

**AIM Qualifications and Assessment Group**

Trustees' Report and Financial Statements

For the year ended 31 August 2023

**AIM Qualifications and Assessment Group**  
**(A company limited by guarantee)**

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**AIM Qualifications and Assessment Group**  
**(A company limited by guarantee)**

**Reference and Administrative Details of the Charity, its Trustees and Advisers**  
**For the year ended 31 August 2023**

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<b>Trustees</b>	S L Ajayi (appointed 7 September 2022) L J Atkin C Barratt O E Burke (appointed 7 September 2022) I G Bond D C M Dawson (appointed 7 September 2022) G Desai (appointed 7 September 2022) T K Flowers L J Gee F Grant M Haroon S Henson (appointed 7 September 2022) P Riley
<b>Company registered number</b>	05038056
<b>Charity registered number</b>	1103300
<b>Registered office</b>	3 Pride Point Drive Pride Park Derby DE24 8BX
<b>Company secretary</b>	D Marsh
<b>Chief executive officer</b>	K Kerswell
<b>Independent auditors</b>	Dains Audit Limited 15 Colmore Row Birmingham B3 2BH
<b>Bankers</b>	Lloyds TSB Plc Irongate Derby DE1 5GA

**AIM Qualifications and Assessment Group**  
**(A company limited by guarantee)**

**Trustees' report**  
**For the year ended 31 August 2023**

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The Trustees present their annual report together with the audited financial statements of the charity for the year 1 September 2022 to 31 August 2023. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

**Objectives and activities**

**a. Policies and objectives**

The objects for which the Charity is established are the advancement of learning, education and training of the public in the United Kingdom or such other parts of the world as the trustees may from time to time deem fit in particular, but not exclusively one or more of the following ways.

- By being established as a significant high quality End point Assessment Organisation (EPAO)
- By maintaining and developing the international market
- By being a leading high quality Awarding Organisation and Access Validating Agency
- By maintaining and growing all organisation brands and markets
- By maintaining compliance with all regulators
- By being a major provider of offender learning

**b. Public benefit**

AIM Qualifications and Assessment Group exists to provide an accessible and flexible accreditation service which helps to widen access to education and training for all learners, particularly those who have benefited least in the past from available provision. AIM Qualifications and Assessment Group seeks to promote equality of opportunity and improve the quality, flexibility, and responsiveness of learning opportunities to enable learners to progress into, through and across the framework of national qualifications. AIM Qualifications and Assessment Group seeks to provide support to those organisations that may be restricted by the ability to pay fees charged.

**Achievements and performance**

**a. Charitable activities**

In serving the aims and objectives, this year AIM Qualifications and Assessment Group has:

- Approved 148 new centres of which 51 transitioned from the North East
- Registered over 80,000 learners
- \* Awarded over 100,000 certificates
- Maintained its low risk rating by QAA for our Access to HE provision
- Increased the number of EPA standards to 30
- \* Supported in the transition of 12 Access to HE centres from the North East

Throughout the year, the Board and Executive Officers have focused on:

- Ensuring that the Charity fulfilled its objectives and expanded its footprint to reach more learners.
- Ensuring that appropriate resources were in place to fulfil the Charity's operational responsibilities.
- Ensuring the continued support and services for the recognised centres.
- The health, safety, and wellbeing of the staff team.

## **Financial review**

### **a. Finance review**

There was an excess of expenditure over income of £29,980. Assets of £592,072 were also transferred in from Open College Network West Midlands region (2022: £3,136,642). The charity has total unrestricted reserves at the 31 August 2023 of £6,691,774 (2022: £6,721,754) of which £418,840 (2022: £408,800) has been designated. This leaves £6,272,934 (2022: £6,312,954) general reserves of which free reserves after fixed assets, intangible fixed assets and investments total £3,530,660 (2022: £4,035,573).

### **b. Reserves policy**

AIM Qualifications and Assessment Group has sufficient reserves to fund at a minimum six months of total annual expenditure to cover such things as staff salaries and redundancy payments, establishment expenses, outstanding accounts and any committed funds. The actual minimum reserve figure is calculated annually based on current financial accounts and business plans and presented to the Board for agreement on an annual basis.

This year, the Board approved designated reserves for specifically identified projects.

### **c. Principal funding sources**

Recognised centres design their own accredited courses to suit the needs of individual learners or groups of learners, there is an annual recognition fee and charges for quality assurance and accreditation. Employers of apprentices choose an Apprenticeship Assessment Organisation to provide an end point assessment for apprentices, there is a fee for each apprentice.

### **d. Investment powers, policy and performance**

The trustees are permitted to invest the monies of the charity not immediately required for its own purposes in or upon such investments, securities or property as may be thought fit in accordance with the governing document of the company, the Memorandum and Articles of Association.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to major risks.

### **e. Risk management**

The trustees are responsible for the management of the risks faced by the Charity. Detailed considerations of risk are delegated to the Executive Group. Risks are identified and systematically monitored throughout the year.

The key controls used by the Charity include: a strategic risk register, formal agendas for all Committee and Board activity; terms of reference for all Committees; comprehensive strategic planning, budgeting and management accounting; a review of the Finance Regulations; established organisational structure and lines of reporting and clear authorisation and approval levels.

Through the risk management processes the Board are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

**f. Plans for future periods**

1. To develop a positive staff culture based on our shared value of inclusion, integrity, respect and empowerment underpinned by clearly defined roles and accountability.
2. To improve the customer experience internally and externally. Achieve this through the consolidation and development of systems and procedures that maximise organisational efficiency.
3. To further strengthen the financial resilience of the Aim Group.
4. To continually strengthen regulatory compliance across all products and service areas.
5. To review and refine the Aim Qualifications and assessment portfolio.

**g. Donations**

Charitable donations were made during the year amounting to £900 (2022: £310).

**Structure, governance and management**

**a. Constitution**

The charity is controlled by its governing document, a Memorandum and Articles of Association incorporated on 9 February 2004, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

**b. Organisational structure**

The board of trustees, which can have up to 15 members, administers the charity. The board meets quarterly, there is a sub committee for Access to Higher Education. A Chief Executive is appointed by the trustees to manage day to day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance and employment.

**c. Recruitment and appointment of new trustees**

The number of trustees shall be not less than five but (unless otherwise determined by ordinary resolution) not be more than fifteen, with at least one representative drawn from the members of the Charity being from the compulsory education sector, one from the post compulsory sector and one from the higher education sector, one trustee must be an Access to HE provider (this can be the same person as the post compulsory sector representative). Retirement of trustees will operate on rotation basis as laid down in Clause 30 of the Articles of Association. Nomination for election of the trustees is open to all the members and notice of election is issued in January of each calendar year. Nominations are open for a period of six weeks and are made on the appropriate application form and seconded by two other members. The membership is balloted, and the trustees appointed from the board meeting after the first board meeting in April of each calendar year.

**d. Induction and training of new trustees**

New trustees receive an induction on election; trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role. Training is arranged throughout the year on a periodic basis.

**e. Pay policy for key management personnel**

The trustees make no special provision for senior staff or key management personnel. Pay and conditions for all staff are usually considered annually and are determined using a number of factors including external funding and the period of that funding, various indices, and affordability short and long term.

## **Structure, governance and management (continued)**

### **f. Wider network**

Membership of AIM Qualifications and Assessment Group is open to Higher Education Institutions, Providers of Access to HE Provision, Statutory providers of post 14 education and training, Local Authorities, Learning & Skills infrastructure organisations, Employers, Advocacy organisations, Education Improvement services, AIM Qualifications and Assessment Group staff and the Voluntary Sector.

### **g. Related parties**

AIM Qualifications and Assessment Group is regulated by Ofqual, CCEA, Qualifications Wales and the Institute for Apprenticeships; it operates under licence to the Quality Assurance Agency (QAA).

### **h. Fundraising policy statement**

The charity does not engage in fundraising activities from the general public. The primary fundraising activity is derived from a managed investment portfolio. This portfolio is composed of various asset classes.

## **Statement of Trustees' responsibilities**

The Trustees. (who are also the directors of the charity for the purposes of company law) 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).

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 charity 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 then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 adequate accounting records that are sufficient to show and explain the charity's transactions and 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 Companies Act 2006. 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.

## **Disclosure of information to auditors**

Each of the persons who are Trustees. at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

**AIM Qualifications and Assessment Group**  
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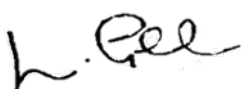
**Trustees' report (continued)**  
**For the year ended 31 August 2023**

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**Auditors**

During the year, Azets Audit Services resigned as auditor and Dains Audit Limited were appointed to fill the resulting casual vacancy. The designated Trustees. will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees. on 7 December 2023 and signed on their behalf by:



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**L J Gee**  
(Trustee)



**Independent Auditors' Report to the Members of AIM Qualifications and Assessment Group**

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**Opinion**

We have audited the financial statements of AIM Qualifications and Assessment Group (the 'charity') for the year ended 31 August 2023 which comprise the Statement of financial activities, the Balance sheet, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company'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.

**AIM Qualifications and Assessment Group**  
**(A company limited by guarantee)**

**Independent Auditors' Report to the Members of AIM Qualifications and Assessment Group**  
**(continued)**

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**Other information**

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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.

**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 Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; 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 (who are also the directors of the charitable company for the purposes of company law) 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Independent Auditors' Report to the Members of AIM Qualifications and Assessment Group**  
**(continued)**

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**Auditors' 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 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

**AIM Qualifications and Assessment Group**  
**(A company limited by guarantee)**

**Independent Auditors' Report to the Members of AIM Qualifications and Assessment Group**  
**(continued)**

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In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**Other matters**

The financial statements for the period ended 31 August 2022 were audited by Azets Audit Services who expressed an unmodified opinion on those financial statements on 5 April 2023.

**Use of our report**

This report is made solely to the charity'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 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.

**Andrew Morris FCA (Senior Statutory Auditor)**

for and on behalf of  
**Dains Audit Limited**

Statutory Auditor  
Chartered Accountants

Birmingham

7 December 2023

**AIM Qualifications and Assessment Group**  
**(A company limited by guarantee)**

**Statement of financial activities (incorporating income and expenditure account)**  
**For the year ended 31 August 2023**

	Note	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
<b>Income from:</b>				
Donations and legacies	4	592,072	592,072	3,136,642
Charitable activities	5	4,081,759	4,081,759	3,046,866
Investments	6	31,332	31,332	1,683
<b>Total income</b>		<b>4,705,163</b>	<b>4,705,163</b>	6,185,191
<b>Expenditure on:</b>				
Raising funds	7	7,937	7,937	-
Charitable activities	9	4,730,965	4,730,965	2,887,842
Other expenditure	8	-	-	77,258
<b>Total expenditure</b>		<b>4,738,902</b>	<b>4,738,902</b>	2,965,100
<b>Net (expenditure)/income before net gains on investments</b>		<b>(33,739)</b>	<b>(33,739)</b>	3,220,091
Net gains on investments		3,759	3,759	-
<b>Net movement in funds</b>		<b>(29,980)</b>	<b>(29,980)</b>	3,220,091
<b>Reconciliation of funds:</b>				
Total funds brought forward		6,721,754	6,721,754	3,501,663
Net movement in funds		(29,980)	(29,980)	3,220,091
<b>Total funds carried forward</b>		<b>6,691,774</b>	<b>6,691,774</b>	6,721,754

The Statement of Financial Activities includes all gains and losses recognised in the year.

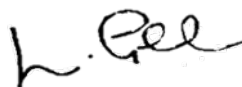
The notes on pages 14 to 29 form part of these financial statements.

**AIM Qualifications and Assessment Group****(A company limited by guarantee)****Registered number: 05038056****Balance sheet****As at 31 August 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Intangible assets	13	27,509	24,325
Tangible assets	14	1,578,385	1,612,498
Investments	15	1,136,380	640,558
		<u>2,742,274</u>	<u>2,277,381</u>
<b>Current assets</b>			
Debtors	16	886,246	692,495
Investments	17	-	1,500,000
Cash at bank and in hand		3,415,865	2,554,039
		<u>4,302,111</u>	<u>4,746,534</u>
Creditors: amounts falling due within one year	18	(352,611)	(302,161)
<b>Net current assets</b>		<u>3,949,500</u>	<u>4,444,373</u>
<b>Total net assets</b>		<u><u>6,691,774</u></u>	<u><u>6,721,754</u></u>
<b>Charity funds</b>			
Unrestricted funds			
Designated funds	19	418,840	408,800
General funds	19	6,272,934	6,312,954
<b>Total funds</b>		<u><u>6,691,774</u></u>	<u><u>6,721,754</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 07 December 2023 and signed on their behalf by:



**L J Gee**  
(Trustee)

The notes on pages 14 to 29 form part of these financial statements.

**AIM Qualifications and Assessment Group**  
**(A company limited by guarantee)**

**Statement of cash flows**  
**For the year ended 31 August 2023**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	<b>(696,366)</b>	13,208
<b>Cash flows from investing activities</b>		
Dividends, interests and rents from investments less of fees	<b>23,723</b>	1,683
Purchase of intangible assets	<b>(32,740)</b>	(19,410)
Purchase of tangible fixed assets	<b>(32,891)</b>	-
Proceeds from sale of investments	-	(250,000)
<b>Net cash used in investing activities</b>	<b>(41,908)</b>	<b>(267,727)</b>
<b>Change in cash and cash equivalents in the year</b>	<b>(738,274)</b>	<b>(254,519)</b>
Cash and cash equivalents at the beginning of the year	<b>4,054,039</b>	1,221,704
Net cash acquired on merger with OCNWM	<b>100,100</b>	1,586,854
Short term deposit account	-	1,500,000
<b>Cash and cash equivalents at the end of the year</b>	<b>3,415,865</b>	4,054,039

The notes on pages 14 to 29 form part of these financial statements

**1. General information**

AIM Qualifications and Assessment Group is a private company limited by guarantee incorporated in England and Wales. The registered office is 3 Pride Point Drive, Pride Park, Derby, Derbyshire, DE24 8BX. The principal activity of the charity is that of a qualification awarding organisation and access validating agency. At the end of the year there were thirteen trustees, each of whom, under the terms of the Memorandum and Articles of Association, had undertaken to contribute the sum not exceeding £10 in the event of a winding up of the company.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity has elected to apply all amendments to FRS 102, as set out in the Financial Reporting Council's triennial review published in December 2017, and included in Update Bulletin 2 to the Charities SORP (FRS 102), prior to mandatory adoption for accounting periods beginning on or after 1 January 2019.

AIM Qualifications and Assessment Group meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**2.2 Going concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**2.3 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.



## **2. Accounting policies (continued)**

### **2.4 Income**

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.

All centre approval and registration fees are included in the statement of financial activities when invoiced.

Income is deferred when it is received in advance of the performance of the event to which it relates.

### **2.5 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the Charity's educational operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

### **2.6 Intangible assets and amortisation**

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Intellectual property	- 5 years
Website development	- 3 years
Computer software	- 3 years

## **2. Accounting policies (continued)**

### **2.7 Tangible fixed assets and depreciation**

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives using the following bases:

Depreciation is provided on the following bases:

Freehold land and buildings	- 2% straight line
Plant and equipment	- 15% reducing balance
Fixtures and fittings	- 10% straight line
Office equipment	- 20% straight line
Computer equipment	- 33% straight line

### **2.8 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

### **2.9 Interest receivable**

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 institution with whom the funds are deposited.

### **2.10 Operating leases**

Rentals paid under operating leases are charged to the Statement of financial activities on a straight-line basis over the lease term.

### **2.11 Debtors**

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

### **2.12 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2. Accounting policies (continued)**

**2.13 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**2.14 Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2.15 Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**2.16 Pensions**

Retirement benefits to some of the Teaching Staff of the Charity are provided by the Teachers' Pension Scheme ("TPS"), which is a defined benefit scheme.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The charity also provide a defined contribution scheme. The costs arising on the defined contribution scheme are recognised in the Income Statement in the period in which the related service is provided.

**2.17 Termination Benefits**

Termination benefits are measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

**Notes to the financial statements**  
**For the year ended 31 August 2023**

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**3. Critical accounting estimates and areas of judgment**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

**Depreciation and residual values**

The Trustees have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriated.

**Fair value of investments**

The Trustees have reviewed the investment valuation reports received from the management expert and have concluded that the value of investments is appropriate.

**4. Income from donations and legacies**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
Transfer in of Open College Network West Midlands	592,072	<b>592,072</b>	3,136,642
	<u>          </u>	<u>          </u>	<u>          </u>

**5. Income from charitable activities**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
Registration and assessment fees	4,081,759	<b>4,081,759</b>	3,046,866
	<u>          </u>	<u>          </u>	<u>          </u>

**Notes to the financial statements**  
**For the year ended 31 August 2023**

**6. Investment income**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
Rental income	23,228	<b>23,228</b>	-
Interest receivable	8,104	<b>8,104</b>	1,683
	<u>31,332</u>	<u><b>31,332</b></u>	<u>1,683</u>

**7. Investment management costs**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
Investment management fees	7,937	<b>7,937</b>	-
	<u>7,937</u>	<u><b>7,937</b></u>	<u>-</u>

**8. Other expenditure**

	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
Merger costs	-	77,258
	<u>-</u>	<u>77,258</u>

**Notes to the financial statements**  
**For the year ended 31 August 2023**

**9. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2023 £</b>	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
Registration and assessment fees	4,730,965	<b>4,730,965</b>	2,887,842

**Analysis of direct costs**

	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
Staff costs	<b>2,937,348</b>	1,667,397
Staff development	<b>45,714</b>	26,487
Depreciation	<b>96,560</b>	41,183
Consultancy costs	<b>381,182</b>	400,065
Premises costs	<b>146,379</b>	45,381
IT costs	<b>413,479</b>	432,254
Subscription and licence fees	<b>105,331</b>	64,356
Marketing costs	<b>62,630</b>	21,636
Other expenses	<b>542,342</b>	189,083
	<b>4,730,965</b>	2,887,842

**10. Auditors' remuneration**

	<b>2023 £</b>	<b>2022 £</b>
Fees payable to the charity's auditor for the audit of the charity's annual accounts	<b>12,000</b>	6,000
Fees payable to the charity's auditor in respect of:		
All non-audit services not included above	<b>3,000</b>	-

**Notes to the financial statements**  
**For the year ended 31 August 2023**

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**11. Staff costs**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>2,509,770</b>	1,422,282
Social security costs	<b>241,633</b>	132,996
Contribution to defined contribution pension schemes	<b>185,945</b>	112,119
	<b>2,937,348</b>	1,667,397

The average number of persons employed by the charity during the year was as follows:

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
Employees	<b>69</b>	46

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>3</b>	1
In the band £70,001 - £80,000	<b>2</b>	1
In the band £100,001 - £110,000	<b>1</b>	-

During the year the key management personnel received total compensation of £580,498 (2022: £72,926).

**12. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 August 2023, expenses totalling £604 were reimbursed or paid directly to 10 Trustees (2022 - £69 to 1 Trustee).

There was no trustees' remuneration or other benefits for the period ended 31 August 2023.

**Notes to the financial statements**  
**For the year ended 31 August 2023**

**13. Intangible assets**

	Intellectual property £	Website development costs £	Computer software £	Total £
<b>Cost</b>				
At 1 September 2022	65,000	-	19,410	84,410
Additions	-	5,001	27,739	32,740
At 31 August 2023	65,000	5,001	47,149	117,150
<b>Amortisation</b>				
At 1 September 2022	53,083	-	7,002	60,085
Charge for the year	11,917	2,400	15,239	29,556
At 31 August 2023	65,000	2,400	22,241	89,641
<b>Net book value</b>				
At 31 August 2023	-	2,601	24,908	27,509
At 31 August 2022	11,917	-	12,408	24,325



Notes to the financial statements  
For the year ended 31 August 2023

14. Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 September 2022	1,984,637	16,731	97,719	105,740	2,204,827
Additions	-	-	-	32,891	32,891
At 31 August 2023	1,984,637	16,731	97,719	138,631	2,237,718
<b>Depreciation</b>					
At 1 September 2022	427,592	9,302	67,859	87,576	592,329
Charge for the year	39,693	1,395	6,609	19,307	67,004
At 31 August 2023	467,285	10,697	74,468	106,883	659,333
<b>Net book value</b>					
At 31 August 2023	1,517,352	6,034	23,251	31,748	1,578,385
At 31 August 2022	1,557,045	7,429	29,860	18,164	1,612,498

15. Fixed asset investments

	Listed investments £	Cash held on deposit with fund managers £	Total £
<b>Cost or valuation</b>			
At 1 September 2022	627,353	13,205	640,558
Additions	451,334	(451,334)	-
Disposals	(66,168)	66,168	-
Revaluations	3,759	-	3,759
Amounts written off	-	492,063	492,063
At 31 August 2023	1,016,278	120,102	1,136,380

**Notes to the financial statements**  
**For the year ended 31 August 2023**

**16. Debtors**

	<b>2023</b>	2022
	<b>£</b>	£
<b>Due within one year</b>		
Trade debtors	<b>710,688</b>	627,914
Other debtors	<b>1,454</b>	-
Prepayments and accrued income	<b>174,104</b>	64,581
	<b>886,246</b>	692,495

**17. Current asset investments**

	<b>2023</b>	2022
	<b>£</b>	£
Short term deposits	-	1,500,000

During the prior year, the charity placed cash into short term deposit accounts with maturity dates more than 3 months from the balance sheet date. The total amount held in such deposit accounts at the balance sheet date was £Nil (2022: £1,500,000) at an average interest rate of 0.38%. The maturity dates and amounts are as follows:

Amount:  
£500,000 - Maturity date: 21 September 2022  
£500,000 - Maturity date: 20 December 2022  
£250,000 - Maturity date: 14 March 2023  
£250,000 - Maturity date: 31 May 2023

**18. Creditors: Amounts falling due within one year**

	<b>2023</b>	2022
	<b>£</b>	£
Trade creditors	<b>241,720</b>	231,303
Other taxation and social security	<b>59,201</b>	32,774
Other creditors	<b>36,690</b>	15,173
Accruals and deferred income	<b>15,000</b>	22,911
	<b>352,611</b>	302,161

**Notes to the financial statements**  
**For the year ended 31 August 2023**

**19. Statement of funds**

**Statement of funds - current year**

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Cessation fund	408,800	-	-	10,040	-	418,840
<b>General funds</b>						
General Funds	6,312,954	4,705,163	(4,738,902)	(10,040)	3,759	6,272,934
<b>Total Unrestricted funds</b>	<b>6,721,754</b>	<b>4,705,163</b>	<b>(4,738,902)</b>	<b>-</b>	<b>3,759</b>	<b>6,691,774</b>

The Cessation fund represents a specific reserve in relation to business continuity in the event of AVA failure. The compensation is based on the number of Access to Higher Education learners registered with the AIM Group at £40 per learner.

**Statement of funds - prior year**

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2022 £
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
Cessation fund	250,000	-	-	158,800	408,800
<b>General funds</b>					
General Funds	3,251,663	6,185,191	(2,965,100)	(158,800)	6,312,954
<b>Total Unrestricted funds</b>	<b>3,501,663</b>	<b>6,185,191</b>	<b>(2,965,100)</b>	<b>-</b>	<b>6,721,754</b>

**Notes to the financial statements**  
**For the year ended 31 August 2023**

**20. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>
Tangible fixed assets	1,578,385	<b>1,578,385</b>
Intangible fixed assets	27,509	<b>27,509</b>
Fixed asset investments	1,136,380	<b>1,136,380</b>
Current assets	4,302,111	<b>4,302,111</b>
Creditors due within one year	(352,611)	<b>(352,611)</b>
<b>Total</b>	<b>6,691,774</b>	<b>6,691,774</b>

**Analysis of net assets between funds - prior year**

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>
Tangible fixed assets	1,612,498	1,612,498
Intangible fixed assets	24,325	24,325
Fixed asset investments	640,558	640,558
Current assets	4,746,534	4,746,534
Creditors due within one year	(302,161)	(302,161)
<b>Total</b>	<b>6,721,754</b>	<b>6,721,754</b>

**Notes to the financial statements**  
**For the year ended 31 August 2023**

**21. Reconciliation of net movement in funds to net cash flow from operating activities**

	<b>2023</b> £	2022 £
Net income/expenditure for the year (as per Statement of Financial Activities)	<b>(29,980)</b>	3,220,091
<b>Adjustments for:</b>		
Depreciation charges	<b>67,004</b>	20,098
Amortisation charges	<b>29,556</b>	21,085
Gains on investments	<b>3,759</b>	-
Dividends, interests and rents from investments	<b>(31,332)</b>	(1,683)
Transfer from Open College Network West Midlands	<b>(592,072)</b>	(3,136,642)
Increase in debtors	<b>(193,751)</b>	(143,564)
Increase in creditors	<b>50,450</b>	33,823
<b>Net cash provided by/(used in) operating activities</b>	<b>(696,366)</b>	13,208

**22. Analysis of cash and cash equivalents**

	<b>2023</b> £	2022 £
Cash in hand	<b>3,415,865</b>	2,554,039
Notice deposits (less than 3 months)	-	1,500,000
<b>Total cash and cash equivalents</b>	<b>3,415,865</b>	4,054,039

**23. Analysis of changes in net debt**

	<b>At 1 September 2022</b> £	<b>Cash flows</b> £	<b>At 31 August 2023</b> £
Cash at bank and in hand	<b>2,554,039</b>	<b>861,826</b>	<b>3,415,865</b>
Liquid investments	<b>1,500,000</b>	<b>(1,500,000)</b>	-
	<b>4,054,039</b>	<b>(638,174)</b>	<b>3,415,865</b>

**Notes to the financial statements**  
**For the year ended 31 August 2023**

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**24. Pension commitments**

Defined contribution schemes

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

The charge to profit or loss in respect of defined contribution schemes was £121,722 (2022 - £52,209).

Included within other creditors is £36,690 (2022 - £15,173) in respect of outstanding pension contributions.

Defined benefit schemes

The charity contributes to a defined benefit multi-employer pension scheme, the Teachers Pension Scheme ('TPS'). This is an aggregate of the pre 2015 scheme and the 2015 scheme. Contributions to the Scheme were determined on the basis of quadrennial actuarial valuations carried out by the Government Actuary. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. This sets out the contribution rates for the implementation period (1 April 2019 to 31 March 2023).

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The contributions during the year totalled £64,223 (2022: £59,910).

A copy of the valuation report and supporting documentation is on the Teachers' Pension website.

Under the definitions set out in FRS102, the TPS is an unfunded multi-employer pension scheme. The charity has recognised contributions to the scheme as if it were a defined contribution scheme.

**25. Operating lease commitments**

At 31 August 2023 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Not later than 1 year	<b>3,415</b>	-
Later than 1 year and not later than 5 years	<b>6,551</b>	-
	<b>9,966</b>	-

**26. Related party transactions**

The charity has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the charity at 31 August 2023.