



Company registration number: 03426251

Charity registration number: 1066927

ASDAN

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2022

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Strategic Report for the Year Ended 31 March 2022

1. Foreword

We are delighted to publish our annual report for 2021/22 and to set out our ambitions for the future. ASDAN's work in developing educational pathways for young people facing challenges in their learning and requiring support to develop their talents has never been more important. The educational landscape is changing and ASDAN is continuing to evolve to enhance the quality, impact and relevance of our offer.

We have many strengths to draw upon. We have a clear set of values and collective purpose, coupled with a sound financial base. We have a continuing commitment to learning and innovation and are adopting an evidence-based approach as we review and develop our programmes and qualifications. We value partnership working and are strengthening our work with educational practitioners through the development of professional learning communities. We are leaders in personal, social and work-related learning and are well placed to influence policy and practice in the wider national context.

We look forward to 2022/23 with optimism and determination in equal measure.

Rik Boxer
Chair of Trustees

"ASDAN has enabled us to engage some of our hardest to reach young people and adapt delivery within courses to meet the needs. ASDAN allows you to be creative, so enabling better engagement."

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2. Introduction

This report provides an opportunity to take stock of a time of transition for ASDAN and our educational community, using 2018/19 as a pre-pandemic baseline:

- a. The world of education has been profoundly affected by the impact of the COVID-19 pandemic since March 2020. The 2021/22 academic year is the final year of extraordinary arrangements for qualification awarding, but the wider and deeper impacts of the last 3 years on young people's learning and wellbeing will be felt for many years to come. As leaders in the design and development of quality personal, social and work-related learning programmes we are ready to play our part in supporting the social, emotional and mental health needs of young learners in the years ahead.
- b. During 2020-21 and 2021-22 we have transitioned our financial year end from August to March, to align with more of our members' planning cycles. This is our first full financial year report in the new April to March cycle, 2020-21 having been a 7-month adjustment cycle (September to March).
- c. Our main awarding season, for both qualifications and accredited programmes is the summer period from April to August. This means that the majority of learner achievements reported in this April 2021 to March 2022 report were awarded in the summer of 2021, the second academic year to be affected by the COVID-19 pandemic. We saw a small (5%) increase in achievements in summer 2021, but these remain below pre-pandemic levels (summer 2019) by about one-quarter. Whereas the 2021-22 income performance reported here reflects an improving position in the third financial period since the pandemic began, with income within 1% of 2018/19 performance.
- d. Since 2019, we have introduced changes to our business model for qualifications registration meaning that the majority of our membership and qualifications registration income is invoiced between September and December.
- e. The combined effect of points (c) and (d) is that our learner achievements are lagged. They are the outcome of activity and income from 2020/21. The improving income position for 2021/22 shown in this report should result an increase in the number of learners achieving ASDAN courses in summer 2022, but we will not see this until the 2022/23 annual report.
- f. During 2021/22 we have also introduced a new website, members' area, administration portal and new finance system. Inevitably, these have taken time to bed in, however they represent an overdue investment in improving our future administrative efficiency, reporting capability, informed decision making, and evidence-based impact and public benefit.

Jenny Williams, Chief Executive

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3. Overview of performance 1 April 2021 to 31 March 2022

Between April 2021 and March 2022, we recognised the achievements of 37,361 learners across our accredited programmes and qualifications. This was an increase of five per cent on the same period in the previous year, yet still around a quarter fewer than we saw in 2019-20. Overall, we secured income of £2.95m, an increase of £230,000 on the previous year.

More learners were able to complete their courses than in the previous year, however we know how much of an impact COVID-19 continued to have on our members. Disruptions continued with whole classes being absent for periods of time, and other provision being unable to function as planned. Centres across the country also had to contend with the Extended Extraordinary Regulatory Framework to facilitate awarding in the summer of 2021.

Understandably, our members continued to make use of our well-established courses during 2021-22. Our Personal and Social Development qualification in particular proved popular, as did our accredited programmes for young people with a range of special educational needs and/or disabilities, including our updated Personal Development Programme, launched in April 2021.

Also understandably, take up of the three new courses we launched during 2020 and 2021 has been slower than originally envisaged. We know the majority of our existing members have appreciated the familiarity and stability of our long-standing courses, and for the same reasons we have not yet attracted significant numbers of new members to our new offer. Nevertheless, we are expecting to see the first awards on our 2020-updated Personal Progress qualification in summer 2022. There has been growing interest in our new preparing for adulthood course, My Independence, for young people with SEND since September 2021. The first awards on our new Personal and Social Effectiveness qualification launched in September 2021 will be made in summer 2022. We are undertaking a two-year evaluation of the Personal and Social Effectiveness qualification which will give us valuable insight on how to further improve the relevance, development, implementation and take up of new and updated courses.

In August 2021 we launched the new ASDAN website, members' area and back office administration portal. While we have experienced some issues with the new technology, our new arrangements present a significant upgrade on the previous system. In time, we and our members will also realise the benefits of the additional functionality the new platforms provide.

We continue to report on performance against broad sets of measures relating to:

- Membership – representing approximately 40 per cent of our annual income;
- Training; and
- Learners' achievements on both our regulated qualifications and non-regulated accredited programmes, in the UK and internationally

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Strategic Report for the Year Ended 31 March 2022

3.1 Membership

“The support is instant and you are always left feeling that you were valued”

Despite significant efforts to engage with and encourage members to remain with us, we experienced a small decrease in the number of registered members to 3,501 at the end of 2021/22.

| | 2021/22 | 2020/21 | 2019/20 |
|--------------------|---------|---------|---------|
| Registered members | 3,501 | 3,539 | 3,578 |

Our top tier, Qualifications membership, remains the most common within our membership, increasing to approximately 42 per cent, with our Programmes Plus and Programmes membership representing approximately a quarter each of our membership.

Although take up was small, the ‘gap year’ retention initiative, whereby members who were not in a position to deliver during the pandemic but wanted to remain connected to ASDAN by paying a nominal fee to keep their membership active, proved successful. All who took up the offer in 2020 returned to full membership in 2021. This approach will continue to be explored and refined to support members going forward and boost member retention where possible.

As in past years, it was not possible to retain all members, with common reasons for leaving being an inability to access funding, or not having a cohort of learners for whom the previous programmes or qualifications delivered would be appropriate. We are also aware of a high turnover of senior leadership or moves to join trusts or academies in mainstream settings, leading to a change of strategic direction. Ensuring the relevance of ASDAN courses and demonstrating their impact remains a key objective.

3.2 Training

A key component of our member support and quality framework is the provision of training courses for centres and our members to be equipped with information on how to deliver our qualifications, accredited programmes and our wider programme offer.

The move to online training through the provision of webinars continues to have a positive impact on the number of delegates trained to deliver our courses. Almost 40 per cent more delegates attended an ASDAN training course in 2021/22 than they did in 2020/21.

| | 2021/22 | 2020/21 | 2019/20 |
|--|---------|---------|---------|
| Delegates trained in webinars to deliver courses | 1,486 | 1,066 | 883 |

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Legacy qualifications, including CoPE, Employability and PSD remained popular choices for delegates. To help facilitate the transition from CoPE to the new PSE qualification, a series of 'transition training' webinars were offered in the summer and autumn of 2021. These sessions, targeted at existing members delivering AoPE or CoPE qualifications, proved popular, with 162 delegates attending. We will review the impact of these sessions by monitoring the number of these centres registering learners on the course from September 2022.

Delegates continue to rate our training offer highly, with over 90 per cent feeding back to us that they considered the training very good or excellent.

Future plans for training continue to focus on the delivery of webinars, and the added benefit their flexibility of timing and location offer. We are also listening to feedback from our members and will be exploring in-person workshops in Autumn 2022/23.

3.3 Learner achievement

3.3.1 Qualifications

Qualifications awarding continued under the Extended Extraordinary Regulatory Framework (EERF) for summer 2021, having previously been in place from September 2020 to March 2021.

Following a significant decline in learners achieving regulated qualifications with ASDAN between 19/20 (summer 2019, pre-pandemic) and 20/21 (summer 2020, first year of the pandemic), we began to see signs of recovery in 2021/22. While Entry Level 1-3 and Level 2 continued to decline, the number of learners achieving a Level 1 qualification grew by seven per cent. We also saw a significant increase in unit only accreditation – over 50 per cent more than in 2020/21. This growth may be reflective of learners' ability to complete the full qualification as the pandemic continued to have an impact. Nonetheless it is a vital part of ASDAN's mission to provide recognition for incremental steps of achievement.

| Learners' achievements: All | Apr 21 - Mar 22 | Apr 20 - Mar 21 | Apr 19 - Mar 20 |
|--|------------------------|------------------------|------------------------|
| Learners achieving ASDAN regulated qualifications at Entry Level 1-3 | 3,054 | 3,155 | 3,941 |
| Learners achieving ASDAN regulated qualifications at Level 1 | 2,224 | 2,073 | 3,688 |
| Learners achieving ASDAN regulated qualifications at Level 2 | 2,463 | 2,874 | 3,757 |
| Learners achieving ASDAN regulated qualifications at Level 3 | 565 | 427 | 1,694 |
| Unit Only | 1,218 | 784 | 1,339 |
| Total | 9,524 | 9,313 | 14,419 |

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Strategic Report for the Year Ended 31 March 2022

Despite the modest growth we remain significantly behind the pre-pandemic overall learner achievement for qualifications by around one third.

“ASDAN has made learning meaningful and fun for our students. For example, work experience both internal and external have been rewarding and essential in raising self-esteem and independent life skills via the Employability course.”

3.3.2 Accredited programmes

Like qualifications, a small increase (around six per cent) in the number of learners achieving an outcome for one of our accredited programmes was witnessed in 21/22 compared to 20/21.

| Learners' achievements: All | Apr 21 - Mar 22 | Apr 20 - Mar 21 | Apr 19 - Mar 20 |
|--|-----------------|-----------------|-----------------|
| Learners achieving ASDAN accredited programmes | 27,837 | 26,229 | 35,961 |

While the numbers achieving an accredited programme outcome remains some way behind the pre-pandemic figure, the gap is smaller than for qualifications at around 22 per cent.

3.3.3 International

Although our strategic efforts remain focused on growing the number of learners in greatest need who benefit from our courses in the UK, our international position remains strong. During 2021/22 we renegotiated our agreement with our partners in China, SEED, for a further five years, building on the well-established relationship.

Learners achieving our accredited programmes grew by a similar factor to the previous year – 467 more learners (compared to an increase of 485 between 20/21 and 19/20), largely due to our relationship with centres in Australia and China.

We experienced a small dip in learners achieving Entry Level 1-3 and Level 1 qualifications internationally, however both Level 2 and Level 3 achievements recovered and surpassed the pre-pandemic totals – 37 and 10 per cent increase respectively.

| Learners' achievements: International | Apr 21 - Mar 22 | Apr 20 - Mar 21 | Apr 19 - Mar 20 |
|--|-----------------|-----------------|-----------------|
| Learners achieving ASDAN accredited programmes | 12,031 | 11,564 | 11,079 |
| Learners achieving ASDAN regulated qualifications at Entry Level 1-3 | 14 | 19 | 11 |
| Learners achieving ASDAN regulated qualifications at Level 1 | 46 | 50 | 26 |
| Learners achieving ASDAN regulated qualifications at Level 2 | 125 | 73 | 91 |
| Learners achieving ASDAN regulated qualifications at Level 3 | 306 | 137 | 279 |

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Strategic Report for the Year Ended 31 March 2022

4. Strategic priorities

During 2021/22 we began the process of restoring and renewing ourselves and our offer, following the COVID-19 pandemic. Restoration and renewal will continue to be key underpinning themes for us in 2022/23, as we focus on our:

- Education strategy
- Organisational development, and
- Digital improvement plan.

4.1.1 Education strategy

Our ambition is to get closer to our members, understand their needs and wants and how we can work collaboratively to meet them, in order to engage, elevate and empower young people in greatest need. In support of this, during 2021/22 we committed to renewing the 'N' (Network) in ASDAN by re-establishing professional learning communities with our members.

The evaluation of the Personal and Social Effectiveness qualification and the creation of a focus group of members has provided an opportunity trial some aspects of a professional learning community approach, and this will continue in 2022/23. We are also learning from the professional development arrangements that support our new My Independence programme about how to do this well.

In light of the evolving needs of our members and their learners, and in response to changes in the education policy landscape we have established an Education Forum of staff and trustees to equip us for the decisions we need to make about our future education direction and strategy.

We are clear that our priority is to foster the talents and abilities of young people in greatest need: those living in poverty, without support for their emotional and social needs, those with a special educational need or disability, those not engaged or succeeding in their education, who miss an English and/or Maths pass at 16 or subsequently, and who are at risk of becoming NEET.

We are becoming clearer about the knowledge, skills and attributes young people need for 21st century learning, work and life which we are uniquely placed to foster.

We are redefining the distinctive ways in which we support teachers to do this through engaging and blended pedagogy and professional learning.

We are reviewing how we assess and quality assure our qualifications and curriculum programmes so that learners' achievements are valued and held in high esteem, by themselves and others.

Whilst not receiving Department for Education approval for our proposed technical awards, we will in the coming year be a contributing member of Ofqual's working group supporting research into the quality and value of CASLO qualifications (the family of qualifications to which the majority of ASDAN's belong).

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4.1.2 Organisational Development

Following the lifting of lockdown restrictions in 2021, we introduced interim hybrid working arrangements designed to recognise and support the challenges that our staff and members continued to face during the winter of 2021/22. We will evaluate those arrangements during 2022/23 with a view to establishing longer term arrangements.

Alongside our hybrid working trial, and in response to our 2021 staff survey, we have prioritised organisational development as we restore and renew after the COVID-19 pandemic. We formed three working groups to explore key topics ASDAN employees fed back upon:

- Internal communication
- Cross-organisational working
- Leadership and management

The outcomes from this work have shaped the creation of an Organisational Development Group which will support our ambitions in 2022/23 to foster ASDAN as a learning organisation equip us to realise our future plans.

4.1.3 Digital

Following the launch of the new website, members' area and administration portal in August 2021, work continues to deliver the development plan for the second phase of our digital improvement plan aligned to the strategic priorities of the organisation.

5. Risk Statement

The trustees monitor the dynamics of the educational, political and international environment in which ASDAN operates, and continue to take steps to secure the organisation and to make plans to invest reserves to grow the business and extend impact.

The trustees believe that they have identified the major risks to which the Charity is exposed. These include the agility needed in response to its dynamic external environment, financial stability, maintaining good reputation in conducting our various charitable activities, and operational resilience. As an educational awarding body, ASDAN's risk registers are additionally mapped against the regulators' Conditions of Recognition.

Risks have been categorised both by the likelihood of their occurring and by their potential impact on the Charity. Trustees review the adequacy of protection against these risks and, where this appears insufficient, put in place appropriate procedures to mitigate them. In some instances, protection is provided by insurance cover; in others by monitoring, reporting, continually assessing the risks concerned and developing contingency plans. The Performance, Audit, Risk and Compliance Committee (PARC) of the Board of Trustees regularly reviews the identification and mitigation of both new and existing risks.

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In 2021/22 the Education Advisory Group additionally gathered organisational assurance in response to regulators' Conditions of Recognition.

6. Finance matters

ASDAN has remained financially resilient. It has been able to both make a very small surplus on general funds this year and also maintain a net asset level of £4m, despite the very difficult trading environment which arose from disruption in schools during and beyond COVID-19. We are pleased to have returned to the broadly £3m annual level of turnover we had been achieving prior to the pandemic.

ASDAN primarily operates in the UK. The majority of our international work takes place in countries outside of Europe and so ASDAN's sales revenues were not greatly affected by Brexit.

We have continued to market and launch new products; continued to assess and award our learners' achievements (in a constantly changing awarding environment); and continued to provide constant customer service to the best of our ability, to all the schools, colleges and voluntary organisations that we serve, providing the ASDAN resources and guidance they have needed to adjust to their dynamic and constantly changing situations.

We continued to forge ahead with our digital strategy and new product developments. These developments were funded from reserves which had been set aside into designated funds.

The reserves position remains strong and financial plans have been put in place to support investment in renewing our courses for students, our professional development for teachers, and our overall profile to secure ASDAN on a course towards stronger ongoing profitability in the coming years so that the charity can face the future with confidence and support our members to engage, elevate and empower more young people in need.

The strategic report was approved by the trustees of the charity on 29 September 2022 and signed on its behalf by:


.....

R P Boxer (Chair of Trustees)
Trustee

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Trustees' Report (including Directors' Report) for the Year Ended 31 March 2022

The trustees (who are directors for the purposes of company law), present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 March 2022.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102.

1. Objects

ASDAN's aim is the advancement of education, by providing opportunities for all learners to develop their personal and social attributes and levels of achievement through the use and attainment of ASDAN awards and qualifications and the relief of poverty, where poverty inhibits such opportunities for learners.

2. Structure, governance and management

ASDAN is a charitable company limited by guarantee, incorporated on 28 August 1997 and registered as a charity on 17 December 1997.

The charitable company was formed under a memorandum of association which established the objectives and powers of the charitable company and it is governed under its articles of association. These were revised in March 2004.

The charity's board of trustees has a minimum number of three individuals. Although not stated in the memorandum and articles of association, the preferred maximum number of individuals is set at twelve but trustees agreed this could be expanded to fourteen to allow for succession planning in recruiting further Trustees with the necessary skills and expertise. The existing members of the board appoint new trustees.

The chair and vice chairs review the mix of skills among the trustees, identify gaps and undertake recruitment where necessary, particularly in newer strategy areas. When filling vacancies, the board takes into account the experience needed to maintain the board's ability to effectively direct the full range of the charity's activities. The board arranges appropriate induction for any new trustee. Inductions involve tailored meetings with key trustees and staff, and review of key documentation. Trustees undertake an ongoing training programme covering current subjects, delivered by subject matter experts with opportunities for discussion.

The Board of Trustees meets at least four times a year.

Trustees include education specialists with representation from across the sector, as well as representatives from a range of industries, with both commercial and charitable experience.

Our Chair of Trustees, Rik Boxer, is a former strategic education leader with considerable experience in Special Educational Needs and Disability (SEND) and alternative provision. He has a track record of improving outcomes for underachieving and vulnerable groups.

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Trustees' Report (including Directors' Report) for the Year Ended 31 March 2022

3. Changes to Trustees

There were four changes to the composition of the Board of Trustees between 1 April 2021 and 31 March 2022:

- Victoria FitzGerald was appointed to the board on 20 May 2021
- Alison Delyth resigned from the board on 20 May 2021
- Naeem Iqbal resigned from the board on 15 November 2021
- Paul Jacobs resigned from the board on 10 December 2021

A further three Trustees resigned after the year end and new Trustees are in the process of appointment.

- Linda Peck resigned from the board on 19 May 2022
- Pauline Trapp resigned from the board on 19 May 2022
- Asher Craig resigned from the board on 13 September 2022

3.1 Board of Trustees

The charity's trustees at the date these financial statements were approved and those who served as a trustee in the financial year ended 31 March 2022 are as follows:

| | |
|-------------------------------|---|
| Rik Boxer (Chair) | Education consultant, former Deputy Director of Children's Services, Executive Coach |
| Asher Craig*** | Councilor, St George West and Deputy Mayor, City of Bristol (resigned 13 September 2022) |
| Marian Curran | Principal, St Brendan's Sixth Form College |
| Alison Delyth* | Former Director of Children's Services (resigned 20 May 2021) |
| Brian Doidge (Vice-Chair)* | Chair, South West Regional Board of Chartered Institute of Marketing, Lecturer, Yeovil College |
| Stephen Fahey* | Content Strategy Director, Oxford University Press |
| Jemma Hancock** **** | Head of HR, Great Western Railway |
| Naeem Iqbal | Care Practitioner, Disabled Children and Specialist Services, Bristol City Council (resigned 15 November 2021) |
| Paul Jacobs** *** | Education Consultant, former Service Director, Education and Skills, Bristol City Council (resigned 10 December 2021) |
| Linda Peck** | Education Consultant and Ofsted Inspector, former Headteacher and Senior School Improvement Officer for Bristol LA (resigned 19 May 2022) |
| Jack Price* | Managing Director, Computershare |
| Peter Scholey (Vice-Chair)*** | Former secondary school Headteacher, Local Authority Officer and Education Consultant |

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Trustees' Report (including Directors' Report) for the Year Ended 31 March 2022

| | |
|----------------------|---|
| Chris Smith*** **** | Company Director, Tydi Ltd and Hobbs House Bakery. Chair of the Board, The British Corner Shop. South West Regional Council Member, CBI |
| Pauline Trapp** | Education Consultant, former SENCO and Assistant Headteacher (resigned 19 May 2022) |
| Victoria FitzGerald* | Director, Briarsmead, and financial consultant. Trustee, Insane Root Theatre CIO. Member, Trust in Learning (Academies) (appointed 20 May 2021) |

* Members of the Performance, Audit, Risk and Compliance Committee (PARC)

** Members of the Education Advisory Group (EAG)

*** Members of the Premises Working Group (ACE)

**** Members of the HR Policy Review Group

3.2 Key Management Personnel

The key management personnel (as defined by FRS 102) are the trustees and the senior management of the charity. The senior management of the charity (to whom the responsibility for the planning, directing and controlling of the activities of the charity has been delegated by trustees) have been as follows during the financial period: the Chief Executive Officer, Jenny Williams; Education Director, Martina Veale; Membership and Marketing Director, James Foyle; and Finance and Resources Director, Gillian Palmer. The directors deputise for the Chief Executive Officer where appropriate. A scheme of delegation is in place to confirm the responsibilities devolved to the Chief Executive Officer and directors by the board of trustees. The pay and remuneration of key management personnel is set by the trustees, benchmarked against posts being recruited locally for similar roles.

Trustees regularly review their performance against the Charity Code of Governance. Trustees engaged in a review of board arrangements in 2019-20 and an action plan was approved. The following actions have been completed:

- Establishment of the Education Advisory Group in September 2020 (now with a wider remit and renamed Education Forum)
- Review and development of trustee link functions to provide support and monitoring in key areas such as safeguarding. Two trustees were identified as safeguarding leads for the board, and offer support to directors in overseeing safeguarding of children, young people and vulnerable adults engaged in ASDAN's courses, and staff
- Further analysis of training needs. Charity finance training took place and has enhanced existing financial scrutiny capabilities

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Trustees' Report (including Directors' Report) for the Year Ended 31 March 2022

Planned actions for 2022-23 include:

- Induction for new trustees
- Equality, Diversity and Inclusion development
- Development of the trustee role in external communications
- Establishment of new processes for reviewing board and trustee performance against the Charity Governance Code 2020
- Development of a trustee library

4. Delivering Public Benefit

Our objectives remain defined as follows: "ASDAN's aim is the advancement of education, by providing opportunities for all learners to develop their personal and social attributes and levels of achievement through the use and attainment of ASDAN awards and qualifications and the relief of poverty, where poverty inhibits such opportunities for learners." Trustees have referred to the guidance contained in the general guidance from the Charity Commission on public benefit when reviewing the charity's aims and objectives and in planning its future activities.

We have continued to re-sharpen our focus on young people in greatest need, in response to the growing educational and social inequalities that have been further highlighted by the COVID-19 global pandemic. Evidence¹ suggests this is at least one third of young people aged between 11 and 25. It includes those young people living in poverty, those who have not been engaged or inspired by their educational experiences to date, young people with a need for special education, and those who have been further disadvantaged as a result of the COVID-19 pandemic.

Our vision is for young people in greatest need to have their talents, abilities and achievements held in high esteem. Our goal is to engage, elevate and empower them to enable this to be so.

We do this by developing motivating and relevant courses with an accessible and practical pedagogy for learners; and by working with our partner educators to foster and recognise the personal, social and work-related abilities of young people in greatest need.

We believe that young people in greatest need should have the opportunity to discover, develop and make use of their abilities to affirm their identities, contribute to society, and challenge educational and social inequalities.

Our programmes and qualifications are delivered by over 3,000 secondary schools, special schools, colleges, alternative education providers and youth organisations across the UK and in more than 30 countries and territories overseas. As an awarding body, we offer 37 regulated qualifications in many areas of personal, social and work-related skills development.

¹ Association of School and College Leaders, The Forgotten Third full report:

https://www.ascl.org.uk/ASCL/media/ASCL/Our%20view/Campaigns/The-Forgotten-Third_full-report.pdf

Education Policy Institute, Preventing the disadvantage gap from increasing during and after the Covid-19 pandemic:
https://epi.org.uk/wp-content/uploads/2020/05/EPI-Policy-paper-Impact-of-Covid-19_docx.pdf

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Trustees' Report (including Directors' Report) for the Year Ended 31 March 2022

ASDAN delivers public benefits in the following ways:

- by the design and provision of educational programmes and qualifications that are engaging, motivating and accessible, specifically to young people in greatest need aged 11-25, above and beyond those otherwise available;
- by designing in opportunities for young people to establish the kinds of connections and solidarity that hold the potential to reduce inequalities and achieve more equitable social outcomes, thereby not only benefitting young people in greatest need, but all young people;
- by the evidence from case studies, surveys and evaluations with our centres that access to ASDAN programmes and qualifications has led to the re-engagement of many learners into education, leading in turn to them progressing to further qualifications, to further or higher education, work, or independent living;
- because our programmes and qualifications recognise achievements in individual personal and social development and in a range of work-related skills. We know the development and recognition of personal, social and work-related abilities is vital because:
 - strengthening these abilities supports academic and vocational learning;
 - they are particularly effective in re-engaging young people in greatest need;
 - they are important for accessing knowledge and skills at work;
 - they are especially important for entry level work;
 - they equip learners to live well and make full use of their abilities;
- by striving to be a values-led organisation that exemplifies a commitment to personal, social and work-related development in its relationships with staff and members. Annual customer and staff surveys monitor progress towards ambition.

5. Reserves Policy

As at 31 March 2022, general (uncommitted) funds were £3.90m (2021 - £3.90m), designated funds were £0.1m (2021 - £0.11m). However, £1.16m of the general funds represent fixed assets and property in the balance sheet, leaving £2.74m of free reserves (2021 - £2.82m).

Our prudent reserves policy is to maintain an accessible financial contingency reserve of £0.65m plus the level of costs which would be required in the unlikely event of a decision to voluntarily wind up the company, which as at 31 March 2022 we estimated to be £1m.

The trustees are confident that the £2.74m reserves level is sufficient for current and proposed levels of activity. Holding £1.09m of reserves over and above the baseline reserves policy of £1.65m enables the Trustees to prudently and confidently plan ahead to invest in the development of new and updated products in order to address the existing and emerging needs of those facing educational and social inequality. Financial plans have been put in place to support investment in renewing our courses for students, our professional development for teachers, and our overall profile to secure ASDAN on a course towards stronger ongoing profitability in the coming years so that the charity can face the future with confidence and support our members to engage, elevate and empower more young people in need.

In line with best practice guidance, the trustees review the reserves policy every year.

ASDAN**Trustees' Report (including Directors' Report) for the Year Ended 31 March 2022****6. Investment Policy and Performance**

A total of £0.75m (2021 - £0.75m) is held in business and charity deposit accounts earning between 0.01% and 0.1% interest within the period.

We invest in a managed fund utilising ethical screening. At the end of March 2021 our investment was £2.15m. This yielded £0.05m in this period and at 31 March 2022 we held £2.2m in this fund.

The charity's PARC committee monitors the performance of the invested assets using defined criteria, taking ethical considerations into account. The equity and cash asset allocations are counterbalanced by the sizeable investment property holdings.

7. Staff

We have a paid workforce of 50 full time equivalent staff (2021 - 51), who are based mainly in Bristol but also across the UK. The work of the charity relies on the admirable professionalism and commitment of these colleagues. The charity is strongly committed to a healthy staff relations climate and aims to promote equality of opportunity for all with the right skills, experience and potential.

ASDAN continues to strive to be an exemplary employer, providing the best possible working environment and a competitive reward and recognition package for our employees. During 2021/22 we have invested in understanding the issues facing staff following the Covid-19 pandemic and the consequent shift to remote working in 2019/20, followed by the introduction of interim hybrid working arrangements in 2021/22. Building on the results of the annual staff survey, the majority of staff have been engaged in a programme of workshops to shape our future ways of working. A new chair of our elected staff forum has supported further opportunities for staff engagement.

8. Fundraising

ASDAN currently only fundraises for the charity through grant-making institutions, gifts, companies and commercial trading. ASDAN adheres to the fundraising code of practice. For the year to 31 March 2022 ASDAN received no complaints in relation to its fundraising activities. Via written policies and training, staff receive guidance regarding Data Protection (including GDPR) and safeguarding.

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Trustees' Report (including Directors' Report) for the Year Ended 31 March 2022

9. Statement of Trustee Responsibilities

The trustees (who are also the directors of ASDAN for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

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

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

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

ASDAN

Trustees' Report (including Directors' Report) for the Year Ended 31 March 2022

10. Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

11. Reappointment of auditor

Milsted Langdon LLP have indicated their willingness to continue in office and, in accordance with the provisions of the Companies Act, it is proposed that they be reappointed auditors for the ensuing year.

The annual report was approved by the trustees of the charity on 29 September 2022 and signed on its behalf by:



.....
R P Boxer (Chair of Trustees)
Trustee

ASDAN**Reference and Administrative Details****Trustees as at 31 March 2022**

R P Boxer (Chair of Trustees)
P A Scholey (Vice-Chair)
B S Doidge (Vice-Chair)
J M Craig
C W K Smith
J P Hancock
J E Price
S D Fahey
M Curran
V A FitzGerald

Senior Management / Leadership Team

J Williams, Chief Executive Officer
G Palmer, Director of Finance and Resources
M Veale, Director of Education
J Foyle, Director of Membership and Marketing

Principal Office/Registered Office

Wainbrook House
Hudds Vale Road
St George, Bristol
BS5 7HY

Website: www.asdan.org.uk

Company Registration Number

03426251

Charity Registration Number

1066927

Solicitors

Harper James Solicitors
Velocity Tower, 1 St Mary's Square
Sheffield
S1 4LP

Bankers

HSBC Bank
4th Floor, 3 Temple Quay
Bristol
BS1 6DZ

Triodos
Deanery Road
Bristol
BS1 5AS

ASDAN**Reference and Administrative Details****Auditor**

Milsted Langdon LLP
Freshford House
Redcliffe Way
Bristol
BS1 6NL

Investment Manager

Investec Wealth & Investment Limited
Midland House
2 Poole Road
Bournemouth
BH2 5QY

ASDAN**Independent Auditor's Report to the Members of ASDAN****Opinion**

We have audited the financial statements of ASDAN (the 'charity') for the year ended 31 March 2022, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (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, 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 Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor 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 the provisions available for small entities, in the circumstances set out in note to the financial statements, 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 original financial statements were 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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

ASDAN

Independent Auditor's Report to the Members of ASDAN

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 17), 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.

ASDAN

Independent Auditor's Report to the Members of ASDAN

Auditor 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.

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

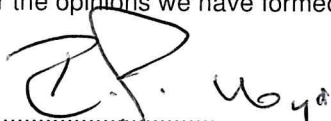
- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks or irregularities, including known and 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.

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.

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 charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Ian Lloyd (Senior Statutory Auditor)

For and on behalf of Milsted Langdon LLP, Statutory Auditor

Freshford House
Redcliffe Way
Bristol
BS1 6NL

Date:.....*5th December 2022*.....

ASDAN
Statement of Financial Activities for the year ended 31 March 2022

| | | Unrestricted £ | Designated funds £ | Year ended 31 March 2022 £ | 7 months ended 31 March 2021 £ |
|------------------------------------|------|-------------------|--------------------------|----------------------------------|---|
| | Note | | | | |
| Income and Endowments from: | | | | | |
| Charitable activities | 3 | 2,889,146 | - | 2,889,146 | 1,731,856 |
| Investment income | 4 | 59,025 | - | 59,025 | 36,629 |
| Other income | | 3,845 | - | 3,845 | 7,300 |
| Total income | | 2,952,016 | - | 2,952,016 | 1,775,785 |
| Expenditure on: | | | | | |
| Charitable activities | 5 | (2,899,554) | (118,147) | (3,017,701) | (1,685,962) |
| Total expenditure | | (2,899,554) | (118,147) | (3,017,701) | (1,685,962) |
| Gains on investment assets | | 58,747 | - | 58,747 | 133,867 |
| Net income/(expenditure) | | 111,209 | (118,147) | (6,938) | 223,690 |
| Transfers between funds | | (114,700) | 114,700 | - | - |
| Net movement in funds | | (3,491) | (3,447) | (6,938) | 223,690 |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 3,902,740 | 114,150 | 4,016,890 | 3,793,200 |
| Total funds carried forward | 16 | 3,899,249 | 110,703 | 4,009,952 | 4,016,890 |

There were no other gains or losses other than those stated above.

All of the charity's activities derive from continuing operations.


The notes on pages 26 to 43 form an integral part of these financial statements.

ASDAN
(Registration number: 03426251)

Balance Sheet as at 31 March 2022

| | Note | 2022 £ | 2021 £ |
|---|------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 9 | 672,474 | 709,126 |
| Investment properties | 10 | 490,000 | 490,000 |
| Listed investments | 10 | 2,204,035 | 2,158,409 |
| | | <u>3,366,509</u> | <u>3,357,535</u> |
| Current assets | | | |
| Stocks | | 22,006 | 21,234 |
| Debtors | 11 | 246,412 | 248,582 |
| Cash at bank and in hand | 12 | 1,354,644 | 1,355,853 |
| | | <u>1,623,062</u> | <u>1,625,669</u> |
| Creditors: Amounts falling due within one year | 13 | <u>(979,619)</u> | <u>(966,314)</u> |
| Net current assets | | <u>643,443</u> | <u>659,355</u> |
| Net assets | | <u>4,009,952</u> | <u>4,016,890</u> |
| Funds of the charity: | | | |
| Unrestricted income funds | | | |
| General Funds | | 3,899,249 | 3,902,740 |
| Designated funds | | 110,703 | 114,150 |
| Total funds | 16 | <u>4,009,952</u> | <u>4,016,890</u> |

The financial statements on pages 23 to 43 were approved by the trustees, and authorised for issue on 29 September 2022 and signed on their behalf by:



 R P Boxer (Chair of Trustees)
 Trustee

The notes on pages 26 to 43 form an integral part of these financial statements.

ASDAN
Statement of Cash Flows for the Year Ended 31 March 2022

| | | Year ended 31 March 2022 £ | 7 months ended 31 March 2021 £ |
|--|-------------|---|---|
| | Note | | |
| Cash flows from operating activities | | | |
| Net cash (expenditure)/income | | (6,938) | 223,690 |
| Adjustments to cash flows from non-cash items | | | |
| Depreciation | | 37,188 | 21,282 |
| Investment income | 4 | (59,025) | (36,629) |
| Revaluation of investments | | (117,875) | (102,300) |
| | | <u>(146,650)</u> | <u>106,043</u> |
| Working capital adjustments | | | |
| (Increase)/decrease in stocks | | (772) | 5,349 |
| Decrease in debtors | 11 | 2,170 | 27,126 |
| Increase in creditors | 13 | 13,305 | 177,581 |
| | | <u>(131,947)</u> | <u>316,099</u> |
| Cash flows from investing activities | | | |
| Interest receivable and similar income | 4 | 59,025 | 36,629 |
| Purchase of tangible fixed assets | 9 | (536) | (24,582) |
| Purchase of investments | 10 | (258,373) | (301,582) |
| Sale of investments | | 330,622 | 281,593 |
| | | <u>130,738</u> | <u>(7,942)</u> |
| Net cash flows from investing activities | | <u>130,738</u> | <u>(7,942)</u> |
| Net (decrease)/increase in cash and cash equivalents | | (1,209) | 308,157 |
| Cash and cash equivalents at 1 April | | <u>1,355,853</u> | <u>1,047,696</u> |
| Cash and cash equivalents at 31 March | | <u>1,354,644</u> | <u>1,355,853</u> |

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 26 to 43 form an integral part of these financial statements.

Notes to the Financial Statements for the Year Ended 31 March 2022**1 Charity status**

The charity is incorporated in England and Wales as a company limited by guarantee, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

Wainbrook House
Hudds Vale Road
St George
Bristol
BS5 7HY

2 Accounting policies**Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

ASDAN meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value as modified for certain fixed assets as well as certain financial assets and liabilities as stated in the relevant accounting policy notes.

Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future despite the ongoing Covid-19 pandemic. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Disclosure of long or short period

In the prior period, the company shortened its accounting reference date to 31 March 2021. As a result, the comparative figures relating to the 7 month period ended 31 March 2021 are not comparable to these results for the year ended 31 March 2022.

Notes to the Financial Statements for the Year Ended 31 March 2022**Income and endowments**

All income is included in the statement of financial activities when the charity is entitled to the income, the receipt is probable and the amount can be measured with sufficient reliability.

Monies received from training organisations are accounted for by the charity when receivable.

Where income is received specifically for expenditure in a future accounting period, that amount is deferred.

Investment income is accounted for on an accrual basis.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on a percentage of income.

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

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

Support costs

Support costs include central functions and have been allocated to activity cost categories based on a percentage of income.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustee's meetings and reimbursed expenses. These have been allocated to charitable activities.

Taxation

The charity is exempt from corporation tax to the extent that any other income or gains are applied in furtherance of the charitable objectives.

Tangible fixed assets

Tangible fixed assets costing £500 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Notes to the Financial Statements for the Year Ended 31 March 2022

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

| Asset class | Depreciation method and rate |
|-----------------------------|-------------------------------------|
| Freehold land and buildings | 2% straight line |
| Fixtures and fittings | 20% straight line |
| Computer equipment | 20-33% straight line |

Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Investment properties

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined when deemed necessary by the trustees, who appoint external valuers accordingly. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised through the Statement of Financial Activities. Where the change in market value is assessed by the trustees to be insignificant to the carrying value, no changes are made.

Fixed asset investments

Fixed asset investments are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the period and are credited or charged to the Statement of Financial Activities based on the market value at the period end.

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell (NRV), after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out basis (FIFO).

Trade debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid.

Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flow have been affected. The impairment loss is recognised in the Statement of Financial Activities.

Notes to the Financial Statements for the Year Ended 31 March 2022**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. These are normally recognised at their settlement amount after allowing for any discount due.

Financial liabilities are only derecognised when, and only when, the charity's obligations are discharged, cancelled or expire.

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Pensions and other post retirement obligations

The charity contributes towards a defined contribution scheme for certain employees and the costs charged in the financial statements represent the contributions payable by the charity during the period. The scheme assets are separately administered from the charity.

Certain staff employed by the charity are eligible for membership with the Teachers' Pension Scheme (TPS), which is now closed to new entrants. This is a multi-employer defined benefit scheme for which insufficient information is available to enable the charity to identify its share of scheme assets and liabilities. Consequently contributions to the scheme are treated as if they were made to a defined contribution plan.

Operating leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

Redundancy pay

Redundancy pay is recognised immediately as an expense when the charity can demonstrate its commitment to terminate the employment of an employee or to provide termination benefits in accordance with contractual arrangements. Payments are calculated in accordance with statutory redundancy guidelines published by HM Government.

Notes to the Financial Statements for the Year Ended 31 March 2022
Other employee benefits

The cost of any unused holiday entitlement is recognised as an expense in the period in which the employees service is received.

3 Income from charitable activities

| | Year ended 31 March 2022 | 7 months ended 31 March 2021 |
|--------------------------|-----------------------------|------------------------------------|
| | £ | £ |
| External projects | 90 | 3,154 |
| Customer support | 1,298,338 | 772,859 |
| Accreditation | 687,977 | 411,207 |
| Publishing & development | 565,363 | 373,035 |
| Promotional activities | 337,378 | 171,601 |
| | <u>2,889,146</u> | <u>1,731,856</u> |

All income recognised within this classification in the current and preceding financial period is accounted for in unrestricted funds.

4 Investment income

| | Year ended 31 March 2022 | 7 months ended 31 March 2021 |
|--|-----------------------------|------------------------------------|
| | £ | £ |
| Interest receivable and similar income | 16,099 | 9,148 |
| Income from rents | 42,926 | 27,481 |
| | <u>59,025</u> | <u>36,629</u> |

All income recognised within this classification in the current and preceding financial period is accounted for in unrestricted funds.

Notes to the Financial Statements for the Year Ended 31 March 2022

5 Expenditure on charitable activities

| | Unrestricted funds | | Year ended |
|--------------------------------------|--------------------|-----------|------------|
| | Designated | General | 31 March |
| | £ | £ | 2022 |
| | | | £ |
| Customer and centre support | - | 133,940 | 133,940 |
| Accreditation | - | 334,500 | 334,500 |
| Premises and publication | - | 496,158 | 496,158 |
| Marketing and communications | - | 127,729 | 127,729 |
| Digital strategy | 30,058 | - | 30,058 |
| Systems infrastructure improvements | 38,256 | - | 38,256 |
| Property development and maintenance | 18,168 | - | 18,168 |
| Research and development | 18,155 | - | 18,155 |
| PSE qualification | 13,510 | - | 13,510 |
| Management and admin | - | 758,495 | 758,495 |
| Information technology | - | 433,891 | 433,891 |
| Design and product development | - | 137,988 | 137,988 |
| Sales and relationship management | - | 476,853 | 476,853 |
| | 118,147 | 2,899,554 | 3,017,701 |

| | Unrestricted funds | | 7 months |
|------------------------------|--------------------|-----------|-----------|
| | Designated | General | ended |
| | £ | £ | 31 March |
| | | | 2021 |
| | | | £ |
| External projects | - | 11,526 | 11,526 |
| Customer and centre support | - | 417,465 | 417,465 |
| Accreditation | - | 393,498 | 393,498 |
| Premises and publication | - | 493,386 | 493,386 |
| Marketing and communications | - | 283,945 | 283,945 |
| Digital strategy | 66,792 | - | 66,792 |
| Research and development | 5,750 | - | 5,750 |
| PSE qualification | 13,600 | - | 13,600 |
| | 86,142 | 1,599,820 | 1,685,962 |

Notes to the Financial Statements for the Year Ended 31 March 2022
6 Net incoming resources

Net (outgoing)/incoming resources for the year include:

| | Year ended 31 March 2022 £ | 7 months ended 31 March 2021 £ |
|--|-------------------------------------|--|
| Depreciation of fixed assets | 37,188 | 21,282 |
| Fees payable to the charitable company's auditor - Audit | 11,770 | 10,375 |
| Rentals payable under operating leases | 136,712 | 79,749 |

7 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

£468 (2021: £Nil) of expenses were reimbursed to 2 trustees during the year.

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

8 Staff costs

The aggregate payroll costs were as follows:

| | Year ended 31 March 2022 £ | 7 months ended 31 March 2021 £ |
|--|-------------------------------------|--|
| Staff costs during the year were: | | |
| Wages and salaries | 1,592,302 | 915,315 |
| Social security costs | 163,853 | 94,552 |
| Pension costs | 170,301 | 102,816 |
| | <u>1,926,456</u> | <u>1,112,683</u> |

During the year, 2 members of staff (2021 - 0) received a combined total of £9,894 in termination payments (2021 - £Nil) in compensation for loss of office. Included within this amount was £Nil (2021 - £Nil), representing ex-gratia payments.

Notes to the Financial Statements for the Year Ended 31 March 2022

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

| | Year ended 31 March 2022 No | 7 months ended 31 March 2021 No |
|-----------------------------------|--------------------------------------|---|
| Customer and centre support | 5 | 6 |
| Management and admin | 11 | 10 |
| Design and product development | 3 | 4 |
| Information technology | 6 | 6 |
| Premises and publishing | 2 | 4 |
| Accreditation | 11 | 10 |
| Marketing and communication | 4 | 3 |
| Sales and relationship management | 8 | 8 |
| | <u>50</u> | <u>51</u> |

The number of employees whose annualised emoluments fell within the following bands was:

| | Year ended 31 March 2022 No | 7 months ended 31 March 2021 No |
|---------------------|--------------------------------------|---|
| £60,001 - £70,000 | 3 | 1 |
| £70,001 - £80,000 | - | 1 |
| £80,001 - £90,000 | 1 | 1 |
| £100,001 - £110,000 | - | 1 |
| | <u>-</u> | <u>1</u> |

During the year, remuneration to key management personnel amounted to £268,420 (2021 - £189,078). The trustees consider that key management personnel comprise of:

- Chief Executive Officer
- Director of Finance and Resources
- Director of Education
- Director of Membership and Marketing

Contributions totalling £24,158 (2021 - £14,020) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

Notes to the Financial Statements for the Year Ended 31 March 2022

9 Tangible fixed assets

| | Freehold land and buildings £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|-------------------------|-------------------------------------|-------------------------------|----------------------------|------------|
| Cost | | | | |
| At 1 April 2021 | 862,608 | 132,971 | 431,660 | 1,427,239 |
| Additions | - | - | 536 | 536 |
| Disposals | - | - | (165,152) | (165,152) |
| At 31 March 2022 | 862,608 | 132,971 | 267,044 | 1,262,623 |
| Depreciation | | | | |
| At 1 April 2021 | 198,932 | 122,826 | 396,355 | 718,113 |
| Charge for the period | 17,252 | 3,827 | 16,109 | 37,188 |
| Eliminated on disposals | - | - | (165,152) | (165,152) |
| At 31 March 2022 | 216,184 | 126,653 | 247,312 | 590,149 |
| Net book value | | | | |
| At 31 March 2022 | 646,424 | 6,318 | 19,732 | 672,474 |
| At 31 March 2021 | 663,676 | 10,145 | 35,305 | 709,126 |

Notes to the Financial Statements for the Year Ended 31 March 2022

10 Fixed asset investments

| | 2022 £ | 2021 £ |
|-----------------------|------------------|------------------|
| Investment properties | 490,000 | 490,000 |
| Listed investments | 2,204,035 | 2,158,409 |
| | <u>2,694,035</u> | <u>2,648,409</u> |

Investment properties

| | Investment properties £ |
|------------------------------------|-------------------------------|
| Cost or Valuation | |
| At 1 April 2021 and 31 March 2022 | <u>490,000</u> |
| Net book value | |
| At 31 March 2021 and 31 March 2022 | <u>490,000</u> |

The investment property is included in the balance sheet at the fair value as at 31 March 2022. The fair value was previously arrived at on the basis of a valuation carried out in May 2015 by ETP Property Consultants, who were not connected to the charity. The basis of this valuation was the market value of similar properties in the area.

The trustees do not consider any difference between fair value and previously determined market value to be material to the financial statements and accordingly no adjustment has been made.

Listed investments

| | Total £ |
|--------------------------|------------------|
| Cost or Valuation | |
| At 1 April 2021 | 2,158,409 |
| Revaluation | 117,875 |
| Additions | 258,373 |
| Disposals | <u>(330,622)</u> |
| At 31 March 2022 | <u>2,204,035</u> |
| Net book value | |
| At 31 March 2022 | <u>2,204,035</u> |
| At 31 March 2021 | <u>2,158,409</u> |

ASDAN
Notes to the Financial Statements for the Year Ended 31 March 2022

The historic cost of investments at 31 March 2022 amounted to £1,933,745 (2021 - £1,813,459).

The fair value of the investment portfolio was determined using quoted market prices. Included within the valuation of the portfolio was a cash balance of £70,310 at the year end (2021 - £75,104).

Investments held, exceeding 5% of the portfolio value at 31 March 2022, comprise of:

- Valu-trac Investment Protean Capital Elder A at 5.07% (2021 - 5.29%).

11 Debtors

| | 2022 | 2021 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Trade debtors | 212,115 | 205,052 |
| Prepayments and accrued income | 34,297 | 43,530 |
| | <u>246,412</u> | <u>248,582</u> |

Trade debtors are stated after provision for impairment of £57,994 (2021 - £49,292).

12 Cash and cash equivalents

| | 2022 | 2021 |
|--------------|------------------|------------------|
| | £ | £ |
| Cash on hand | 502 | 502 |
| Cash at bank | 1,354,142 | 1,355,351 |
| | <u>1,354,644</u> | <u>1,355,853</u> |

13 Creditors: amounts falling due within one year

| | 2022 | 2021 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Trade creditors | 83,039 | 93,019 |
| Other taxation and social security | 63,004 | 49,899 |
| Other creditors | 34,331 | 38,947 |
| Accruals | 72,533 | 73,242 |
| Deferred income | 726,712 | 711,207 |
| | <u>979,619</u> | <u>966,314</u> |

Notes to the Financial Statements for the Year Ended 31 March 2022

| | 2022 £ | 2021 £ |
|--|----------------|----------------|
| Deferred income at 1 April 2021 | 711,207 | 387,128 |
| Resources deferred in the period | 726,712 | 711,207 |
| Amounts released from previous periods | (711,207) | (387,128) |
| Deferred income at period end | <u>726,712</u> | <u>711,207</u> |

Deferred income represents registration fees received in advance of courses being delivered in future financial years.

14 Pension obligations

The employees of the charity belong to two principle pension schemes: The Teachers' Pension Scheme, a multi-employer defined benefit scheme, for academic and related staff; and an independently administered defined contributory pension scheme.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial period in respect of the independently administered defined contributory pension scheme.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), the Teachers' Pension Scheme Regulations 2014 (as amended) and the Teachers' Pensions Regulations 2019. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The TPS scheme is an unfunded scheme and members contribute on a 'pay-as-you-go' basis. These contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Acts. Retirement and other pension benefits are credited with a real rate of return as determined by the Government actuary.

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out to 31 March 2016, the effective date. The key elements of the valuation and subsequent consultation, now effective were:

- Employer contribution rates increased to 23.68% of pensionable pay from September 2019 having been previously 16.48% since taking effect in September 2015;
- An administration levy of 0.08% is included within the revised rate effective from September 2019;
- Notional assets (estimated future contributions together with notional investments held at the valuation date) were £196.1bn;
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date were £218.1bn;
- The scheme has a notional past service deficit of £22bn;

Notes to the Financial Statements for the Year Ended 31 March 2022

- An employer cost cap of 7.3% of pensionable pay will be applied to future valuations from 1 April 2019 until 31 March 2023;
- The assumed real rate of return is 2.8% in excess of prices;
- The rate of real earnings growth is assumed to be 4.2%, at 2.2% pa in excess of assumed CPI of 2%; and
- The assumed nominal rate of return is 4.45%.

The next valuation of the TPS is scheduled to be based on data to 31 March 2020, whereupon the impact on scheme costs is expected to be implemented from April 2023. The results of the expected valuation have not been make public at the date the financial statements were approved.

The employers pension costs paid to TPS in the period amounted to £38,144 (7 months to 31 March 2021 - £25,622).

15 Operating lease commitments

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

| | 2022 £ | 2021 £ |
|----------------------------|---------------|----------------|
| Other | | |
| Within one year | 54,611 | 136,712 |
| Between one and five years | - | 54,611 |
| | <u>54,611</u> | <u>191,323</u> |

Notes to the Financial Statements for the Year Ended 31 March 2022

16 Funds

| | Balance at 1 April 2021 £ | Incoming resources £ | Resources expended £ | Transfers £ | Other recognised gains/(losses) £ | Balance at 31 March 2022 £ |
|--|---------------------------------|----------------------------|----------------------------|----------------|--|----------------------------------|
| Unrestricted funds | | | | | | |
| <i>General</i> | | | | | | |
| General funds | 3,902,740 | 2,952,016 | (2,899,554) | (114,700) | 58,747 | 3,899,249 |
| <i>Designated</i> | | | | | | |
| Digital strategy fund | 30,058 | - | (30,058) | - | - | - |
| Financial assistance fund | 42,450 | - | - | - | - | 42,450 |
| Property development and maintenance fund | 938 | - | (18,168) | 20,000 | - | 2,770 |
| Research and development fund | 24,304 | - | (18,155) | 55,700 | - | 61,849 |
| PSE qualification fund | 16,400 | - | (13,510) | - | - | 2,890 |
| Systems infrastructure and improvements fund | - | - | (38,256) | 39,000 | - | 744 |
| | 114,150 | - | (118,147) | 114,700 | - | 110,703 |
| Total funds | 4,016,890 | 2,952,016 | (3,017,701) | - | 58,747 | 4,009,952 |

Notes to the Financial Statements for the Year Ended 31 March 2022

| | Balance at 1 September 2020 £ | Incoming resources £ | Resources expended £ | Transfers £ | Other recognised gains/(losses) £ | Balance at 31 March 2021 £ |
|---|--|----------------------------|----------------------------|----------------|--|----------------------------------|
| Unrestricted funds | | | | | | |
| <i>General</i> | | | | | | |
| General funds | 3,592,908 | 1,775,785 | (1,599,820) | - | 133,867 | 3,902,740 |
| <i>Designated</i> | | | | | | |
| Digital strategy fund | 96,850 | - | (66,792) | - | - | 30,058 |
| Financial assistance fund | 42,450 | - | - | - | - | 42,450 |
| Property development and maintenance fund | 938 | - | - | - | - | 938 |
| Research and development fund | 60,054 | - | (5,750) | (30,000) | - | 24,304 |
| PSE qualification fund | - | - | (13,600) | 30,000 | - | 16,400 |
| | 200,292 | - | (86,142) | - | - | 114,150 |
| Total funds | 3,793,200 | 1,775,785 | (1,685,962) | - | 133,867 | 4,016,890 |

ASDAN**Notes to the Financial Statements for the Year Ended 31 March 2022****Unrestricted funds**

Unrestricted funds include all funds received and expended in the furtherance of the charity's objects.

Designated funds

The funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes. All designated funds, with the exception of the financial assistance fund, are expected to be expended within the next 12 months.

Digital strategy fund

Designated for the development of online resources and to increase capacity in order to remain current with new technologies.

Financial assistance fund

Designated to enhance provision for students following ASDAN programs and qualifications.

Property development and maintenance fund

Designated to provide a fund for major repairs as and when necessary to Wainbrook House (formerly known as the property improvement fund).

Research and development fund

Designated to fund major development of ASDAN products and services (formerly known as the development fund).

PSE qualification development fund

Designated for the development of a new qualification that launched in September 2021.

Systems Infrastructure and improvements fund

Designated towards strengthening our core systems.

ASDAN
Notes to the Financial Statements for the Year Ended 31 March 2022
17 Analysis of net assets between funds

| | Unrestricted funds | | Total funds at |
|-------------------------|---------------------------|-------------------|-----------------------|
| | General | Designated | 31 March |
| | £ | £ | 2022 |
| | | | £ |
| Tangible fixed assets | 672,474 | - | 672,474 |
| Fixed asset investments | 2,694,035 | - | 2,694,035 |
| Current assets | 1,512,359 | 110,703 | 1,623,062 |
| Current liabilities | (979,619) | - | (979,619) |
| Total net assets | 3,899,249 | 110,703 | 4,009,952 |

| | Unrestricted funds | | Total funds at |
|-------------------------|---------------------------|-------------------|-----------------------|
| | General | Designated | 31 March |
| | £ | £ | 2021 |
| | | | £ |
| Tangible fixed assets | 709,126 | - | 709,126 |
| Fixed asset investments | 2,648,409 | - | 2,648,409 |
| Current assets | 1,511,519 | 114,150 | 1,625,669 |
| Current liabilities | (966,314) | - | (966,314) |
| Total net assets | 3,902,740 | 114,150 | 4,016,890 |

18 Analysis of net funds

| | At 1 April 2021 | Financing cash flows | At 31 March 2022 |
|--------------------------|------------------------|-----------------------------|-------------------------|
| | £ | £ | £ |
| Cash at bank and in hand | 1,355,853 | (1,209) | 1,354,644 |
| Net debt | 1,355,853 | (1,209) | 1,354,644 |

| | At 1 September 2020 | Financing cash flows | At 31 March 2021 |
|--------------------------|----------------------------|-----------------------------|-------------------------|
| | £ | £ | £ |
| Cash at bank and in hand | 1,047,696 | 308,157 | 1,355,853 |
| Net debt | 1,047,696 | 308,157 | 1,355,853 |

ASDAN
Notes to the Financial Statements for the Year Ended 31 March 2022
19 Related party transactions

The charity received income from charitable activities of £2,620 (2021 - £2,333) from entities connected to the trustees through employment or similar governance roles.

None of the trustees concerned were in a position to personally benefit from the transactions, which arose under a normal business relationship.

The charity incurred expenditure on charitable activities of £8,079 (2021 - £4,207) from activities connected to the trustees through employment or similar governance roles. Related parties were connected to trustees of the charity through employment or similar governance roles. Of these amounts, included within trade creditors at the period end was £Nil (2021 - £Nil).

None of the trustees concerned were in a position to personally benefit from the transactions, which arose under a normal business relationship.

20 Financial instruments
Categorisation of financial instruments

| | 2022 £ | 2021 £ |
|---|-----------|-----------|
| Carrying amount of financial assets | | |
| Debt instruments measured at amortised cost | 212,115 | 205,052 |
| Listed investments measured at fair value | 2,204,035 | 2,158,409 |
| | <hr/> | <hr/> |
| Carrying amount of financial liabilities | | |
| Liabilities measured at amortised cost | 180,374 | 181,865 |
| | <hr/> | <hr/> |