the Scottish Charity Regulator: SC039064

Trustees:

Trustee	Dates
D Adams	Appointed 8 February 2024
E Bishop	Appointed 1 September 2023
P Brophy	
S Frampton	Resigned 31 March 2024
S Francis	
S Higginson (Vice Chair)	Appointed 5 July 2023
D Hughes	
J Kapsalis	Appointed 8 February 2024
I Munro	Resigned 31 August 2023
J Robinson	Appointed 8 February 2024
F Thouard	Resigned 21 February 2024
M White (Chair)	
Secretary	Dates
J Edwards	

Report of the Trustees *(continued)*

Trustee to whom day-to-day running of the charity is delegated by the Trustees is E Bishop.

Registered Office	Room 3.06 Third Floor, The Bloomsbury Building 10 Bloomsbury Way London WC1A 2SL	**Statutory Auditor**	Bishop Fleming LLP Stratus House Emperor Way Exeter Business Park Exeter EX1 2QS
Bankers	Barclays 28th Floor 1 Churchill Place Canary Wharf London E14 5HP	**Internal Auditor**	Scrutton Bland LLP Fitzroy House Crown Street Ipswich IP1 3LG
Solicitors	Eversheds Sutherland 1 Wood Street London EC2V 7WS		

Objectives, activities, achievements and performance

The Trust is established for the purpose of advancing the education of members of the public aged over 16 years.

The nature of the governing document is a Trust Deed.

The Trust is devoted to raising funds and overseeing their application for the benefit of post-16 education. The Trustees are appointed from the Association of Colleges' Main Board, the Association's executive officers and independent representatives. Trustees appointed from the Association's Board include, the Chief Executive and the Director of Finance; executive officers include the Trust's Director. Independent representatives are appointed for their knowledge, experience, and status in the sector. All appointments require the approval of the Trustees. An informal induction process is carried out when new Trustees join. As a minimum, the Trustees meet on a termly basis, although additional meetings are held if required.

The Trustees are satisfied that the programmes operating through the Trust have been effective, given the resources. Representatives are pleased that the Beacon Awards Programme has continued to retain and attract the support of external sponsors and that the balance for the Beacon Awards is healthy at the end of the 12-month period.

The AoC Beacon Awards were set up in 1994 to recognise and promote the interdependence of further education colleges and business, professional and voluntary sector organisations to their mutual advantage. The Student of the Year Awards came within the Trust activities in 2017 following a review of all AoC Awards and the need to ensure consistency and rigour.

Report of the Trustees *(continued)*

In the year ended 31 March 2024, nine Beacon Awards were offered and in the same year five Student of the Year categories were offered, along with the new AQA Project Excellence Award.

The Director and the Business Development team worked closely with all sponsors to ensure the awards meet their needs and a series of one to one meetings were held. Two awards were dropped for the 23/24 cycle due to low application numbers and no sponsorship. Remaining sponsors are engaged in the process and awards with the Beacon Award sponsors showing commitment through being part of the assessor team. Sponsors agreed with longer lead times and trail of new dissemination activities.

A review of the sponsorship packages and costs has taken place with prices being increased on many of the awards, ensuring that there is a consistent approach with all sponsors. New sponsors are being sought for future awards.

For the Beacon Awards 121 applications were received and following an independent two-stage assessment process through the autumn of 2023 and moderation in February 2024 by the AoC Chief Assessor, ten Beacon award winners were recommended. In one award category there were two winners. These decisions were ratified by the Trust Board. The winners were announced during at a ceremony in London in February 2024.

Student of the Year received 100 nominations and following a rigorous judging process 15 progressed to finalist stage. These awards are a celebration of the achievements of exceptional individuals from colleges across England. Colleges provide a fantastic array of opportunities for people to help them achieve their ambitions, maximise their talent and to progress in life, learning and work. This is an opportunity for the Trust to recognise outstanding students who deserve recognition and who will go on to inspire others and/or who have gone above and beyond in college, their local community or in extra-curricular activities. The six winners were announced at the AoC Annual Conference in November 2023 as well as invited and celebrated at the AoC award celebration event in February.

The AoC Gold Awards for Further Education College Alumni have been managed by the Charitable Trust since 1996. In 2020 Trustees agreed these would not be offered in 2021/22 and a proposal was written in 21/22, to be discussed by the Trustees in 22/23. Trustees remain committed to offering an award that recognises the contribution of past student achievement, a proposal to reinstate the Gold Awards will be discussed at a forthcoming Board meeting, with hopes to reinstate them in 24/25.

The Trust currently has three live projects that are being manged by the AoC projects Team.

1. Delivering green skills to Level 2 Construction students in London through local collaborative projects, funded by JP Morgan Chase Foundation, running October 2022 – August 2025, with a 2-year longitudinal study.

   Two college groups have been commissioned to deliver the pilot projects in the London area with a focus on delivering green skills training to Level 2 construction students to help them progress into level 3 Apprenticeships and to support their progression into green jobs in the homes and building sector.

Report of the Trustees *(continued)*

2. Creative Arts in FE, funded by Copyright Licensing Agency and UAL Awarding Body, running January – November 2024.

   Programme will give FE students the change to create their own piece of creative writing, photography, visual art or the spoken word in respond to a brief set by UAL Awarding Body. The project will focus on giving students an opportunity to creatively explore issues and are key to young people and their peers, alongside building their own creative practice and portfolios. Authors and artists interviews will be carried out to inspire and share different creative processes and approaches.

3. Creative Writing in FE, funded by Copyright Licencing Agency, running January 2023 – March 2024.

   Encouraging students in FE to respond to a brief and submit a piece of creative writing. To allow students the opportunity to be inspired by author interviews, learn alternative processes and approaches, and build confidence to submit their work for inclusion in an anthology.

Trust Awards 2023/24

The Trust intends to use current funds to make awards to winning colleges and to cover the cost of administration and management of the whole award process from inception to completion, this includes the design of awards and criteria, working with sponsors, the launch and publicity, the assessment teams and assessment process, the various reports and guides to support applicants and the celebratory events.

AoC Beacon Awards – The Beacon Awards remain a central aspect of AoC strategy to celebrate and promote the great work of colleges and their staff. This year the innovation demonstrated by colleges in responding to the skills and training needs of employers and government policy drivers was recognised.

Changes to the assessment process are reviewed annually and improvements made.

Risk management policy

During the year, the Trustees have considered major risks on an ongoing basis and taken appropriate steps as deemed necessary. Consideration has been given to a material drop in sponsorship for the Beacon Awards and a contingency plan has been put in place for this. A reduction in sponsorship would result in a reduction in awards available and therefore a reserve fund is being built to cover the possibility of minimal sponsorship and the winding up of the Trust.

Financial review

During the financial year the principal funding sources were the sponsors of the Beacon Awards, as listed in note 7, together with the Association of Colleges which provides funding for the Beacon Awards and the general running of the Trust through the unrestricted fund. Total incoming resources for the year were £403,687.

Report of the Trustees *(continued)*

The bulk of the expenditure during the year relates directly to the management, assessment, promotion of the Beacon Awards programme, with the remainder covering the expenditure associated with the Student of the Year Awards and the research and development of the awards as a whole. Total resources expended for the year were £334,594.

The financial outturn this year provided a net positive balance (surplus) of £69,093 and this has been added to reserves which on 31 March 2024 are £509,686.

Structure, governance and management

The AoC Charitable Trust's Trustees shall be as follows:

- Chair
- Vice Chair
- AoC Chief Executive (ex officio)
- AoC President (ex officio)
- AoC Director of Finance and Chief Operating Officer (ex officio)
- Director of the AoC Charitable Trust (ex officio)
- Up to six appointed members with the necessary skills, experience and personal attributes to fulfil the role and responsibilities of being an appointed Trustee.

The maximum permitted number of Trustees shall be 11 including ex officio members.

New Trustees are recruited through a consultation process with the Trust and relevant stakeholders, led by the Chair and senior AoC staff, and their appointments must be approved by a quorate meeting of the Trust. In January 2024 three new Trustees were recruited, with their appointment approved in February 2024.

The term of office for appointed Trustees is four years. Trustees serve a maximum of two four-year terms, subject to re-appointment by the Trust. Their re-appointment for a second four-year term is not automatic and is formally determined by the Trust at a scheduled meeting. Trustees may only be considered for re-appointment beyond two terms in exceptional circumstances if they have special skills that would be otherwise hard to find; or if their experience on the Trust is required to balance out the relative inexperience of new Trustees, and, in any case, only if they have demonstrated excellent commitment to the Trust in terms of attendance and contribution at meetings.

Ex officio Trustees can be Trustees so long as they remain in post and comply with relevant Charity Commission regulations.

The Chair is appointed by AoC Board, and the Vice-Chair is elected by Trustees at a quorate meeting of the Trust. The new Vice Chair was elected in November 2023.

The term of office for the Chair is four years, and they may be re-appointed for a second four-year term, subject to AoC Board approval. Any term of office as Trustee shall not count towards the maximum term of office of the Chair.

Report of the Trustees *(continued)*

The term of office of the Vice-Chair match their term of office as an appointed Trustee. Their re-appointment for a second term as Vice-Chair is not automatic and is formally determined by the Trust at a scheduled meeting.

Key management personnel remuneration

The Trustees consider the Board of Trustees as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in note 3 and note 8 to the accounts.

Trustees are required to disclose all relevant interests and register them with the Board of Trustees and, in accordance with the Trust's policy, withdraw from decisions where a conflict of interest arises.

The pay of the charity's director is initiated by the holding company of the trust, Association of Colleges, and as such is reviewed annually and normally increased in accordance with average earnings and performance. Salary is set and reviewed by Association of Colleges and benchmarked against salaries within the organisation to ensure it is fair and not out of line with that generally paid for similar roles.

Reserves policy

The Trustees have reviewed the financial position at year end. This review encompassed the nature of the income and expenditure. The review concluded that to allow the charity to be managed efficiently and to provide a buffer for uninterrupted services, a minimum reserve equivalent to £80,000, excluding restricted funds, should be maintained. This equates to approximately six months of general expenditure and covering costs of awards where sponsorship cannot be obtained but Trustees choose to continue them.

Free reserves are the unrestricted funds (as there are no designated funds within them). The current free reserves are in line with the target with no shortfall and look to be maintained at this level.

During the year, the charity's reserves, including restricted funds, increased from £440,593 to £509,686. As the bulk of the Trust's activities relate to restricted funds, the Trustees feel it is appropriate to maintain reserves to facilitate an orderly wind-up of each separate area of activity should the need ever arise.

Report of the Trustees *(continued)*

Public benefit statement

Within the accounting period, 9 AoC Beacon Awards were provided, and 121 applications received. A team of independent assessors worked within a two-stage assessment process between August 2023 and February 2024. The winning colleges were ratified by the Board and were announced in February 2024. The Awards recognise outstanding teaching and learning in colleges and there is potential for all colleges in the sector to benefit from the dissemination of good practice evidenced by the winning college. Six Student of the Year Awards were provided with 100 nominations.

This directly benefits the public since colleges can replicate the award-winning practice, thereby enhancing the quality of learning and support given to learners across the country. The Trustees have paid due regard to the Charity Commission's guidance in reviewing the Trust's aims and objectives.

Statement as to Disclosure of Information to Auditors

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

Auditor

Following a formal tender process, Bishop Flemming have been appointed new external auditors from September 2023. The Trustees would formally like to thank RSM UK Audit LLP for the many years of highly professional and supportive service provided.

M White
Chair
Date 15 August 2024

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The laws applicable to charities in England & Wales and Scotland require the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities' SORP;
- make judgments and estimates that are reasonable and prudent.
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the provisions of the trust deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Independent Auditor to the Trustees of the AoC Charitable Trust

Opinion

We have audited the financial statements of The Association of Colleges Charitable Trust for the year ended 31 March 2024, which comprise the statement of Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows, and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 March 2024 and of the Trust's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Report of the Independent Auditor to the Trustees of the AoC Charitable Trust
(continued)

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information
The other information comprises the information included in the Trustees' Report and Financial Statements other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Trustees' Report and Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.
We have nothing to report in this regard.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees
As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditor to the Trustees of the AoC Charitable Trust
(continued)

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

We have been appointed as auditor under section 152 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In assessing the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following.

- the nature of the sector, control environment and the Charity's performance;
- results of our enquiries of management and the Trustees, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Charity's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where

fraud might occur in the financial statements and any potential indicators of fraud.

Report of the Independent Auditor to the Trustees of the AoC Charitable Trust
(continued)

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, purchase ledger, and identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We identified and obtained an understanding of the laws and regulations that are of significance to the Charity by discussions with Trustees and by updating our understanding of the sector in which the Charity operates in. Laws and regulations that are of direct significance to the Charity and of which non compliance could result in material misstatement are the Charities Act, Charities SORP and tax legislation. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charity's ability to operate or to avoid a material penalty.

Our procedures to respond to risks identified for the Trust, as necessary, included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of the above regulations;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of Trustee meetings; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.
-

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report of the Independent Auditor to the Trustees of the AoC Charitable Trust
(continued)

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Munro FCA (Senior statutory auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Date: 20 August 2024

Statement of Financial Activities

for the year ended 31 March 2024

	Note	Unrestricted funds £	Restricted funds £	**Total funds 2024 £**	Total funds 2023 £
Income and Endowments					
Donations					
Beacon Awards admin. donations		-	114,500	**114,500**	118,250
Gold		-	-	**-**	2,000
Student of the Year		-	22,500	**22,500**	8,000
Green Skills		-	210,478	**210,478**	5,401
Creative Writing		-	4,346	**4,346**	639
Creative Arts		-	289	**289**	-
Other voluntary income		1,714	-	**1,714**	-
Investment income					
Interest on deposits		499	49,361	**49,860**	17,479
Total income		2,213	401,474	**403,687**	151,769
Expenditure					
Costs of raising funds					
Printing, postage and couriers		-	183	**183**	675
Beacon Award Prospectus		-	-	**-**	285
Fundraising and Publicity		-	13,795	**13,795**	10,799
Total costs of raising funds		-	13,978	**13,978**	11,741
Expenditure on charitable activities	2				
Beacon Awards		-	91,433	**91,433**	107,669
Gold Awards		-	-	**-**	648
Student of the Year		-	13,564	**13,564**	5,294
Green Skills		-	210,478	**210,478**	5,401
Creative Writing		-	4,346	**4,346**	639
Creative Arts		-	289	**289**	
Research		506	-	**506**	-
		506	320,110	**320,616**	119,651
Total expenditure		506	334,088	**334,594**	131,392
Net income before transfers		1,707	67,386	**69,093**	20,377
Transfers		-	-	**-**	-
Net movement of funds		1,707	67,386	**69,093**	20,377
Reconciliation of funds	4 & 5				
Total funds brought forward		93,088	347,505	**440,593**	420,216
Total funds carried forward		94,795	414,891	**509,686**	440,593

The notes on pages 19 to 28 form part of these financial statements. The Trust has no other recognised gains or losses other than the net movement in funds for the period.

Statement of Financial Position

as at 31 March 2024

	Note	**2024**	2023
		£	£
Current assets			
Trade debtors	10	**12,500**	17,750
Amounts owed by Association of Colleges	10	**222**	*2,081*
Cash at bank and in hand		**1,076,157**	805,559
		1,088,879	825,390
Current liabilities			
Creditors: Amounts falling due within 1 year:	11		
Trade creditors		**-**	550
Accruals		**4,810**	2,520
Deferred Income		**574,383**	381,727
		579,193	384,797
Net assets		**509,686**	440,593
Funds			
	5		
Unrestricted		**94,795**	93,088
Restricted		**414,891**	347,505
Total funds		**509,686**	440,593

The notes on pages 16 to 29 form part of these financial statements.

The financial statements on pages 16 to 29 were approved and authorised for issue by the Board of Trustees on date and were signed on its behalf by:

P Brophy

Trustee

15 August 2024

The Association of Colleges has the power to amend the financial statements after issue

Statement of Cashflows

as at 31 March 2024

	Notes	**2024** **£**	2023 £
Operating activities			
Cash generated/(used) from operations	9	220,738	376,414
Net cash used in operating activities		220,738	376,414
Investing activities			
Interest received		49,860	17,479
Net cash from investing activities		49,860	17,479
Net increase/(decrease) in cash and cash equivalents		270,598	393,893
Cash & cash equivalents at beginning of year		805,559	411,666
Cash & cash equivalents at end of year		1,076,157	805,559

Notes

(Forming part of the financial statements)

1 Accounting Policies

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

Basis of Preparation and assessment of going concern

The financial statements have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) – (Charities SORP (FRS 102)), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The trust constitutes a public benefit entity as defined by FRS 102.

The Trustees have received no indication from any sponsors that they will not continue their sponsorship and therefore forecasted expenditure will be covered by sponsorship for the next 12 months. The Trust also has adequate cash balances to settle liabilities as they fall due. Therefore, the Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Funds Structure

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed. There are three restricted funds in the Trust, Beacon Awards Fund, Gold Awards Fund and the Student of the Year Fund. Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects.

Further details of each fund are disclosed in note 4.

Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably. Donations from sponsors are recognised when the Trust has been notified in writing of the amount and an invoice has been raised to the donor. Where donations are made from individuals or via an auction, income in recognised when received. In the event that a donation is made in a prior financial year to that it is intended, the income is deferred and not recognised until the date the donor has requested. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Notes *(continued)*

Expenditure recognition
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.
All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note 2 below.
Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. They are accrued once the recipient has been notified of the grant award.

Allocation of support and governance costs
Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs. Governance costs and support costs relating to charitable activities have been apportioned based on the ratio of income in the relevant financial year. The allocation of support and governance costs is analysed in note 2.

Costs of raising funds
The costs of generating funds consist of fees for printing and posting the Beacon Award prospectus, along with costs marketing fees for the Student of the Year Awards.

Charitable activities
Costs of charitable activities include grants made, governance costs and support costs as shown in note 2.

Taxation
The Trust was registered as a charity in 1993. Under 471-489 of CT Act 2016 and 256 of Chargeable Gains Act 1992 the Trust is not subject to taxation on its charitable activities.

Pension Scheme Arrangements
All employees of AoC Charitable Trust are contractually employed by the parent company (AoC). Therefore, the pension liability has been recorded in the accounts of the parent company. Employees may elect to be members of the London Pensions Fund Authority (LPFA) pension fund. LPFA is a funded defined benefit scheme, whereas the Flexible Retirement Plan is a defined contribution scheme.

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

Notes *(continued)*

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument and are offset only when the Charity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial Assets

Trade Debtors - Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Financial Liabilities

Trade Creditors - Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Derecognition Of Financial Assets and Liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Notes *(continued)*

2 Charitable Activities

2024	Grants payable	Consultancy	Support costs	Project Costs	**Total 2024**
	£	£	£	£	**£**
Beacon Awards	696	37,182	53,554	=	**91,433**
Gold Awards	-	-	-	**-**	**-**
Student of the Year	2,252	-	11,312	-	**13,564**
Green Skills	-	-	-	210,478	**210,478**
Creative Writing	-	-	-	4,346	**4,346**
Creative Arts	-	-	-	289	**289**
General	-	-	506	-	**506**
	2,948	37,182	65,372	215,113	**320,615**

2023	Grants payable	Consultancy	Support costs	Project Costs	Total 2023
	£	£	£	£	£
Beacon Awards	1,773	55,561	50,335	-	107,669
Gold Awards	-	-	648	-	648
Student of the Year	1,350	1,000	2,944	-	5,294
Green Skills	-	-	-	5,401	5,401
Creative Writing	-	-	-	639	639
General	-	-	-	-	-
	3,123	56,561	53,927	6,040	119,651

Governance & support costs	Unrestricted	Restricted	**2024**
Wages and salaries	300	29,700	**30,000**
Meetings	108	27,136	**27,244**
Other travel expenses	69	5,199	**5,268**
Audit	25	2,475	**2,500**
Bank charges	4	357	**360**
	506	64,866	**65,372**

Governance & support costs	Unrestricted	Restricted	2023
Wages and salaries	-	30,000	30,000
Meetings	-	19,387	19,387
Other travel expenses	-	2,146	2,146
Audit	-	2,000	2,000
Bank charges	-	395	395
	-	53,927	53,927

Notes *(continued)*

Basis of Apportionment

Governance and support costs are apportioned based on the ratio of income of each fund for the financial year to which it relates. This recognises the amount of relevant expenditure in comparison for each fund.

3 Staff Numbers and Costs

For the year ending 31 March 2024 there were no direct staff within AoC Charitable Trust. There is a recharge of £30,000 from AoC to cover costs relating to admin, finance and management staff that work on behalf of the Trust (2023: £30,000 was paid to AoC).

No Trustees received any remuneration for their role as a Trustee. No Trustee received reimbursement for travel expenses and accommodation (2023: £nil).

4 Movement of Funds

	1 April 2023	Income	Transfer	Expenditure	**31 March 2024**
	£	£		£	**£**
Restricted funds					
Beacon Awards admin.	313,137	155,883	-	93,040	**375,980**
Gold Awards	20,732	-	-	-	**20,732**
Student of the Year	13,636	30,478	-	25,935	**18,179**
Green Skills	-	210,478	-	210,478	**-**
Creative Writing	-	4,346	-	4,346	**-**
Creative Arts	-	289	-	289	**-**
Total restricted funds	347,505	401,474	-	334,088	**414,891**
Unrestricted funds	93,088	2,213	-	506	**94,795**
Total	440,593	403,687	-	334,594	**509,686**

Interest received on restricted funds is apportioned across all income streams (excluding projects) based on the income %. This % is also used to apportion certain overheads to the various awards expenditure streams active during the year (excluding projects).

Purpose of Funds

The AoC Beacon Award sponsorship is used to cover the cost of design of the awards and criteria, working with sponsors, launch and publicity, the independent assessment team, administration, publications, and celebration events. An amount is also made available to cover the cost of hosting the finalist announcements at the AoC Annual Conference and the winner's announcements and celebratory event later in the year.

Notes *(continued)*

The Gold Awards are currently not offered; however, the original programme was independently reviewed in 21/22 and is now under consideration as part of wider review of the overall awards programme. All recommendations will be considered by the Trustees in 2024 to decide if/how the Award should go ahead. This award was designed to raise the profile of the further education sector by rewarding former students at FE colleges who have since gone on to excel in their chosen field or profession.

The Student of the Year Awards are funded through sponsorship. The funding is used for the administration of the awards including assessment, event celebration, prize money and PR. They are designed to celebrate the work of colleges in supporting students of all ages and abilities and to raise the profile of the further education sector by rewarding students of FE colleges who have overcome significant personal challenges.

The funding for the three current projects is used to deliver the contracted key performance indicators and funding requirements along with covering the project management resources and all expenditure over the life of the projects.

The unrestricted funds are those funds that the Charity has received that were not for specific purposes and as such are held as unrestricted funds.

5 Analysis of Net Assets between Funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances as at 31 March 2024 are represented by:			
Cash at bank and deposits	94,795	981,362	**1,076,157**
Debtors	-	12,500	**12,500**
Creditors	-	-	**-**
Net amount owed by group companies	-	222	**222**
Accruals	-	(4,810)	**(4,810)**
Deferred Income	-	(574,383)	**(574,383)**
Total	94,795	414,891	**509,686**

	Unrestricted funds £	Restricted funds £	Total £
Fund balances as at 31 March 2023 are represented by:			
Cash at bank and deposits	93,088	712,471	805,559
Debtors	-	17,750	17,750
Creditors	-	(550)	(550)
Net amount owed by group companies	-	2,081	2,081
Accruals	-	(2,520)	(2,520)
Deferred Income	-	(381,727)	(381,727)
Total	93,088	347,505	440,593

Notes *(continued)*

6 Audit Services

Fees payable to Bishop Fleming and its associates in respect of both audit and non-audit services are as follows:

	2024	2023
	£	£
Audit services – statutory audit of the charity	**2,500**	2,000

Notes *(continued)*

7 List of Winning (and highly commended) Colleges for 2023-24 (Beacon Awards)

Award Name	College
The AoC Award for Widening Participation	Gower College Swansea (Capital City College Group, Lancashire Adult Learning (Nelson and Colne College Group), New City College)
The AoC Award for Excellence in Governance	Joint winners Barnsley College and East Kent Colleges Group
The Careers and Enterprise Company Award for Innovation in Careers and Enterprise	Middlesbrough College (Basingstoke College of Technology, Coleg Sir Gar, Coleg Ceredigion)
The City & Guilds Award for College Engagement with Employers	New College Durham (Capital City College Group, College of West Anglia, East Kent Colleges Group (EKC Group), Redcar and Cleveland College (Education Training Collective), Salford City College Group (SCC Group), South Eastern Regional College, Telford College, The Sheffield College, Warrington & Vale Royal College)
The Edge Award for Excellence in Real World Learning	Education Partnership North East (Cambridge Regional College, Heart of Birmingham Vocational College, The Isle of Wight College, South Eastern Regional College)
The Jisc Award for Effective Use of Digital Technology in Further Education	Hull College (Cardiff and Vale College, NPTC Group of Colleges, Sunderland College (Education Partnership North East)
The NOCN Group Award for Mental Health and Well Being	Barnsley College (Barking and Dagenham College, Basingstoke College of Technology, Coleg Cambria, Inspire Education Group, Kirklees College, Salford City College Group, Shrewsbury Colleges Group)
The Inenco Award for Education for Sustainable Development	Suffolk New College (New City College, Shipley College, Solihull College & University Centre, Weymouth College)
The RCU Award for Support for Students	Bridgwater & Taunton College (Coleg Cambria, College of West Anglia)

Notes *(continued)*

The Awards are made to winning colleges following a rigorous two-stage application and moderation process, this includes an assessor team (virtual) visit to the finalist colleges. The team of independent assessors is managed by the Trust Manager and overseen by the Chief Assessor and Trust Director; a lead assessor for each award is appointed and supported by either an additional assessor and/or sponsor assessor. Each application is assessed by the lead assessor and team; the lead will detail their team's observations, grade the applicants at each stage and submit to the Chief Assessor. Following moderation at each stage, those being commended, becoming a finalist, or winning an Award are ratified by the Trust Board.

The assessor team is refreshed each year by inviting the previous year's winning college of an award category to nominate a member of staff to join the team. The team also include a sponsor assessor.

8 Related Party Transactions

The Association of Colleges (Company number 03216271), the 'parent' company which is also the ultimate controlling party and representative body for further education and sixth form colleges in England, Wales and Northern Ireland, together with its trading subsidiaries AoC Services Ltd and AoC Sport, make up the group. The Association of Colleges (AoC) was created in 1996 as the single voice to promote the interests of incorporated further education and sixth form colleges in England and Wales. Details of the principal activities are provided in the AoC Strategic Report. AoC exists to represent and promote the interests of colleges and to provide members with professional support services. The Association of Colleges donated £40,000 to the Trust (2023: £40,000).

All employees are employed by the Association of Colleges and recharged to the respective entities. A recharge of £30,000 was made to the Trust from AoC to cover staff costs (2023: £30,000). Accommodation charges for the Trust are met by the Association. A recharge of £2,500 was made

to the Trust from AoC to cover audit costs (2023: £2,000). £5,958 of staff expenses were charged to the Trust from AoC during the year (2023: £4,634). A recharge of £45,630 was made to the Trust from AoC to cover salary costs for Philip Parle who is working on the Green Skills project (2023: £4,274).

AoC Services provides assistance at the Association's annual conference for the announcement of the finalists for the Beacon Awards and winners of the Student of the Year awards. The costs for this are covered by sponsorship secured by AoC Services as part of the overall annual conference programme. However, accommodation recharges totalled £2,250 (2023: £NIL). AoC Services managed the Celebratory event for the first time in the spring for which a recharge of £8,650 has been taken (2023: £NIL). A recharge to AoC Services of £90 was incurred for attendance at the English & Maths conference as part of ongoing project work within the Trust (2023: £90).

Notes *(continued)*

9 Reconciliation of net income to net cash generated from operations

	2024	2023
	£	£
Net income	**69,093**	20,377
Interest receivable	**(49,860)**	(17,479)
Decrease in trade and other debtors	**7,109**	8,327
Increase in trade and other creditors	**194,396**	365,189
Cash generated by operations	**220,738**	376,414
Cash and cash equivalents		
Cash and cash equivalents represent:-		
Cash at bank	**1,076,157**	805,559

10 Debtors: amounts falling due within one year

	2024	2023
	£	£
Trade debtors	**12,500**	17,750
Amounts owed by group	**222**	2,081
Total	**12,722**	19,831

11 Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	**-**	550
Accruals & Deferred Income	**579,193**	384,247
Total	**579,193**	384,797

There is an increase in deferred income as the Trust has three projects underway that will span over into 24/25, hence income has been deferred to cover expenditure incurred in 24/25.

Notes *(continued)*

12 Statement of financial activity 2023 breakdown

	Unrestricted funds £	Restricted funds £	**Total funds 2023 £**
Income and endowments			
Donations			
Beacon Awards admin. donations	-	118,250	**118,250**
Gold	-	2,000	**2,000**
Student of the Year donations	-	8,000	**8,000**
Green Skills	-	5,401	**5,401**
Creative Writing	-	639	**639**
Investment income			
Interest on deposits	-	17,479	**17,479**
Total income	-	151,769	**151,769**
Expenditure			
Costs of raising funds			
Printing, postage and couriers	-	675	**675**
Beacon Award Prospectus	-	285	**285**
Fundraising & publicity	-	10,799	**10,799**
Total costs of raising funds	-	11,741	**11,741**
Expenditure on charitable activities			
Beacon Awards	-	107,669	**107,669**
Gold Awards	-	648	**648**
Student of the Year	-	5,294	**5,294**
Green Skills	-	5,401	**5,401**
Creative Writing	-	639	**639**
	-	119,651	**119,651**
Total expenditure	-	131,392	**131,392**
Net income before transfers	-	20,377	**20,377**
Transfers	-	-	**-**
Net movement of funds	-	20,377	**20,377**
Reconciliation of funds			
Total funds brought forward	93,088	327,128	**420,216**
Total funds carried forward	93,088	347,505	**440,593**

THE ASSOCIATION OF COLLEGES CHARITABLE TRUST

England & Wales - Charity number 1040631

Accounts

The AoC Charitable Trust

Trustees' report
and
financial statements
for the year ended
31 March 2023

Registered charity numbers:
England & Wales 1040631
Scotland SC039064

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Report of the Trustees

The Trustees present their report and the audited financial statements for the year ended 31 March 2023. The financial statements and Trustees' report are prepared in accordance with the Charities Act 2011, the Charities Accounts and Reports Regulations 2008, the provisions of the trust deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. These financial statements comply with current statutory requirements and with the requirements of the Trust's governing document, which is the Trust Deed dated 1 August 1994.

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) – (Charities SORP (FRS 102)), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The trust constitutes a public benefit entity as defined by FRS 102.

Structure, Governance & Management

Legal and Administrative Details

The Trust was registered with the Charity Commission on 1 August 1994 and is governed by its constitution.

Registered Name: Association of Colleges Charitable Trust

Charity Commission Number: 1040631

Office of the Scottish Charity Regulator: SC039064

Trustees:

Trustee	Dates
P Brophy	
S Frampton	
S Francis	
D Hughes	
K Lord	Resigned 5 July 2022
I Munro	
F Thouard	
M White (Chair)	
Secretary	Dates
J Edwards	

Report of the Trustees *(continued)*

Trustee to whom day-to-day running of the charity is delegated by the Trustees is I Munro.

Registered Office	2 - 5 Stedham Place London WC1A 1HU	**Statutory Auditor**	RSM UK Audit LLP 25 Farringdon St London EC4A 4AB
Bankers	Barclays 28th Floor 1 Churchill Place Canary Wharf London E14 5HP	**Internal Auditor**	Scrutton Bland LLP Fitzroy House Crown Street Ipswich IP1 3LG
Solicitors	Eversheds Sutherland 1 Wood Street London EC2V 7WS		

Objectives, activities, achievements and performance

The Trust is established for the purpose of advancing the education of members of the public aged over 16 years.

The nature of the governing document is a Trust Deed.

The Trust is devoted to raising funds and overseeing their application for the benefit of post-16 education. The Trustees are appointed from the Association of Colleges' Main Board, the Association's executive officers and independent representatives. Trustees appointed from the Association's Board include the Chair, the Chief Executive and the Director of Finance; executive officers include the Trust's Director. Independent representatives are appointed for their knowledge, experience and status in the sector. All appointments require the approval of the Trustees. An informal induction process is carried out. As a minimum, the Trustees meet on a termly basis, although additional meetings are held if required.

The Trustees are satisfied that the programmes operating through the Trust have been effective, given the resources. Representatives are pleased that the Beacon Awards Programme has continued to retain and attract the support of external sponsors and that the balance for the Beacon Awards is healthy at the end of the 12-month period.

The AoC Beacon Awards were set up in 1994 to recognise and promote the interdependence of further education colleges and business, professional and voluntary sector organisations to their mutual advantage. The Student of the Year Awards came within the Trust activities in 2017 following a review of all AoC Awards and the need to ensure consistency and rigour.

Report of the Trustees *(continued)*

In the year ended 31 March 2023, twelve Beacon Awards were offered and in the same year five Student of the Year categories were offered.

The Trustees and the Director worked closely with all sponsors to ensure the awards meet their needs and a series if one to one meeting were held. All the 21/22 sponsors agreed to continue to support the awards in 22/23 including the Welsh Government.

However, some of our longstanding sponsors were struggling financially following the legacy of the covid pandemic and we agreed a reduced donation. The Trustees felt it important to maintain these important sponsors support and a full awards programme and continue to highlight and celebrate college and student success.

For the Beacon Awards 150 applications were received and following an independent two stage assessment process through the autumn of 2022 and moderation in January 2023 by the AoC Chief Assessor, ten Beacon award winners were recommended. In one award category there were no applications meeting the required threshold to be classed as a winner, however a highly commended was agreed. In another award there were no applications that were progressed to finalist stage. These decisions were ratified by the Trust Board. The winners were announced during at a ceremony in London on the 27 February 2023.

Student of the Year received 101 nominations and following a rigorous judging process 16 progressed to finalist stage. These awards are managed through the Charitable Trust since 2017 with great success and celebrate the achievements of exceptional individuals from colleges across England. Colleges provide a fantastic array of opportunities for people to help them achieve their ambitions, maximise their talent and to progress in life, learning and work. This is an opportunity for the Trust to recognise outstanding students who deserve recognition and who will go on to inspire others and/or who have gone above and beyond in college, their local community or in extra-curricular activities. This year the winners were announced at the AoC Annual Conference in November 2022 and awarded their certificates and glassware at the AoC Awards Celebration in London 2023.

The AoC Gold Awards for Further Education College Alumni have been managed by the Charitable Trust since 1996. In 2020 Trustees agreed these would not be offered in 2021/22 and a proposal was written in 21/22, to be discussed by the Trustees in 22/23. Trustees remain committed to offering an award that recognises the contribution of past student achievement but feel further analysis will need to be carried out.

A review has been carried out by the Trust Manager to look at the awards offered, and this will be discussed at the summer 2023 Trust Board meeting.

Trust Awards 2022/23

The Trust intends to use current funds to make awards to winning colleges and to cover the cost of administration and management of the whole award process from inception to completion, this includes the design of awards and criteria working with sponsors, the launch and publicity, the assessment teams and assessment process, the various reports and guides to support applicants and the celebratory events,

Report of the Trustees *(continued)*

AoC Beacon Awards – The Beacon Awards remain a central aspect of AoC strategy to celebrate and promote the great work of colleges and their staff. This year the innovation demonstrated by colleges in responding to the skills and training needs of employers and government policy drivers was recognised.

Several new changes were introduced in 2020/21 and continued in 2021/22 and 2022/23. This included a development fund that enables new Beacon Awards to be created to refresh the programme and complement the longstanding and existing award categories. Changes to the assessment process are reviewed annually and improvements made especially for online applications.

Risk management policy

During the year, the Trustees have considered major risks on an ongoing basis and taken appropriate steps as deemed necessary. Consideration has been given to a material drop in sponsorship for the Beacon Awards and a contingency plan has been put in place for this. A reduction in sponsorship would result in a reduction in awards available and therefore a reserve fund is being built to cover the possibility of minimal sponsorship and the winding up of the Trust.

Financial review

During the financial year the principal funding sources were the sponsors of the Beacon Awards, as listed in note 7, together with the Association of Colleges which provides funding for the Beacon Awards and the general running of the Trust through the unrestricted fund. Total incoming resources for the year were £151,769.

The bulk of the expenditure during the year relates directly to the management, assessment, promotion of the Beacon Awards programme, with the remainder covering the expenditure associated with the Student of the Year Awards and the research and development of the awards as a whole. Total resources expended for the year were £131,392.

The financial outturn this year provided a net positive balance (surplus) of £20,377 and this has been added to reserves which on 31 March 2023 are £440,593.

Report of the Trustees *(continued)*

Structure, governance and management

The AoC Charitable Trust's Trustees shall be as follows:

- Chair (approved by AoC Board)
- AoC Chief Executive (ex officio)
- AoC President (ex officio)
- AoC Director of Finance and Chief Operating Officer (ex officio)
- Director of the AoC Charitable Trust (ex officio)
- Up to six appointed members with the necessary skills, experience and personal attributes to fulfil the role and responsibilities of being an appointed Trustee.

The maximum permitted number of Trustees shall be 11 including ex officio members.

New Trustees are recruited through a consultation process with the Trust and relevant stakeholders, led by the Chair and senior AoC staff, and their appointments must be approved by a quorate meeting of the Trust.

The term of office for appointed Trustees is four years. Trustees serve a maximum of two four-year terms, subject to re-appointment by the Trust. Their re-appointment for a second four-year term is not automatic and is formally determined by the Trust at a scheduled meeting. Trustees may only be considered for re-appointment beyond two terms in exceptional circumstances if they have special skills that would be otherwise hard to find; or if their experience on the Trust is required to balance out the relative inexperience of new Trustees, and, in any case, only if they have demonstrated excellent commitment to the Trust in terms of attendance and contribution at meetings.

Ex officio Trustees can be Trustees so long as they remain in post and comply with relevant Charity Commission regulations.

The Chair is appointed by AoC Board, and the Vice-Chair is elected by Trustees at a quorate meeting of the Trust.

The term of office for the Chair is four years, and they may be re-appointed for a second four-year term, subject to AoC Board approval. Any term of office as Trustee shall not count towards the maximum term of office of the Chair.

The term of office of the Vice-Chair match their term of office as an appointed Trustee. Their re-appointment for a second term as Vice-Chair is not automatic and is formally determined by the Trust at a scheduled meeting.

Key management personnel remuneration

The Trustees consider the Board of Trustees as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in note 3 and note 8 to the accounts.

Report of the Trustees *(continued)*

Trustees are required to disclose all relevant interests and register them with the Board of Trustees and, in accordance with the Trust's policy, withdraw from decisions where a conflict of interest arises.

The pay of the charity's director is initiated by the holding company of the trust, Association of Colleges, and as such is reviewed annually and normally increased in accordance with average earnings and performance. Salary is set and reviewed by Association of Colleges and benchmarked against salaries within the organisation to ensure it is fair and not out of line with that generally paid for similar roles.

Reserves policy

The Trustees have reviewed the financial position at year end. This review encompassed the nature of the income and expenditure. The review concluded that to allow the charity to be managed efficiently and to provide a buffer for uninterrupted services, a minimum reserve equivalent to £50,000, excluding restricted funds, should be maintained. This equates to approximately six months of general expenditure and covering costs of awards where sponsorship cannot be obtained but Trustees choose to continue them.

Free reserves are the unrestricted funds (as there are no designated funds within them). The current free reserves are in line with the target with no shortfall and look to be maintained at this level.

During the year, the charity's reserves, including restricted funds, increased from £420,216 to £440,593. As the bulk of the Trust's activities relate to restricted funds, the Trustees feel it is appropriate to maintain reserves to facilitate an orderly wind-up of each separate area of activity should the need ever arise.

Public benefit statement

Within the accounting period, 12 AoC Beacon Awards were provided, and 150 applications received. A team of independent assessors worked within a two-stage assessment process between August 2022 and February 2023. The winning colleges were ratified by the Board and were announced in February 2023. The Awards recognise outstanding teaching and learning in colleges and there is potential for all colleges in the sector to benefit from the dissemination of good practice evidenced by the winning college. 5 Student of the Year Awards were provided with 101 nominations.

This directly benefits the public since colleges can replicate the award-winning practice, thereby enhancing the quality of learning and support given to learners across the country. The Trustees have paid due regard to the Charity Commission's guidance in reviewing the Trust's aims and objectives.

Report of the Trustees *(continued)*

Statement as to Disclosure of Information to Auditors

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

Auditor

Following a formal tender process, Bishop Flemming have been appointed new external auditors from September 2023. The Trustees would formally like to thank RSM UK Audit LLP for the many years of highly professional and supportive service provided.

M White
Chair
9 October 2023

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The laws applicable to charities in England & Wales and Scotland require the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities' SORP;
- make judgments and estimates that are reasonable and prudent.
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the provisions of the trust deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Independent Auditor to the Trustees of the AoC Charitable Trust

Opinion

We have audited the financial statements of The AoC Charitable Trust (the 'charity') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 and the terms of the charity's trust deed.

Basis for opinion

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under section 144 of the Charities Act 2011 and report in accordance with regulations made under those Acts.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Report of the Independent Auditor to the Trustees of the AoC Charitable Trust *(continued)*

Other information

The other information comprises the information included in the trustees' report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- proper and sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities set out on page 10 the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditor to the Trustees of the AoC Charitable Trust *(continued)*

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.
However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.
In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charity operates in and how the charity is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

Report of the Independent Auditor to the Trustees of the AoC Charitable Trust *(continued)*

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011 and the charity's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The audit engagement team identified the risk of management override of controls and income recognition as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates. We performed tests of detail on a sample of revenue transactions and performed a review of the appropriate application of the Trust's revenue recognition accounting policy.

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 charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Richard Lewis

Richard Lewis (Senior Statutory Auditor)

RSM UK Audit LLP

Statutory Auditor

25 Farringdon Street

London

EC4A 4AB

17 October 2023

Statement of Financial Activities

for the year ended 31 March 2023

	Note	Unrestricted funds £	Restricted funds £	**Total funds 2023 £**	Total funds 2022 £
Income and Endowments					
Donations					
Beacon Awards admin. donations		-	118,250	**118,250**	107,250
Gold		-	2,000	**2,000**	-
Student of the Year		-	8,000	**8,000**	13,200
Green Skills		-	5,401	**5,401**	-
Creative Writing		-	639	**639**	-
Other voluntary income		-	-	**-**	25,000
Investment income					
Interest on deposits		-	17,479	**17,479**	846
Total income		-	151,769	**151,769**	146,296
Expenditure					
Costs of raising funds					
Printing, postage and couriers		-	657	**675**	75
Beacon Award Prospectus		-	285	**285**	350
Fundraising and Publicity		-	10,799	**10,799**	7,080
Total costs of raising funds		-	11,741	**11,741**	7,505
Expenditure on charitable activities	2				
Beacon Awards		-	107,669	**107,669**	73,459
Gold Awards		-	648	**648**	3,000
Student of the Year		-	5,294	**5,294**	4,112
Green Skills		-	5,401	**5,401**	-
Creative Writing		-	639	**639**	-
Research		-	-	**-**	6,363
		-	119,651	**119,651**	86,934
Total expenditure		-	131,392	**131,392**	94,439
Net income before transfers		-	20,377	**20,377**	51,857
Transfers		-	-	**-**	-
Net movement of funds		-	20,377	**20,377**	51,857
Reconciliation of funds	4 & 5				
Total funds brought forward		93,088	327,128	**420,216**	368,359
Total funds carried forward		93,088	347,505	**440,593**	420,216

The notes on pages 18 to 27 form part of these financial statements. The Trust has no other recognised gains or losses other than the net movement in funds for the period.

Statement of Financial Position

as at 31 March 2023

	Note	**2023**	2022
		£	£
Current assets			
Trade debtors	10	17,750	22,630
Amounts owed by Association of Colleges	10	2,081	*5,528*
Cash at bank and in hand		**805,559**	411,666
		825,390	439,824
Current liabilities			
Creditors: Amounts falling due within 1 year:	11		
Trade creditors		**550**	3,858
Accruals		**2,520**	5,750
Deferred Income		**381,727**	10,000
		384,797	19,608
Net assets		**440,593**	420,216
Funds			
	5		
Unrestricted		**93,088**	93,088
Restricted		**347,505**	327,128
Total funds		**440,593**	420,216

The notes on pages 18 to 27 form part of these financial statements.

The financial statements on pages 15-27 were approved and authorised for issue by the Board of Trustees on 29 June 2023 and were signed on its behalf by:

P Brophy

Trustee

9 October 2023

The Association of Colleges has the power to amend the financial statements after issue.

Statement of Cashflows

as at 31 March 2023

	Notes	2023 £	2022 £
Operating activities			
Cash generated/(used) from operations	9	**376,414**	64,425
Net cash used in operating activities		**376,414**	64,425
Investing activities			
Interest received		**17,479**	846
Net cash from investing activities		**17,479**	846
Net increase/(decrease) in cash and cash equivalents		**393,893**	65,272
Cash & cash equivalents at beginning of year		**411,666**	346,394
Cash & cash equivalents at end of year		**805,559**	411,666

Notes

(Forming part of the financial statements)

1 Accounting Policies

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

Basis of Preparation and assessment of going concern

The financial statements have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) – (Charities SORP (FRS 102)), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The trust constitutes a public benefit entity as defined by FRS 102.

The Trustees have received no indication from any sponsors that they will not continue their sponsorship and therefore forecasted expenditure will be covered by sponsorship for the next 12 months. The Trust also has adequate cash balances to settle liabilities as they fall due. Therefore, the Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Funds Structure

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed. There are three restricted funds in the Trust, Beacon Awards Fund, Gold Awards Fund and the Student of the Year Fund. Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects.

Further details of each fund are disclosed in note 4.

Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably. Donations from sponsors are recognised when the Trust has been notified in writing of the amount and an invoice has been raised to the donor. Where donations are made from individuals or via an auction, income in recognised when received. In the event that a donation is made in a prior financial year to that it is intended, the income is deferred and not recognised until the date the donor has requested. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Notes *(continued)*

Expenditure recognition
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.
All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note 2 below.
Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. They are accrued once the recipient has been notified of the grant award.

Allocation of support and governance costs
Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs. Governance costs and support costs relating to charitable activities have been apportioned based on the ratio of income in the relevant financial year. The allocation of support and governance costs is analysed in note 2.

Costs of raising funds
The costs of generating funds consist of fees for printing and posting the Beacon Award prospectus, along with costs marketing fees for the Student of the Year Awards.

Charitable activities
Costs of charitable activities include grants made, governance costs and support costs as shown in note 2.

Taxation
The Trust was registered as a charity in 1993. Under 471-489 of CT Act 2016 and 256 of Chargeable Gains Act 1992 the Trust is not subject to taxation on its charitable activities.

Pension Scheme Arrangements
All employees of AoC Charitable Trust are contractually employed by the parent company (AoC). Therefore, the pension liability has been recorded in the accounts of the parent company. Employees may elect to be members of the London Pensions Fund Authority (LPFA) pension fund. LPFA is a funded defined benefit scheme, whereas the Flexible Retirement Plan is a defined contribution scheme.

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

Notes *(continued)*

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument and are offset only when the Charity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial Assets

Trade Debtors - Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Financial Liabilities

Trade Creditors - Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Derecognition Of Financial Assets and Liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Notes *(continued)*

2 Charitable Activities

2023	Grants payable	Consultancy	Support costs	Project Costs	**Total 2023**
	£	£	£	£	**£**
Beacon Awards	1,773	55,561	50,335	-	**107,669**
Gold Awards	-	-	648	**-**	**648**
Student of the Year	1,350	1,000	2,944	-	**5,294**
Green Skills	-	-	-	5,401	**5,401**
Creative Writing	-	-	-	639	**639**
General	-	-	-	-	**-**
	3,123	56,561	53,927	6,040	**119,651**

2022	Grants payable	Consultancy	Support costs	Project Costs	Total 2022
	£	£	£	£	£
Beacon Awards	-	36,646	36,813	-	73,459
Gold Awards	-	3,000	-	-	3,000
Student of the Year	1,100	-	3,012	-	4,112
General	-	-	6,363	-	6,363
	1,100	39,646	46,188	-	86,934

Governance & support costs	Unrestricted	Restricted	**2023**
Wages and salaries	-	30,000	**30,000**
Meetings	-	19,387	**19,387**
Other travel expenses	-	2,146	**2,146**
Audit	-	2,000	**2,000**
Bank charges	-	395	**395**
Research	-	-	**-**
	-	53,927	**53,927**

Governance & support costs	Unrestricted	Restricted	2022
Wages and salaries	5,100	24,900	30,000
Meetings	46	12,977	13,023
Other travel expenses	240	77	317
Audit	340	1,660	2,000
Bank charges	43	211	254
Research	-	594	594
	5,769	40,419	46,188

Notes *(continued)*

Basis of Apportionment

Governance and support costs are apportioned based on the ratio of income of each fund for the financial year to which it relates. This recognises the amount of relevant expenditure in comparison for each fund.

3 Staff Numbers and Costs

For the year ending 31 March 2023 there were no direct staff within AoC Charitable Trust. There is a recharge of £30,000 from AoC to cover costs relating to admin, finance and management staff that work on behalf of the Trust (2022: £30,000 was paid to AoC).

No Trustees received any remuneration for their role as a Trustee. No Trustee received reimbursement for travel expenses and accommodation (2022: £nil).

4 Movement of Funds

	1 April 2022	Income	Transfer	Expenditure	**31 March 2023**
	£	£		£	**£**
Restricted funds					
Beacon Awards admin.	288,894	134,331	-	110,088	**313,137**
Gold Awards	19,031	2,349	-	648	**20,732**
Student of the Year	19,203	9,049	-	14,616	**13,636**
Green Skills	-	5,401	-	5,401	**-**
Creative Writing	-	639	-	639	**-**
Total restricted funds	327,128	151,769	-	131,392	**347,505**
Unrestricted funds	93,088	-	-	-	**93,088**
Total	420,216	151,769	-	131,392	**440,593**

Purpose of Funds

The AoC Beacon Award sponsorship is used to cover the cost of independent assessment, administration, publications, events and PR etc. An amount is also made available to cover the cost of hosting the finalist announcements at the AoC Annual Conference and the winner's announcements and celebratory event later in the year.

The Gold Awards are currently not offered; however, the original programme was independently reviewed in 21/22 and is now under consideration as part of wider review of the overall awards programme. All recommendations will be considered by the Trustees in 2023 to decide if/how the Award should go ahead. This award was designed to raise the profile of the further education sector by rewarding former students at FE colleges who have since gone on to excel in their chosen field or profession.

Notes *(continued)*

The Student of the Year Awards are funded through sponsorship. They are designed to celebrate the work of colleges in supporting students of all ages and abilities and to raise the profile of the further education sector by rewarding students of FE colleges who have overcome significant personal challenges.

The unrestricted funds are those funds that the Charity has received that were not for specific purposes and as such are held as unrestricted funds.

5 Analysis of Net Assets between Funds

	Unrestricted funds	**Restricted funds**	**Total**
	£	**£**	**£**
Fund balances as at 31 March 2023 are represented by:			
Cash at bank and deposits	93,088	712,471	**805,559**
Debtors	-	17,750	**17,750**
Creditors	-	(550)	**(550)**
Net amount owed by group companies	-	2,081	**2,081**
Accruals	-	(2,520)	**(2,520)**
Deferred Income	-	(381,727)	**(381,727)**
Total	93,088	347,505	**440,593**

	Unrestricted funds	**Restricted funds**	**Total**
	£	**£**	**£**
Fund balances as at 31 March 2022 are represented by:			
Cash at bank and deposits	93,088	318,578	411,666
Debtors	-	22,630	22,630
Creditors	-	(3,858)	(3,858)
Net amount owed by group companies	-	5,528	5,528
Accruals	-	(5,750)	(5,750)
Deferred Income	-	(10,000)	(10,000)
Total	93,088	327,128	420,216

6 Audit Services

Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:

	2023	2022
	£	£
Audit services – statutory audit of the charity	**2,000**	2,000

Notes *(continued)*

7 List of Winning (and highly commended) Colleges for 2022-23 (Beacon Awards)

Award Name	College
The AoC Award for Widening Participation	Hopwood Hall College
The British Council Award for Internationalism	Gower College
The AoC Award for Excellence in Governance	Weston College
The Careers and Enterprise Company Award for Innovation in Careers and Enterprise	Bishop Aukland College Highly Commended
The Copyright Licensing Agency Award for Excellence in Supporting Creativity	No Winner
The City & Guilds Award for College Engagement with Employers	Preston College
The Edge Award for Excellence in Real World Learning	East Kent College Group
The Jisc Award for Effective Use of Digital Technology in Further Education	Activate Learning
The National Centre for Diversity Award for Inclusive Learning Leadership	Bedford College Group
The NOCN Group Award for Mental Health and Well Being	Nottingham College
The Nous Group Award for Education for Sustainable Development	BHASVIC (Brighton, Hove and Sussex Sixth Form College) as part of FE Sussex partnership-Greener Sussex
The RCU Award for Support for Students	Oldham College

The Awards are made to winning colleges following a rigorous two-stage application and moderation process, this includes an assessor team (virtual) visit to the finalist colleges. The team of independent assessors is managed by the Trust Manager and overseen by the Chief Assessor and Trust Director; a lead assessor for each award is appointed and supported by either an additional assessor and/or sponsor assessor. Each application is assessed by the lead assessor and team; the lead will detail their team's observations, grade the applicants at each stage and submit to the Chief Assessor. Following moderation at each stage, those being commended, becoming a finalist, or winning an Award are ratified by the Trust Board.

The assessor team is refreshed each year by inviting the previous years winning college of an award category to nominate a member of staff to join the team. The team also include a sponsor assessor.

Notes *(continued)*

8 Related Party Transactions

The Association of Colleges (Company number 03216271), the 'parent' company which is also the ultimate controlling party and representative body for further education and sixth form colleges in England, Wales and Northern Ireland, together with its trading subsidiaries AoC Services Ltd and AoC Sport, make up the group. The Association of Colleges (AoC) was created in 1996 as the single voice to promote the interests of incorporated further education and sixth form colleges in England and Wales. Details of the principal activities are provided in the AoC Strategic Report. AoC exists to represent and promote the interests of colleges and to provide members with professional support services. The Association of Colleges donated £40,000 to the Trust (2022: £40,000).

All employees are employed by the Association of Colleges and recharged to the respective entities. A recharge of £30,000 was made to the Trust from AoC to cover staff costs (2022: £30,000). Accommodation charges for the Trust are met by the Association. A recharge of £2,000 was made to the Trust from AoC to cover audit costs (2022: £2,000). £4,632.95 of staff expenses were charged to the Trust from AoC during the year (2022: £686). A recharge of £4,274.30 was made to the Trust from AoC to cover salary costs for Philip Parle who is working on the Green Skills project (2022: nil).

AoC Services provides assistance at the Association's annual conference for the announcement of the finalists for the Beacon Awards. The costs for this are covered by sponsorship secured by AoC Services as part of the overall annual conference programme. AoC Awards team manage the Celebratory event in the spring of each year. AoC Services events team manage the Beacon Awards best practice webinars for which a recharge of £11,000 has been taken (2022: £9,000). A recharge to AoC Services of £90 was incurred for attendance at the English & Maths conference as part of ongoing project work within the Trust (2022: nil).

No Trustees have related party transactions.

9 Reconciliation of net income to net cash generated from operations

	2023	2022
	£	£
Net income	**20,377**	51,857
Interest receivable	**(17,479)**	(846)
Increase/(decrease) in trade and other debtors	**8,327**	2,601
Decrease in trade and other creditors	**365,189**	10,814
Cash generated by operations	**376,414**	64,426
Cash and cash equivalents		
Cash and cash equivalents represent:-		
Cash at bank	**805,559**	411,666

Notes *(continued)*

10 Debtors: amounts falling due within one year

	2023	2022
	£	£
Trade debtors	**17,750**	22,630
Amounts owed by group	**2,081**	5,528
Total	**19,831**	28,158

11 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	**550**	3,858
Accruals & Deferred Income	**384,247**	15,750
Total	**384,797**	19,608

There is an increase in deferred income as the Trust has two new projects underway that will span over into 23/24, hence income has been deferred to cover expenditure incurred in 23/24.

Notes *(continued)*

12 Statement of financial activity 2022 breakdown

	Unrestricted funds £	Restricted funds £	**Total funds 2022 £**
Income and endowments			
Donations			
Beacon Awards admin. donations	-	107,250	**107,250**
Student of the Year donations	-	13,200	**13,200**
Other voluntary income	25,000	-	**25,000**
Investment income			
Interest on deposits	144	702	**846**
Total income	25,144	121,152	**146,296**
Expenditure			
Costs of raising funds			
Printing, postage and couriers	-	75	**75**
Beacon Award Prospectus	-	350	**350**
Fundraising & publicity	-	7,080	**7,080**
Total costs of raising funds	-	7,505	**7,505**
Expenditure on charitable activities			
Beacon Awards	-	73,459	**73,459**
Gold Awards	-	3,000	**3,000**
Student of the Year	-	4,112	**4,112**
General	6,363	-	**6,363**
	6,363	80,571	**86,934**
Total expenditure	6,363	88,076	**94,439**
Net income before transfers	18,781	33,076	**51,857**
Transfers	-	-	**-**
Net movement of funds	18,781	33,076	**51,857**
Reconciliation of funds			
Total funds brought forward	74,307	294,052	**368,359**
Total funds carried forward	93,088	327,128	**420,216**

THE ASSOCIATION OF COLLEGES CHARITABLE TRUST

England & Wales - Charity number 1040631

Accounts

The AoC Charitable Trust

Trustees' report
and
financial statements
for the year ended
31 March 2022

Registered charity numbers:
England & Wales 1040631
Scotland SC039064

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Report of the Trustees

The Trustees present their report and the audited financial statements for the year ended 31 March 2022. The financial statements and Trustees' report are prepared in accordance with the Charities Act 2011, the Charities Accounts and Reports Regulations 2008, the provisions of the trust deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. These financial statements comply with current statutory requirements and with the requirements of the Trust's governing document, which is the Trust Deed dated 1 August 1994.

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) – (Charities SORP (FRS 102)), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The trust constitutes a public benefit entity as defined by FRS 102.

Structure, Governance & Management

Legal and Administrative Details

The Trust was registered with the Charity Commission on 1 August 1994 and is governed by its constitution.

Registered Name: Association of Colleges Charitable Trust

Charity Commission Number: 1040631
Office of the Scottish Charity Regulator: SC039064

Trustees:

Trustee	Dates
P. Brophy	
S.Frampton	
S. Francis	
D. Hughes	
K. Lord	
I. Munro	
J. Samuels	Resigned 22 November 2021
F. Thouard	
M. White (Chair)	
Secretary	**Dates**
J. Edwards	

Report of the Trustees *(continued)*

Trustee to whom day-to-day running of the charity is delegated by the Trustees is I Munro.

Registered Office:	2 - 5 Stedham Place London WC1A 1HU	**Statutory Auditor:**	RSM UK Audit LLP 25 Farringdon St London EC4A 4AB
Bankers:	Barclays 28th Floor 1 Churchill Place Canary Wharf London E14 5HP	**Internal Auditor**	Mazars LLP Tower Bridge House St Katherine's Way London E1W 1DD
Solicitors:	Eversheds Sutherland 1 Wood Street London EC2V 7WS		

Objectives, activities, achievements and performance

The Trust is established for the purpose of advancing the education of members of the public aged over 16 years.

The nature of the governing document is a Trust Deed.

The Trust is devoted to raising funds and overseeing their application for the benefit of post-16 education. The Trustees are appointed from the Association of Colleges' Main Board, the Association's executive officers and independent representatives. Trustees appointed from the Association's Board include the Chair, the Chief Executive and the Director of Finance; executive officers include the Trust's Director. Independent representatives are appointed for their knowledge, experience and status in the sector. All appointments require the approval of the Trustees. An informal induction process is carried out. As a minimum, the Trustees meet on a termly basis, although additional meetings are held if required.

The Trustees are satisfied that the programmes operating through the Trust have been effective, given the resources. Representatives are pleased that the Beacon Awards Programme has continued to retain and attract the support of external sponsors in a challenging pandemic year and that the balance for the Beacon Awards is healthy at the end of the 12-month period. The total number of Beacon Awards on offer in 2021/22 was 11.

The AoC Beacon Awards were set up in 1994 to recognise and promote the interdependence of further education colleges and business, professional and voluntary sector organisations to their mutual advantage.

Report of the Trustees *(continued)*

In the year ended 31 March 2022, 11 Beacon Awards were offered and in the same year four Student of the Year categories were offered.

The Trustees and the Director worked closely with longstanding sponsors who were struggling financially in this exceptional pandemic year and agreed a reduced donation. The Trustees felt it important to maintain the awards programme and continue to highlight and celebrate college and student success.

Following independent assessment and moderation by the AoC Chief Assessor, eleven Beacon award winners were recommended and then ratified by the Trust Board. The winners were announced during at a ceremony in London on the 3 May 2022.

Student of the Year received 120 nomination and following a rigorous judging process 16 progressed to finalist stage. The winners were announced online on 14 February 2022.

The AoC Gold Awards for Further Education College Alumni have been managed by the Charitable Trust since 1996. In 2020 Trustees agreed these would not be offered in 2021/22 and a proposal was written in 21/22, to be discussed by the Trustees in 22/23. Trustees remain committed to offering an award that recognises the contribution of past student achievement but feel further analysis will need to be carried out.

Trust Awards 2022

The Trust intends to use current funds to make awards to winning colleges and to cover the cost of assessment and administration and to promote the Awards.

AoC Beacon Awards – The Beacon Awards remain a central aspect of AoC strategy to celebrate and promote the great work of colleges and their staff. This year the innovation demonstrated by colleges in responding to the challenges from pandemic was impressive and noted in the AoC Chief Assessors report 2021/22.

The proposals agreed by the Trust and AoC Board in 2017 have now been fully implemented; new sponsorship has been attracted whilst maintaining existing sponsors and applications have steadily increased from 80 in 2017, 202 in 2018, 130 in 2019.

However, in the pandemic year 2020/21 107 and for 21/22 106 applications were received, which the Trustees considered to be a significant achievement. Especially given the revised limit of only two applications per college. Colleges meeting the Beacon Standard are profiled on the www.collegeawards.co.uk website and in national media.

Several new changes were introduced in 2020/21 and continued in 2021/22. This included a development fund that enables new Beacon Awards to be created to refresh the programme and complement the longstanding and existing award categories. Changes to the assessment process were made in 2020/21 in recognition of Covid-19 and the demands placed on college staff with the assessment process streamlined. In 21/22 we revised the limit to four applications per college in any one year.

Report of the Trustees *(continued)*

Student of the Year Awards – These awards are managed through the Charitable Trust with great success and celebrate the achievements of exceptional individuals from colleges across England. Colleges provide a fantastic array of opportunities for people to help them achieve their ambitions, maximise their talent and to progress in life, learning and work. This is an opportunity for the Trust to recognise outstanding students who deserve recognition and who will go on to inspire others and/or who have gone above and beyond, in college, their local community or in extra-curricular activities. This year the winners were announced online on the 14 February 2022.

Risk management policy

During the year, the Trustees have considered major risks on an ongoing basis and taken appropriate steps as deemed necessary. Consideration has been given to a material drop in sponsorship for the Beacon Awards and a contingency plan has been put in place for this. A reduction in sponsorship would result in a reduction in awards available and therefore a reserve fund is being built to cover the possibility of minimal sponsorship and the winding up of the Trust.

Financial review

During the financial year the principal funding sources were the sponsors of the Beacon Awards, as listed in note 7, together with the Association of Colleges which provides funding for the Beacon Awards and the general running of the Trust through the unrestricted fund. Total incoming resources for the year were £146,296.

The bulk of the expenditure during the year relates directly to the management, assessment, promotion of the Beacon Awards programme, with the remainder covering the expenditure associated with the Student of the Year Awards and the research and development of the awards as a whole. Total resources expended for the year were £94,439.

The financial outturn this year provided a net positive balance (surplus) of £51,857 and this has been added to reserves which at 31 March 2022 are £420,216.

Structure, governance and management

The AoC Charitable Trust's Trustees shall be as follows:

- AoC Chair (ex officio)
- AoC Chief Executive (ex officio)
- AoC President (ex officio)
- AoC Director of Finance and Chief Operating Officer (ex officio)
- Director of the AoC Charitable Trust (ex officio)
- Up to six appointed members with the necessary skills, experience and personal attributes to fulfil the role and responsibilities of being an appointed Trustee.

The total number of Trustees shall be 11 including ex officio members.

Report of the Trustees *(continued)*

New Trustees are recruited through a consultation process with the Trust and relevant stakeholders, led by the Chair and senior AoC staff, and their appointments must be approved by a quorate meeting of the Trust.

The term of office for appointed Trustees is four years. Trustees serve a maximum of two four-year terms, subject to re-appointment by the Trust. Their re-appointment for a second four-year term is not automatic and is formally determined by the Trust at a scheduled meeting. Trustees may only be considered for re-appointment beyond two terms in exceptional circumstances if they have special skills that would be otherwise hard to find; or if their experience on the Trust is required to balance out the relative inexperience of new Trustees, and, in any case, only if they have demonstrated excellent commitment to the Trust in terms of attendance and contribution at meetings.

Ex officio Trustees can be Trustees so long as they remain in post and comply with relevant Charity Commission regulations.

The Chair is ex officio the Chair of the AoC Board, and the Vice-Chair is elected by Trustees at a quorate meeting of the Trust.

The term of office for the Chair matches their term of office as Chair of the AoC Board. The term of office for the Vice-Chair matches their term of office as an appointed Trustee. Their re-appointment for a second term as Vice-Chair is not automatic and is formally determined by the Trust at a scheduled meeting.

Key management personnel remuneration

The Trustees consider the Board of Trustees as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in note 3 and note 8 to the accounts.

Trustees are required to disclose all relevant interests and register them with the Board of Trustees and, in accordance with the Trust's policy, withdraw from decisions where a conflict of interest arises.

The pay of the charity's director is initiated by the holding company of the trust, Association of Colleges, and as such is reviewed annually and normally increased in accordance with average earnings and performance. Salary is set and reviewed by Association of Colleges and benchmarked against salaries within the organisation to ensure it is fair and not out of line with that generally paid for similar roles.

Reserves policy

The Trustees have reviewed the financial position at year end. This review encompassed the nature of the income and expenditure. The review concluded that to allow the charity to be managed

Report of the Trustees *(continued)*

efficiently and to provide a buffer for uninterrupted services, a minimum reserve equivalent to £50,000, excluding restricted funds, should be maintained. This equates to approximately six months of general expenditure and covering costs of awards where sponsorship cannot be obtained but Trustees choose to continue them.

Free reserves are the unrestricted funds (as there are no designated funds within them). The current free reserves are in line with the target with no shortfall and look to be maintained at this level.

During the year, the charity's reserves, including restricted funds, increased from £368,359 to £420,216. As the bulk of the Trust's activities relate to restricted funds, the Trustees feel it is appropriate to maintain reserves to facilitate an orderly wind-up of each separate area of activity should the need ever arise.

Public benefit statement

Within the accounting period, 11 AoC Beacon Awards were provided and 106 applications received. A team of independent assessors worked within a two-stage assessment process between August 2021 and February 2022. The winning colleges were ratified by the Board and were announced in February 2022. The Awards recognise outstanding teaching and learning in colleges and there is potential for all colleges in the sector to benefit from the dissemination of good practice evidenced by the winning college.

This directly benefits the public since colleges can replicate the award-winning practice, thereby enhancing the quality of learning and support given to learners across the country. The Trustees have paid due regard to the Charity Commission's guidance in reviewing the Trust's aims and objectives.

Covid-19

The pandemic and economic challenges meant that some sponsors suffered financial constraints and as a result could not commit to the full sponsorship fees. The Trustees agreed to reduced sponsorship fees in 21/22 which were mitigated by reduced travel and meeting costs during the year. Whilst early discussions with sponsors for 22/23 is strong, with many already secured, the Trust has significant reserves to cover any shortfall in sponsorship, maintaining it's going concern status.

Statement as to Disclosure of Information to Auditors

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

Report of the Trustees *(continued)*

Auditor

RSM UK Audit LLP has indicated its willingness to continue in office.

P J Brophy
Trustee

23 August 2022

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The laws applicable to charities in England & Wales and Scotland require the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities' SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the provisions of the trust deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Independent Auditor to the Trustees of the AoC Charitable Trust

Opinion

We have audited the financial statements of The AoC Charitable Trust (the 'charity') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 and the terms of the charity's trust deed.

Basis for opinion

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under section 144 of the Charities Act 2011 and report in accordance with regulations made under those Acts.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Report of the Independent Auditor to the Trustees of the AoC Charitable Trust *(continued)*

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- proper and sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities set out on page 10 the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditor to the Trustees of the AoC Charitable Trust *(continued)*

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charity operates in and how the charity is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

Report of the Independent Auditor to the Trustees of the AoC Charitable Trust *(continued)*

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011 and the charity's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

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 charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP
Statutory Auditor
25 Farringdon Street
London
EC4A 4AB

8 September 2022

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of Financial Activities
for the year ended 31 March 2022

	Note	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Income and Endowments					
Donations					
Beacon Awards admin. donations		-	107,250	**107,250**	106,500
Student of the Year		-	13,200	**13,200**	8,455
Other voluntary income		25,000	-	**25,000**	25,000
Investment income					
Interest on deposits		144	702	**846**	396
Total income		25,144	121,152	**146,296**	140,351
Expenditure					
Costs of raising funds					
Printing, postage and couriers		-	75	**75**	-
Beacon Award Prospectus		-	350	**350**	875
Fundraising and Publicity		-	7,080	**7,080**	7,766
Total costs of raising funds		-	7,505	**7,505**	8,641
Expenditure on charitable activities	2				
Beacon Awards		-	73,459	**73,459**	53,117
Gold Awards		-	3,000	**3,000**	-
Student of the Year		-	4,112	**4,112**	3,284
Research		6,363	-	**6,363**	15,152
		6,363	80,571	**86,934**	71,553
Total expenditure		6,363	88,076	**94,439**	80,194
Net income/(exp.) before transfers		18,781	33,076	**51,857**	60,157
Transfers		-	-	**-**	-
Net movement of funds		18,781	33,076	**51,857**	60,157
Reconciliation of funds	4 & 5				
Total funds brought forward		74,307	294,052	**368,359**	308,202
Total funds carried forward		93,088	327,128	**420,216**	368,359

The notes on pages 18 to 27 form part of these financial statements. The Trust has no other recognised gains or losses other than the net movement in funds for the period.

Statement of Financial Position
as at 31 March 2022

	Note	2022 £	2021 £
Current assets			
Trade debtors	10	22,630	30,500
Amounts owed by Association of Colleges	10	5,528	259
Cash at bank and in hand		411,666	346,394
		439,824	377,153
Current liabilities			
Creditors: Amounts falling due within 1 year:	11		
Trade creditors		3,858	1,794
Accruals		5,750	2,000
Deferred Income		10,000	5,000
		19,608	8,794
Net assets		420,216	368,359
Funds			
	5		
Unrestricted		93,088	74,307
Restricted		327,128	294,052
Total funds		420,216	368,359

The notes on pages 18 to 27 form part of these financial statements.

The financial statements on pages 15-27 were approved and authorised for issue by the Board of Trustees 27 July 2022 and were signed on its behalf by:

M White

Trustee

23 August 2022

The Association of Colleges has the power to amend the financial statements after issue.

Statement of Cashflows
as at 31 March 2022

	Notes	2022 £	2021 £
Operating activities			
Cash generated/(used) from operations	9	64,425	(28,506)
Net cash used in operating activities		64,425	(28,506)
Investing activities			
Interest received		846	396
Net cash from investing activities		846	396
Net increase/(decrease) in cash and cash equivalents		65,272	(28,110)
Cash & cash equivalents at beginning of year		346,394	374,504
Cash & cash equivalents at end of year		411,666	346,394

Notes
(Forming part of the financial statements)

1 Accounting Policies

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

Basis of Preparation and assessment of going concern
The financial statements have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) – (Charities SORP (FRS 102)), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The trust constitutes a public benefit entity as defined by FRS 102.

The Trustees have received no indication from any sponsors that they will not continue their sponsorship and therefore forecasted expenditure will be covered by sponsorship for at least the next 12 months. The Trust also has adequate cash balances to settle liabilities as they fall due. Therefore, the Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Funds Structure
Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed. There are three restricted funds in the Trust, Beacon Awards Fund, Gold Awards Fund and the Student of the Year Fund. Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects.

Further details of each fund are disclosed in note 4.

Income recognition
All income is recognised once the charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably. Donations from sponsors are recognised when the Trust has been notified in writing of the amount and an invoice has been raised to the donor. Where donations are made from individuals or via an auction, income in recognised when received. In the event that a donation is made in a prior financial year to that it is intended, the income is deferred and not recognised until the date the donor has requested. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Notes *(continued)*

Expenditure recognition
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.
All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note 2 below.
Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. They are accrued once the recipient has been notified of the grant award.

Allocation of support and governance costs
Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs. Governance costs and support costs relating to charitable activities have been apportioned based on the ratio of income in the relevant financial year. The allocation of support and governance costs is analysed in note 2.

Costs of raising funds
The costs of generating funds consist of fees for printing and posting the Beacon Award prospectus, along with costs marketing fees for the Student of the Year Awards.

Charitable activities
Costs of charitable activities include grants made, governance costs and support costs as shown in note 2.

Taxation
The Trust was registered as a charity in 1993. Under 471-489 of CT Act 2016 and 256 of Chargeable Gains Act 1992 the Trust is not subject to taxation on its charitable activities.

Pension Scheme Arrangements
All employees of AoC Charitable Trust are contractually employed by the parent company (AoC). Therefore, the pension liability has been recorded in the accounts of the parent company. Employees may elect to be members of the London Pensions Fund Authority (LPFA) pension fund. LPFA is a funded defined benefit scheme, whereas the Flexible Retirement Plan is a defined contribution scheme.

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

Notes *(continued)*

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument and are offset only when the Charity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial Assets

Trade Debtors - Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Financial Liabilities

Trade Creditors - Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Derecognition Of Financial Assets and Liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Notes *(continued)*

2 Charitable Activities

2022	Grants payable	Consultancy	Support costs	Total 2022
	£	£	£	£
Beacon Awards	-	36,646	36,813	**73,459**
Gold Awards	-	3,000	-	**3,000**
Student of the Year	1,100	-	3,012	**4,112**
General	-	-	6,363	**6,363**
	1,100	39,646	46,188	**86,934**

2021	Grants payable	Consultancy	Support costs	Total 2021
	£	£	£	£
Beacon Awards	-	29,127	23,990	53,117
Student of the Year	1,350	-	1,934	3,284
General	-	-	15,152	15,152
	1,350	29,127	41,076	71,553

Governance & support costs	Unrestricted	Restricted	2022
Wages and salaries	5,100	24,900	**30,000**
Meetings	46	12,977	**13,023**
Other travel expenses	240	77	**317**
Audit	340	1,660	**2,000**
Bank charges	43	211	**254**
Research	-	594	**594**
	5,769	40,419	**46,188**

Governance & support costs	Unrestricted	Restricted	2021
Wages and salaries	5,400	24,600	**30,000**
Meetings	-	(500)	**(500)**
Other travel expenses	-	-	**-**
Audit	360	1,640	**2,000**
Bank charges	41	184	**225**
Research	-	9,351	**9,351**
	5,801	35,275	**41,076**

Notes *(continued)*

Basis of Apportionment

Governance and support costs are apportioned based on the ratio of income of each fund for the financial year to which it relates. This recognises the amount of relevant expenditure in comparison for each fund.

3 Staff Numbers and Costs

For the year ending 31 March 2022 there were no direct staff within AoC Charitable Trust. There is a recharge of £30,000 from AoC to cover costs relating to admin, finance and management staff that work on behalf of the Trust (2021: £30,000 was paid to AoC).

No Trustees received any remuneration for their role as a Trustee. No Trustee received reimbursement for travel expenses and accommodation (2021: £nil).

4 Movement of Funds

	1 April 2021	Income	Transfer	Expenditure	31 March 2022
	£	£		£	£
Restricted funds					
Beacon Awards admin.	255,377	107,876	-	74,359	**288,894**
Gold Awards	22,031	-	-	3,000	**19,031**
Student of the Year	16,644	13,276	-	10,717	**19,203**
Total restricted funds	294,052	121,152	-	88,076	**327,128**
Unrestricted funds	74,307	25,144	-	6,363	**93,088**
Total	368,359	146,296	-	94,439	**420,216**

Purpose of Funds

The AoC Beacon Award sponsorship is used to cover the cost of independent assessment, administration, publications, events and PR etc. An amount is also made available to cover the cost of hosting the finalist announcements at the AoC Annual Conference and also the winner's announcements and celebratory event later in the year.

The Gold Awards are currently not offered. However, if they are re-introduced they will be funded through a donation from the Association of Colleges. £3k was spent in 21/22 on a consultant to carry out a review of the current process and how it can be improved. This will be used by the Trustees in 22/23 to decide if/how the Award should go ahead. They are designed to raise the profile of the further education sector by rewarding former students of FE colleges who have since gone on to excel in their chosen field or profession. *(Please see page 5; Report to Trustees).*

Notes *(continued)*

The Student of the Year Awards are funded through sponsorship. They are designed to celebrate the work of colleges in supporting students of all ages and abilities and to raise the profile of the further education sector by rewarding students of FE colleges who have overcome significant personal challenges.

The unrestricted funds are those funds that the Charity has received that were not for specific purposes and as such are held as unrestricted funds.

5 Analysis of Net Assets between Funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances as at 31 March 2022 are represented by:			
Cash at bank and deposits	93,088	318,578	411,666
Debtors	-	22,630	22,630
Creditors	-	(3,858)	(3,858)
Net amount owed by group companies	-	5,528	5,528
Accruals	-	(5,750)	(5,750)
Deferred Income	-	(10,000)	(10,000)
Total	93,088	327,128	420,216

	Unrestricted funds £	Restricted funds £	Total £
Fund balances as at 31 March 2021 are represented by:			
Cash at bank and deposits	74,307	272,087	346,394
Debtors	-	30,500	30,500
Creditors	-	(1,794)	(1,794)
Net amount owed by group companies	-	259	259
Accruals	-	(2,000)	(2,000)
Deferred Income	-	(5,000)	(5,000)
Total	74,307	294,052	368,359

6 Audit Services

Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:

	2022 £	2021 £
Audit services – statutory audit of the charity	2,000	2,000

Notes *(continued)*

7 List of Winning Colleges for 2021-22 (Beacon Awards) May 3 2022

Award Name	College
The AoC Award for Widening Participation	South Eastern Regional College
The British Council Award for Internationalism	Burton & South Derbyshire College
The British Council Award for Internationalism	Isle of Wight College
The Careers and Enterprise Company Award for Innovation in Careers and Enterprise	Weston College
The Copyright Licensing Agency Award for Excellence in Supporting Creativity	Grimsby Institute
The City & Guilds Award for College Engagement with Employers	Exeter College
The Edge Award for Excellence in Real World Learning	Walsall College
The Jisc Award for Effective Use of Digital Technology in Further Education	Weston College
The National Centre for Diversity Award for Inclusive Learning Leadership	Cardiff and Vale College
The NOCN Group Award for Mental Health and Well Being	Chichester College Group
The Nous Group Award for Education for Sustainable Development	South Devon College
The RCU Award for Support for Students	South Devon College

The Awards are made to winning colleges following a rigorous two-stage application and moderation process, this includes an assessor team (virtual) visit to the finalist colleges. The team of independent assessors is overseen by the Chief Assessor and Trust Director; a lead assessor for each award is appointed and supported by either an additional assessor and/or sponsor assessor. Each application is assessed by the lead assessor and team; the lead will detail their team's observations, grade the applicants at each stage and submit to the Chief Assessor. Following moderation at each stage, those being commended, becoming a finalist or winning an Award are ratified by the Trust Board.

Notes *(continued)*

8 Related Party Transactions

The Association of Colleges (Company number 03216271), the 'parent' company which is also the ultimate controlling party and representative body for further education and sixth form colleges in England, Wales and Northern Ireland, together with its trading subsidiaries AoC Services Ltd and AoC Sport, make up the group. The Association of Colleges (AoC) was created in 1996 as the single voice to promote the interests of incorporated further education and sixth form colleges in England and Wales. Details of the principal activities are provided in the AoC Strategic Report. AoC exists to represent and promote the interests of colleges and to provide members with professional support services. The Association of Colleges donated £40,000 to the Trust (2021: £40,000).

All employees are employed by the Association of Colleges and recharged to the respective entities. A recharge of £30,000 was made to the Trust from AoC to cover staff costs (2021: £30,000). Accommodation charges for the Trust are met by the Association. A recharge of £2,000 was made to the Trust from AoC to cover audit costs (2021: £2,000). A recharge of £594 (2021: £7,426) was made to the Trust from AoC to cover costs for G Whitworth to work on the development of the awards. £686 of staff expenses were charged to the Trust from AoC during the year (2021: £234).

AoC Services provides assistance at the Association's annual conference for the announcement of the finalists for the Beacon Awards. The costs for this are covered by sponsorship secured by AoC Services as part of the overall annual conference programme. AoC Awards team now manage the Celebratory event in the spring of each year. AoC Services events team manage the Beacon Awards best practice webinars for which a recharge of £9,000 has been taken (2021: Nil).

Trustee J Samuels works for the Edge Foundation who sponsored a Beacon Award and related administration for 2022, totalling £15,000 (2021: £15,000). Trustee S Frampton personally sponsored the new Green Student of the Year award £2,000 (2021: Nil). No other Trustees have related party transactions.

9 Reconciliation of net income to net cash generated from operations

	2022	2021
	£	£
Net income	51,857	60,157
Interest receivable	(846)	(396)
Increase/(decrease) in trade and other debtors	2,601	(30,759)
Decrease in trade and other creditors	10,814	(57,508)
Cash generated by operations	64,426	(28,506)
Cash and cash equivalents		
Cash and cash equivalents represent:-		
Cash at bank	411,666	346,394

Notes *(continued)*

10 **Debtors: amounts falling due within one year**

	2022	2021
	£	£
Trade debtors	22,630	30,500
Amounts owed by group	5,528	259
Total	28,158	30,759

11 **Creditors: amounts falling due within one year**

	2022	2021
	£	£
Accruals	5,750	2,000
Trade creditors	3,858	1,794
Deferred Income	10,000	5,000
Total	19,608	8,794

The Trust has an increase in accruals due to additional consultant fees outstanding at the end of the year relating to 21/22 activity. There is an increase in creditors at the year-end as the Trust received an invoice from the venue for the Beacon Award ceremony, this did not take place in 20/21. There is an increase in deferred income as the Trust received payment from a sponsor relating to the 22/23 awards, this was not received in the previous financial year.

Notes *(continued)*

12 Statement of financial activity 2021 breakdown

	Note	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Income and endowments				
Donations				
Beacon Awards admin. donations		-	106,500	106,500
Student of the Year donations		-	8,455	8,455
Other voluntary income		25,000	-	25,000
Investment income				
Interest on deposits		71	325	396
Total income		25,071	115,280	140,351
Expenditure				
Costs of raising funds				
Printing, postage and couriers		-	-	-
Beacon Award Prospectus		-	875	875
Fundraising & publicity		234	7,532	7,766
Total costs of raising funds		234	8,407	8,641
Expenditure on charitable activities				
Beacon Awards		-	53,117	53,117
Student of the Year		-	3,284	3,284
General		15,152	-	15,152
		15,152	56,401	71,553
Total expenditure		15,386	64,808	80,194
Net income before transfers		9,685	50,472	60,157
Transfers		-	-	-
Net movement of funds		9,685	50,472	60,157
Reconciliation of funds				
Total funds brought forward		64,622	243,580	308,202
Total funds carried forward		74,307	294,052	368,359

THE ASSOCIATION OF COLLEGES CHARITABLE TRUST

England & Wales - Charity number 1040631

Accounts

The AoC Charitable Trust

Trustees' report
and
financial statements
for the year ended
31 March 2021

Registered charity numbers:
England & Wales 1040631
Scotland SC039064

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Report of the Trustees

The Trustees present their report and the audited financial statements for the year ended 31 March 2021. The financial statements and Trustees' report are prepared in accordance with the Charities Act 2011, the Charities Accounts and Reports Regulations 2008, the provisions of the trust deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. These financial statements comply with current statutory requirements and with the requirements of the Trust's governing document, which is the Trust Deed dated 1 August 1994.

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) – (Charities SORP (FRS 102)), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The trust constitutes a public benefit entity as defined by FRS 102.

Structure, Governance & Management

Legal and Administrative Details

The Trust was registered with the Charity Commission on 1 August 1994 and is governed by its constitution.

Registered Name: Association of Colleges Charitable Trust

Charity Commission Number: 1040631

Office of the Scottish Charity Regulator: SC039064

Trustees:

Trustee	Dates
P. Brophy	
S.Frampton	Appointed 1 August 2020
S. Francis	
D. Hughes	
K. Lord	
I. Munro	
J. Nerney	Appointed 1 June 2020, Resigned 30 June 2020
J. Samuels	
C. Stott	Resigned 31 May 2020
F. Thouard	
M. White (Chair)	
Secretary	**Dates**
J. Edwards	

Report of the Trustees *(continued)*

Trustee to whom day-to-day running of the charity is delegated by the Trustees is I Munro.

Registered Office:	2 - 5 Stedham Place London WC1A 1HU	**Statutory Auditor:**	RSM UK Audit LLP 25 Farringdon St London EC4A 4AB
Bankers:	Barclays 28th Floor 1 Churchill Place Canary Wharf London E14 5HP	**Internal Auditor**	Mazars LLP Tower Bridge House St Katherine's Way London E1W 1DD
Solicitors:	Eversheds Sutherland 1 Wood Street London EC2V 7WS		

Objectives, activities, achievements and performance

The Trust is established for the purpose of advancing the education of members of the public aged over 16 years.

The nature of the governing document is a Trust Deed.

The Trust is devoted to raising funds and overseeing their application for the benefit of post-16 education. The Trustees are appointed from the Association of Colleges' Main Board, the Association's executive officers and independent representatives. Trustees appointed from the Association's Board include the Chair, the Chief Executive and the Director of Finance; executive officers include the Trust's Director. Independent representatives are appointed for their knowledge, experience and status in the sector. All appointments require the approval of the Trustees. An informal induction process is carried out. As a minimum, the Trustees meet on a termly basis, although additional meetings are held if required.

The Trustees are satisfied that the programmes operating through the Trust have been effective, given the resources. Representatives are pleased that the Beacon Awards Programme has continued to retain and attract the support of external sponsors in a challenging pandemic year and that the balance for the Beacon Awards is healthy at the end of the 12-month period. The total number of Beacon Awards on offer in 2020/21 was 11.

The AoC Beacon Awards were set up in 1994 to recognise and promote the interdependence of further education colleges and business, professional and voluntary sector organisations to their mutual advantage.

Report of the Trustees *(continued)*

In the year ended 31 March 2021, 11 Beacon Awards were initially offered, however one award was withdrawn due to lack of entries and 10 awards progressed. In the same year four Student of the Year categories were offered.

The Trustees and the Director worked closely with longstanding sponsors who were struggling financially in this exceptional pandemic year and agreed, in one case, to waive the fee and, in other cases, agreed a reduced fee. The Trustees felt it important to maintain the awards programme and continue to highlight and celebrate college and student success.

Following independent assessment and moderation by the AoC Chief Assessor, nine Beacon award winners were recommended and then ratified by the Trust Board on the 1 February 2021. The winners were announced during the online AoC Annual Conference on 8 February 2021.

From the 60 nominations for Student of the Year, 11 progressed to finalist stage and the winners were announced on the 24 February 2021.

The AoC Gold Awards for Further Education College Alumni have been managed by the Charitable Trust since 1996. In 2019 Trustees agreed these would not be offered in 2020/21 and a proposal will be developed in 21/22 to launch in 22/23. The Trustees remain committed to offering an award that recognises the contribution of past student achievement.

Trust Awards 2021

The Trust intends to use current funds to make awards to winning colleges and to cover the cost of assessment and administration and to promote the Awards.

AoC Beacon Awards – The Beacon Awards remain a central aspect of AoC strategy to celebrate and promote the great work of colleges and their staff. This year the innovation demonstrated by colleges in responding to the pandemic was impressive and noted in the AoC Chief Assessors report 2020/21.

The proposals agreed by the Trust and AoC Board in 2017 have now been fully implemented; new sponsorship has been attracted whilst maintaining existing sponsors and applications have steadily increased from 80 in 2017, 202 in 2018, 130 in 2019. In the pandemic year 2020/21 107 applications were received, which the Trustees considered to be a significant achievement. Especially given the revised limit of only two applications per college. Colleges meeting the Beacon Standard are profiled on the www.collegeawards.co.uk website and in national media.

Several new changes were introduced in 2020/21 and will continue in 2021/22. This includes a development fund that will enable new Beacon Awards to be created to refresh the programme and complement the longstanding and existing award categories. Changes to the assessment process were made in 2020/21 in recognition of Covid-19 and the demands placed on college staff with the assessment process streamlined. It is likely we will continue that approach in 2021/22. Also, we will continue to apply a limit of two applications per college in any one year. This has shown to broaden the type and range of colleges applying and reduce the demands on the independent assessment team. This should continue to achieve a more diverse range of finalists and winners.

Report of the Trustees *(continued)*

Student of the Year Awards - These awards are managed through the Charitable Trust with great success and celebrate the achievements of exceptional individuals from colleges across England. Colleges provide a fantastic array of opportunities for people to help them achieve their ambitions, maximise their talent and to progress in life, learning and work. This is an opportunity for the Trust to recognise outstanding students who deserve recognition and who will go on to inspire others and/or who have gone above and beyond, in college, their local community or in extra-curricular activities. This year the winners were announced at CollegesLive on 24 February 2021.

Risk management policy

During the year, the Trustees have considered major risks on an ongoing basis and taken appropriate steps as deemed necessary. Consideration has been given to a material drop in sponsorship for the Beacon Awards and a contingency plan has been put in place for this. A reduction in sponsorship would result in a reduction in awards available and therefore a reserve fund is being built to cover the possibility of minimal sponsorship and the winding up of the Trust.

Financial review

During the financial year the principal funding sources were the sponsors of the Beacon Awards, as listed in note 7, together with the Association of Colleges which provides funding for the Beacon Awards and the general running of the Trust through the unrestricted fund. Total incoming resources for the year were £140,351.

The bulk of the expenditure during the year relates directly to the management, assessment, promotion of the Beacon Awards programme, with the remainder covering the expenditure associated with the Student of the Year Awards and the research and development of the awards as a whole. Total resources expended for the year were £80,194.

The financial outturn this year provided a net positive balance (surplus) of £60,157 and this has been added to reserves which at 31 March 2021 are £368,359.

Structure, governance and management

The AoC Charitable Trust's Trustees shall be as follows:

- AoC Chair (ex officio)
- AoC Chief Executive (ex officio)
- AoC President (ex officio)
- AoC Director of Finance and Chief Operating Officer (ex officio)
- Director of the AoC Charitable Trust (ex officio)
- Up to six appointed members with the necessary skills, experience and personal attributes to fulfil the role and responsibilities of being an appointed Trustee.

The total number of Trustees shall be 11 including ex officio members.

Report of the Trustees *(continued)*

New Trustees are recruited through a consultation process with the Trust and relevant stakeholders, led by the Chair and senior AoC staff, and their appointments must be approved by a quorate meeting of the Trust.

The term of office for appointed Trustees is four years. Trustees serve a maximum of two four-year terms, subject to re-appointment by the Trust. Their re-appointment for a second four-year term is not automatic and is formally determined by the Trust at a scheduled meeting. Trustees may only be considered for re-appointment beyond two terms in exceptional circumstances if they have special skills that would be otherwise hard to find; or if their experience on the Trust is required to balance out the relative inexperience of new Trustees, and, in any case, only if they have demonstrated excellent commitment to the Trust in terms of attendance and contribution at meetings.

Ex officio Trustees can be Trustees so long as they remain in post and comply with relevant Charity Commission regulations.

The Chair is ex officio the Chair of the AoC Board, and the Vice-Chair is elected by Trustees at a quorate meeting of the Trust.

The term of office for the Chair matches their term of office as Chair of the AoC Board. The term of office for the Vice-Chair matches their term of office as an appointed Trustee. Their re-appointment for a second term as Vice-Chair is not automatic and is formally determined by the Trust at a scheduled meeting.

Key management personnel remuneration

The Trustees consider the Board of Trustees as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in note 3 and note 8 to the accounts.

Trustees are required to disclose all relevant interests and register them with the Board of Trustees and, in accordance with the Trust's policy, withdraw from decisions where a conflict of interest arises.

The pay of the charity's director is initiated by the holding company of the trust, Association of Colleges, and as such is reviewed annually and normally increased in accordance with average earnings and performance. Salary is set and reviewed by Association of Colleges and benchmarked against salaries within the organisation to ensure it is fair and not out of line with that generally paid for similar roles.

Reserves policy

The Trustees have reviewed the financial position at year end. This review encompassed the nature of the income and expenditure. The review concluded that to allow the charity to be managed

Report of the Trustees *(continued)*

efficiently and to provide a buffer for uninterrupted services, a minimum reserve equivalent to £50,000, excluding restricted funds, should be maintained. This equates to approximately six months of general expenditure and covering costs of awards where sponsorship cannot be obtained but Trustees choose to continue them.

Free reserves are the unrestricted funds (as there are no designated funds within them). The current free reserves are in line with the target with no shortfall and look to be maintained at this level.

During the year, the charity's reserves, including restricted funds, increased from £308,202 to £368,359. As the bulk of the Trust's activities relate to restricted funds, the Trustees feel it is appropriate to maintain reserves to facilitate an orderly wind-up of each separate area of activity should the need ever arise.

Public benefit statement

Within the accounting period, 11 AoC Beacon Awards were provided and over 107 applications received. A team of independent assessors worked within a two-stage assessment process between August 2020 and February 2021. The winning colleges were ratified by the Board and were announced in February 2021. The Awards recognise outstanding teaching and learning in colleges and there is potential for all colleges in the sector to benefit from the dissemination of good practice evidenced by the winning college.

This directly benefits the public since colleges can replicate the award-winning practice, thereby enhancing the quality of learning and support given to learners across the country. The Trustees have paid due regard to the Charity Commission's guidance in reviewing the Trust's aims and objectives.

Covid-19

The pandemic lead to some sponsors suffering financial constraints in 20/21 and as a result could not commit to the full sponsorship fees. The Trustees agreed to reduced sponsorship fees in 20/21 which were mitigated by reduced travel and meeting costs during the year. Whilst early discussions with sponsors for 21/22 is strong, with many already secured, the Trust has significant reserves to cover any shortfall in sponsorship, maintaining it's going concern status.

Statement as to Disclosure of Information to Auditors

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

Report of the Trustees *(continued)*

Auditor

RSM UK Audit LLP has indicated its willingness to continue in office.

P J Brophy
Trustee

30 June 2021

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The laws applicable to charities in England & Wales and Scotland require the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities' SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the provisions of the trust deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Independent Auditor to the Trustees of the AoC Charitable Trust

Opinion

We have audited the financial statements of The AoC Charitable Trust (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 and the terms of the charity's trust deed.

Basis for opinion

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under section 144 of the Charities Act 2011 and report in accordance with regulations made under those Acts.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Report of the Independent Auditor to the Trustees of the AoC Charitable Trust *(continued)*

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- proper and sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities set out on page 10 the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditor to the Trustees of the AoC Charitable Trust *(continued)*

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charity operates in and how the charity is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

Report of the Independent Auditor to the Trustees of the AoC Charitable Trust *(continued)*

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011 and the charity's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

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 charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP
Statutory Auditor
25 Farringdon Street
London
EC4A 4AB

13 September 2021

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of Financial Activities
for the year ended 31 March 2021

	Note	Unrestricted funds £	Restricted funds £	**Total funds 2021 £**	Total funds 2020 £
Income and Endowments					
Donations					
Beacon Awards admin. donations		-	106,500	**106,500**	152,000
Student of the Year		-	8,455	**8,455**	27,700
Other voluntary income		25,000	-	**25,000**	5,000
Investment income					
Interest on deposits		71	325	**396**	1,574
Total income		25,071	115,280	**140,351**	186,274
Expenditure					
Costs of raising funds					
Printing, postage and couriers		-	-	-	877
Beacon Award Prospectus		-	875	**875**	
Fundraising and Publicity		234	7,532	**7,766**	2,959
Total costs of raising funds		234	8,407	**8,641**	3,836
Expenditure on charitable activities	2				
Beacon Awards		-	53,117	**53,117**	92,668
Student of the Year		-	3,284	**3,284**	8,227
Research		15,152	-	**15,152**	11,779
		15,152	56,401	**71,553**	112,674
Total expenditure		15,386	64,808	**80,194**	116,510
Net income/(exp.) before transfers		9,685	50,472	**60,157**	69,764
Transfers		-	-	-	-
Net movement of funds		9,685	50,472	**60,157**	69,764
Reconciliation of funds					
Total funds brought forward		64,622	243,580	**308,202**	238,438
Total funds carried forward		74,307	294,052	**368,359**	308,202

The notes on pages 18 to 26 form part of these financial statements. The Trust has no other recognised gains or losses other than the net movement in funds for the period.

Statement of Financial Position

as at 31 March 2021

	Note	2021 £	2020 £
Current assets			
Trade debtors		30,500	-
Amounts owed by Association of Colleges		259	-
Cash at bank and in hand		346,394	374,504
		377,153	374,504
Current liabilities			
Creditors: Amounts falling due within 1 year:			
Amount owed to Association of Colleges		-	52,632
Trade creditors		1,794	11,590
Accruals		2,000	2,080
Deferred Income		5,000	-
		8,794	66,302
Net assets		368,359	308,202
Funds			
	5		
Unrestricted		74,307	64,622
Restricted		294,052	243,580
Total funds		368,359	308,202

The notes on pages 17 to 25 form part of these financial statements.

The financial statements on pages 14-25 were approved and authorised for issue by the Board of Trustees on 7 June 2021 and were signed on its behalf by:

M White

Trustee

13 July 2021

The Association of Colleges has the power to amend the financial statements after issue.

Statement of Cashflows

as at 31 March 2021

	Notes	2021 £	2020 £
Operating activities			
Cash generated from operations	9	(28,506)	69,588
Net cash used in operating activities		**(28,506)**	69,588
Investing activities			
Interest received		396	1,574
Net cash from investing activities		**396**	1,574
Net increase/(decrease) in cash and cash equivalents		**(28,110)**	71,162
Cash & cash equivalents at beginning of year		374,504	303,342
Cash & cash equivalents at end of year		346,394	374,504

Notes

(Forming part of the financial statements)

1 Accounting Policies

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

Basis of Preparation and assessment of going concern

The financial statements have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) – (Charities SORP (FRS 102)), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The trust constitutes a public benefit entity as defined by FRS 102.

The Trustees have received no indication from any sponsors that they will not continue their sponsorship and therefore forecasted expenditure will be covered by sponsorship for at least the next 12 months. The Trust also has adequate cash balances to settle liabilities as they fall due. Therefore the Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Funds Structure

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed. There are three restricted funds in the Trust, Beacon Awards Fund, Gold Awards Fund and the Student of the Year Fund. Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects.

Further details of each fund are disclosed in note 4.

Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Donations from sponsors are recognised when the Trust has been notified in writing of the amount and an invoice has been raised to the donor. Where donations are made from individuals or via an auction, income in recognised when received. In the event that a donation is made in a prior financial year to that it is intended, the income is deferred and not recognised until the date the donor has requested. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Notes *(continued)*

Expenditure recognition
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.
All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note 2 below.
Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. They are accrued once the recipient has been notified of the grant award.

Allocation of support and governance costs
Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs. Governance costs and support costs relating to charitable activities have been apportioned based on the ratio of income in the relevant financial year. The allocation of support and governance costs is analysed in note 2.

Costs of raising funds
The costs of generating funds consist of fees for printing and posting the Beacon Award prospectus, along with costs marketing fees for the Student of the Year Awards.

Charitable activities
Costs of charitable activities include grants made, governance costs and support costs as shown in note 2.

Taxation
The Trust was registered as a charity in 1993. Under 471-489 of CT Act 2016 and 256 of Chargeable Gains Act 1992 the Trust is not subject to taxation on its charitable activities.

Pension Scheme Arrangements
All employees of AoC Charitable Trust are contractually employed by the parent company (AoC). Therefore, the pension liability has been recorded in the accounts of the parent company. Employees may elect to be members of the London Pensions Fund Authority (LPFA) pension fund. LPFA is a funded defined benefit scheme, whereas the Flexible Retirement Plan is a defined contribution scheme.

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

Notes *(continued)*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial Assets

Trade Debtors - Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Financial Liabilities

Trade Creditors - Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Derecognition Of Financial Assets and Liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Notes *(continued)*

2 Charitable Activities

2021	Grants payable	Consultancy	Support costs	**Total 2021**
	£	£	£	**£**
Beacon Awards	-	29,127	23,990	**53,117**
Student of the Year	1,350	-	1,934	**3,284**
General	-	-	15,152	**15,152**
	1,350	29,127	41,076	**71,553**

2020	Grants payable	Consultancy	Support costs	Total 2020
	£	£	£	£
Beacon Awards	-	43,737	48,931	92,668
Student of the Year	1,703	456	6,068	8,227
General	-	260	11,519	11,779
	1,703	44,453	66,518	112,674

Governance & support costs	Unrestricted	Restricted	**2021**
Wages and salaries	5,400	24,600	**30,000**
Meetings	-	(500)	**(500)**
Other travel expenses	-	-	**-**
Audit	360	1,640	**2,000**
Bank charges	41	184	**225**
Research	-	9,351	**9,351**
	5,801	35,275	**41,076**

Governance & support costs	Unrestricted	Restricted	2020
Wages and salaries	900	29,100	**30,000**
Meetings	267	8,459	**8,726**
Other travel expenses	285	15,281	**15,566**
Audit	60	1,940	**2,000**
Bank charges	7	218	**225**
Research	-	10,000	**10,000**
	1,519	64,998	**66,517**

Notes *(continued)*

Basis of Apportionment

Governance and support costs are apportioned based on the ratio of income of each fund for the financial year to which it relates. This recognises the amount of relevant expenditure in comparison for each fund.

3 Staff Numbers and Costs

For the year ending 31 March 2021 there were no direct staff within AoC Charitable Trust. There is a recharge of £30,000 from AoC to cover costs relating to admin, finance and management staff that work on behalf of the Trust (2020: £30,000 was paid to AoC).

No Trustees received any remuneration for their role as a Trustee. No Trustee received reimbursement for travel expenses and accommodation (2020: £182 to one Trustee).

4 Movement of Funds

	1 April 2020	Income	Transfer	Expenditure	**31 March 2021**
	£	£		£	**£**
Restricted funds					
Beacon Awards admin.	203,998	106,802	-	55,423	**255,377**
Gold Awards	22,031	-	-	-	**22,031**
Student of the Year	17,551	8,479	-	9,386	**16,644**
Total restricted funds	243,580	115,281	-	64,809	**294,052**
Unrestricted funds	64,622	25,071	-	15,386	**74,307**
Total	308,202	140,352	-	80,195	**368,359**

Purpose of Funds

The AoC Beacon Award sponsorship is used to cover the cost of independent assessment, administration, publications and PR etc. An amount is also made available to cover the cost of hosting the finalist announcements at the AoC Annual Conference and also the winner's announcements and celebratory event later in the year.

The Gold Awards are funded through a donation from the Association of Colleges. They are designed to raise the profile of the further education sector by rewarding former students of FE colleges who have since gone on to excel in their chosen field or profession. *(Please see page 5; Report to Trustees)*

Notes *(continued)*

The Student of the Year Awards are funded through external sponsorship. They are designed to celebrate the work of colleges in supporting students of all ages and abilities and to raise the profile of the further education sector by rewarding students of FE colleges who have overcome significant personal challenges.

The unrestricted funds are those funds that the Charity has received that were not for specific purposes and as such are held as unrestricted funds.

5 Analysis of Net Assets between Funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances as at 31 March 2021 are represented by:			
Cash at bank and deposits	74,307	272,087	**346,394**
Debtors	-	30,500	**30,500**
Creditors	-	(1,794)	**(1,794)**
Net amount owed by group companies	-	259	**259**
Accruals	-	(2,000)	**(2,000)**
Deferred Income	-	(5,000)	**(5,000)**
Total	74,307	294,052	**368,359**

	Unrestricted funds £	Restricted funds £	Total £
Fund balances as at 31 March 2020 are represented by:			
Cash at bank and deposits	64,622	309,882	**374,504**
Debtors	-	-	-
Creditors	-	(11,590)	**(11,590)**
Net amount owed by group companies	-	(52,632)	**(52,632)**
Accruals	-	(2,080)	**(2,080)**
Total	64,622	243,580	**308,202**

6 Audit Services

Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:

	2021	2020
	£	£
Audit services – statutory audit of the company	**2,000**	2,000

Notes *(continued)*

7 List of Winning Colleges for 2020-21 (Beacon Awards)

Award Name	College
British Council International Award	DN Colleges Group
The Careers and Enterprise company Award for Innovation in Careers and Enterprise	West Suffolk College Group
Edge Award for Excellence in Real World Learning	Strode College
Pears #iwill Award for Social Action and Community Engagement	East Durham College
NOCN Group Award for Mental Health and Wellbeing	Bridgend College
Jisc Award for Effective Use of Technology in Further Education	TEC Partnership
City & Guilds Award for College Engagement with Employers	Bridgwater & Taunton College
RCU Support for Students Award	Abingdon & Witney
Inclusive Learning Leadership Award supported by the National Centre of Diversity	Weston College

The Awards are made to winning colleges following a rigorous two-stage application and moderation process including assessor (virtual) visits to finalist colleges. The team of independent assessors is overseen by the Chief Assessor and Trust Director; a lead assessor for each award is appointed and supported by either an additional assessor and/or sponsor assessor. Each application is assessed by the lead assessor and team; the lead will detail their team's observations, grade the applicants at each stage and submit to the Chief Assessor. Following moderation at each stage, those being commended, becoming a finalist or winning an Award are ratified by the Trust Board.

8 Related Party Transactions

The Association of Colleges (Company number 03216271), the 'parent' company which is also the ultimate controlling party and representative body for further education and sixth form colleges in England, Wales and Northern Ireland, together with its trading subsidiaries AoC Services Ltd and AoC Sport, make up the group. The Association of Colleges (AoC) was created in 1996 as the single voice to promote the interests of incorporated further education and sixth form colleges in England and Wales. Details of the principal activities are provided in the AoC Strategic Report. AoC exists to represent and promote the interests of colleges and to provide members with professional support services. The Association of Colleges donated £40,000 to the Trust (2020: £60,000).

Notes *(continued)*

All employees are employed by the Association of Colleges and recharged to the respective entities. A recharge of £30,000 was made to the Trust from AoC to cover staff costs (2020: £30,000). Accommodation charges for the Trust are met by the Association. A recharge of £2,000 was made to the Trust from AoC to cover audit costs (2020: £2,000). A recharge of £7,426 (2020: Nil) was made to the Trust from AoC to cover costs for G Whitworth to work on the development of the awards. £234 of staff expenses were charged to the Trust from AoC during the year (2020: £291).

AoC Services provides assistance at the Association's annual conference for the announcement of the Beacon Awards. The costs for this are covered by sponsorship secured by AoC Services as part of the overall annual conference programme.

Trustee J Samuels works for the Edge Foundation who sponsored a Beacon Award and related administration for 2021, totalling £15,000 (2020: £15,000). This was paid during the year. No other Trustees have related party transactions.

9 Reconciliation of net income to net cash generated from operations

	2021	2020
	£	£
Net income	**60,157**	69,764
Interest receivable	**(396)**	(1,574)
Increase/(decrease) in trade and other debtors	**(30,759)**	30,605
Decrease in trade and other creditors	**(57,508)**	(29,207)
Cash generated by operations	**(28,506)**	69,588
Cash and cash equivalents		
Cash and cash equivalents represent:-		
Cash at bank	**346,394**	374,504

10 Debtors: amounts falling due within one year

	2021	2020
	£	£
Trade debtors	**30,500**	-
Amounts owed by group	**259**	-
Total	**30,759**	-

11 Creditors: amounts falling due within one year

	2021	2020
	£	£
Amounts owed to group	**-**	52,632
Accruals	**2,000**	2,080
Trade creditors	**1,794**	11,590
Deferred Income	**5,000**	-
Total	**8,794**	66,302

Notes *(continued)*

12 Statement of financial activity 2020 breakdown

	Note	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Income and endowments				
Donations				
Beacon Awards admin. donations		-	152,000	**152,000**
Student of the Year donations		-	27,700	**27,700**
Other voluntary income		5,000	-	**5,000**
Investment income				
Interest on deposits		47	1,527	**1,574**
Total income		5,047	181,227	**186,274**
Expenditure				
Costs of raising funds				
Printing, postage and couriers		-	877	**877**
Fundraising & publicity		600	2,359	**2,959**
Total costs of raising funds		600	3,236	**3,836**
Expenditure on charitable activities				
Beacon Awards		-	92,668	**92,668**
Student of the Year		-	8,227	**8,227**
General		1,779	10,000	**11,779**
		1,779	110,895	**112,674**
Total expenditure		2,379	114,131	**116,510**
Net income before transfers		2,668	67,096	**69,764**
Transfers		(197)	197	-
Net movement of funds		2,471	67,293	**69,764**
Reconciliation of funds				
Total funds brought forward		62,151	176,287	**238,438**
Total funds carried forward		64,622	243,580	**308,202**