

Agored Cymru
Company Limited by Guarantee
Financial Statements
31 December 2023

WALTER HUNTER & CO LIMITED
Chartered accountants & statutory auditor
24 Bridge Street
Newport
South Wales
NP20 4SF

Agored Cymru

Company Limited by Guarantee

Financial Statements

Year ended 31 December 2023

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Agored Cymru

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 December 2023

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 December 2023.

Reference and administrative details

Registered charity name Agored Cymru

Charity registration number 1105070

Company registration number 5133651

Principal office and registered office 4 Llys Onnen
Ffordd Y Llyn
Parc Menai
Bangor
Gwynedd
LL57 4DF

The trustees

E V Barrett	(Resigned 31 January 2024)
K Burns	
M Davies	
C D Mather	
S Rehman Khan	(Resigned 20 March 2024)
A Smith	(Resigned 31 March 2023)
C Swain	(Resigned 15 May 2023)
H Swayne	
K Workman	(Resigned 24 March 2024)
Dr J Jones	(Appointed 1 September 2023)
Dr C Kell	(Appointed 1 July 2023)
C Rees	(Appointed 1 September 2023)

Auditor Walter Hunter & Co Limited
Chartered accountants & statutory auditor
24 Bridge Street
Newport
South Wales
NP20 4SF

Agored Cymru

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2023

Structure, governance and management

Agored Cymru was registered with Companies House on 12 October 2009 as the new name for Rhydwaith Coleg Agored Cymru/Open College Network Wales. Agored Cymru is a company limited by guarantee (Company No 5133651) and a charity registered in England & Wales (Charity No 1105070).

The governing document under which the company operates is its Memorandum and Articles of Association.

The directors are treated as trustees for Charities Act purposes.

Trustee training

All trustees receive a formal induction programme and ongoing training to support the execution of their responsibilities and legal obligations. In addition, a formal strategic planning workshop is held as well as regular policy and regulatory updates.

The name of the Chief Executive Office and other senior staff members to whom day to day management of the charity is delegated by the charity trustees

Chief Executive Officer	Darren Howells
Deputy Chief Executive Officer	Jo Creeden
Director of ICT, MIS & Operations	Matt Stanley

Full details of all members of staff can be found on Agored's website www.agored.cymru.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2023

Structure, governance and management *(continued)*

The organisational structure of the charity and how decisions are made

The Board consists of a maximum of 14 Trustees. Following an initial discussion with the Chief Executive and Chair of the Board new members follow a structured induction plan and are given ongoing support by an allocated member of the Board. The induction process provides detail on the following:

- Key responsibilities
- Articles of Association
- Financial performance of the charity
- Committee structure
- Overview of charity activities

The Agored Cymru Board leads the charity strategically and delegates detailed scrutiny relating to Quality and Regulation, and Finance and General Purposes to 2 committees. These committees make recommendations to the Board so that decisions can be made.

The Board and sub committees each operate within their respective Terms of Reference. The Board and committees are required to meet at least twice per year, although the Board will typically schedule at least 3 meetings per year. The Terms of Reference require each meeting to be fully quorate in order to either make decisions or recommendations to the Board.

The Chief Executive provides the Board with updates against all agreed priorities in each meeting, and senior and/or operational managers also provide reports to the committees.

The day to day running of the charity is delegated to the Chief Executive who acts as lead officer to the Board. The Chief Executive and the Board appoint a Senior Management Team who ensure that the Strategic Priorities for the charity are fulfilled within the budget agreed by the Board.

The organisational structure ensures that the charity has the capacity to remain fully compliant with the requirements of qualification regulators, and that the objectives of the charity are achieved. The Product Development team develop new and review existing qualifications. A team of Business Development Managers sell them to current and new education and training providers. The Quality and Regulation team is tasked with ensuring that the qualifications are effectively quality assured with a robust focus on regulatory compliance. A wider team of coordinators and administrative staff provide the infrastructure that enables the timely issue of qualification certificates and the delivery of effective customer service.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2023

Structure, governance and management *(continued)*

The major risks to which the charity is exposed and reviews and systems in place to mitigate those risks

The risk register is kept under review to record emerging risks, inform action plans to manage and mitigate all active risks and ensure risks can be reported to regulators. Key risks identified by the Board are linked to:

- Customers and Products
- Finance
- External education landscape and policy
- Regulation
- Human Resources/Learning and Development
- Internal Systems and Processes
- Organisational change
- Mass impact of service

Objectives and activities

A summary of the objects of the Charity as set out in its governing document

The key objective of Agored Cymru is to enable individuals to achieve the skills and qualifications they need to maximise their potential, enrich their lives and to contribute to their communities and a strong economy. This is demonstrated by creating products and services that:

- are developed in response to policy drivers in Wales and/or England and the needs of individuals and the wider economy;
- address current and future skills gaps across the regions within which we operate;
- are designed to embrace diversity, inclusion and equal opportunity;
- enable individuals to maximise their potential and through learning develop wellbeing and the skills to drive social and economic mobility;

A summary of the strategic aims of the charity

In furtherance of these objectives Agored Cymru has the following strategic aims to:

- be the Awarding Organisation and Access Validating Agency of choice
- develop an innovative portfolio of industry leading regulatory compliant and viable qualifications, units and services
- promote learning, education and training as a means of progression
- be resilient through innovation, creativity and flexibility

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2023

Achievements and performance

Agored Cymru operates in an environment characterised by funding pressures and external factors that affect many of its beneficiaries. These beneficiaries are typically schools, colleges, training providers and a network of third sector charities that provide education and training opportunities. The financial pressure on adult learners increased in 2023. A reduction in learner numbers in certain non-funded qualifications has been seen as personal investment in education has become less of a priority.

The performance of the charity in 2023 has been good with all strategic priorities for the period achieved. These have included achieving a financial surplus to ensure the continued viability of Agored Cymru, an evaluation and strengthening of organisational service standards to improve customer service, full regulatory compliance including a successful regulatory audit and a sustained growth in the number of centres including schools using Agored Cymru qualifications.

Operational model

Since the Covid 19 pandemic, Agored Cymru has continued to operate a hybrid operational model to support its staff in carrying out their activities and operations. Hybrid working has continued with staff working three days in an office and two days at home. Investment has been made in our electronic certificate offer with less reliance on producing printed certificates. Training and centre support events have continued with most activities run online.

A change to the charging model where centres are invoiced on registration rather than at completion has been implemented and has positively affected cashflow and the level of financial reserves.

Financial review

Transactions and financial position

The Statement of Financial Activities shown on page 13 to the accounts discloses net incoming resources, after other recognised gains and losses, of £546,612 (2022: incoming £302,663).

Total reserves at the year end stand at £2,230,437 (2022: £1,683,825). All reserves of the charity are unrestricted.

The principal source of funding for the charity is shown in note 5 to the accounts.

Specific changes in fixed assets

All movements in fixed assets are shown in note 15 to the accounts.

Reserves Policy

The Board has set a reserves policy that requires:

- Funds are to be maintained at a level that ensures core activity can continue for three months in the event of disruption of income streams;
- Funds are to be maintained in a readily realisable form;

The policy allows review on an annual basis.

During the year the reserves policy objectives were achieved and reserves were considered adequate in the light of the defined benefit pension liabilities.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2023

Financial review *(continued)*

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

Plans for future periods

A Five-Year Strategic Plan was created and agreed by the Board at the start of 2021. The organisation now has a clear focus on specific areas within which Agored Cymru will focus its product development, sales and marketing on. These include the Health sector, Schools, Further Education, Work Based Learning and Access to Higher Education. A Business Development Strategy agreed in 2020 underpins the Strategic Plan with the key aim of reaching more learners.

The charity will target a further surplus in 2024. Agored Cymru qualifications have previously only been available on a regulated basis in Wales. However, since gaining recognition as an Ofqual regulated awarding organisation there is focus on increasing learner numbers in England.

Trustees' responsibilities statement

The trustees, who are also directors 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the 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 in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2023

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 12 June 2024 and signed on behalf of the board of trustees by:

K Burns
Trustee

Agored Cymru

Company Limited by Guarantee

Independent Auditor's Report to the Members of Agored Cymru

Year ended 31 December 2023

Opinion

We have audited the financial statements of Agored Cymru (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 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;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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Independent Auditor's Report to the Members of Agored Cymru *(continued)*

Year ended 31 December 2023

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- 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 the knowledge and understanding of the charity 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 the Companies Act 2006 requires us to report to you if, in our opinion:

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

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Independent Auditor's Report to the Members of Agored Cymru *(continued)*

Year ended 31 December 2023

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 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.

Auditor's responsibilities for the audit of the financial statements

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

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:

- By enquiring with senior management and those charged with governance all area of risk identified were considered and any potential litigation or claim, if any, were noted
- Ensuring by enquiry that there were no issues of non-compliance with laws and regulations relating to tax and compliance
- By obtaining an understanding of the company's policies and procedures on compliance with laws and regulations, and with best accounting practice
- Noting issues discussed with the Board and the Senior Management Team as this relates to risks faced by the company
- Reviewing disclosures in the financial statements and testing to supporting documentation to assess compliance with applicable laws and regulations
- Auditing the risk of management override of controls including testing journal entries and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business

Through these procedures, we did not become aware of actual or suspected non-compliance.

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Independent Auditor's Report to the Members of Agored Cymru *(continued)*

Year ended 31 December 2023

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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Independent Auditor's Report to the Members of Agored Cymru *(continued)*

Year ended 31 December 2023

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mrs Zoe Goodwin BSc FCA (Senior Statutory Auditor)

For and on behalf of
Walter Hunter & Co Limited
Chartered accountants & statutory auditor
24 Bridge Street
Newport
South Wales
NP20 4SF

12 June 2024

Agored Cymru

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 December 2023

		2023		2022
		Unrestricted	Total funds	Total funds
	Note	funds		
		£	£	£
Income and endowments				
Charitable activities	5	2,164,824	2,164,824	1,622,834
Investment income	6	15,902	15,902	1,734
Total income		<u>2,180,726</u>	<u>2,180,726</u>	<u>1,624,568</u>
Expenditure				
Expenditure on charitable activities	7,8	<u>1,695,114</u>	<u>1,695,114</u>	<u>1,620,905</u>
Total expenditure		<u>1,695,114</u>	<u>1,695,114</u>	<u>1,620,905</u>
Net gains on investments	11	61,000	61,000	299,000
Net income and net movement in funds		<u>546,612</u>	<u>546,612</u>	<u>302,663</u>
Reconciliation of funds				
Total funds brought forward		1,683,825	1,683,825	1,381,162
Total funds carried forward		<u>2,230,437</u>	<u>2,230,437</u>	<u>1,683,825</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 16 to 27 form part of these financial statements.

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Statement of Financial Position

31 December 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	15	37,443	27,992
Current assets			
Stocks	16	7,373	15,690
Debtors	17	405,371	260,268
Cash at bank and in hand		1,534,966	1,249,505
		<u>1,947,710</u>	<u>1,525,463</u>
Creditors: amounts falling due within one year	18	<u>85,716</u>	<u>139,630</u>
Net current assets		<u>1,861,994</u>	<u>1,385,833</u>
Total assets less current liabilities		<u>1,899,437</u>	<u>1,413,825</u>
Pensions and other retirement benefits	19	<u>(331,000)</u>	<u>(270,000)</u>
Net assets		<u>2,230,437</u>	<u>1,683,825</u>
Funds of the charity			
Unrestricted funds		<u>2,230,437</u>	<u>1,683,825</u>
Total charity funds	21	<u>2,230,437</u>	<u>1,683,825</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 12 June 2024, and are signed on behalf of the board by:

K Burns
Trustee

The notes on pages 16 to 27 form part of these financial statements.

Agored Cymru

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Statement of Cash Flows

Year ended 31 December 2023

	2023 £	2022 £
Cash flows from operating activities		
Net income	546,612	302,663
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	18,868	16,446
Net gains on investments	(61,000)	(299,000)
Other interest receivable and similar income	(15,902)	(1,734)
Accrued income	(63,549)	(91,985)
<i>Changes in:</i>		
Stocks	8,317	9,389
Trade and other debtors	(145,103)	45,011
Trade and other creditors	9,635	(14,715)
Provisions and employee benefits	(61,000)	—
Cash generated from operations	236,878	(33,925)
Interest received	15,902	1,734
Net cash from/(used in) operating activities	<u>252,780</u>	<u>(32,191)</u>
Cash flows from investing activities		
Purchase of tangible assets	(28,319)	—
Proceeds from sale of other investments	61,000	—
Net cash from investing activities	<u>32,681</u>	<u>—</u>
Net increase/(decrease) in cash and cash equivalents	285,461	(32,191)
Cash and cash equivalents at beginning of year	<u>1,249,505</u>	<u>1,281,696</u>
Cash and cash equivalents at end of year	<u>1,534,966</u>	<u>1,249,505</u>

The notes on pages 16 to 27 form part of these financial statements.

Agored Cymru

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 December 2023

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 4 Llys Onnen, Ffordd Y Llyn, Parc Menai, Bangor, Gwynedd, LL57 4DF.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from grants is recognised when there is evidence of entitlement to the grant, receipt is probable and its amount can be measured reliably.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

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Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2023

3. Accounting policies *(continued)*

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	- 20% straight line
Leasehold Property	- over the primary term of the lease
Improvements	

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

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Notes to the Financial Statements *(continued)*

Year ended 31 December 2023

3. Accounting policies *(continued)*

Retirement benefit plans

The employees of the charity are members of one of several pension schemes as follows:

Rhondda Cynon Taf County Borough Council Pension Fund

The Rhondda Cynon Taf County Borough Council Pension Fund (the Fund) is part of the Local Government Pension Scheme. The charity recognises a defined net benefit pension asset or liability in the statement of financial position as the difference between the net total of the present value of its obligations and the fair value of scheme assets out of which the obligations are to be settled. The defined benefit liability is measured on a discounted present value basis using a rate determined by reference to market yields at the reporting date on high quality corporate bonds. Defined benefit obligations and the related expenses are measured using the projected unit credit method. Scheme surpluses are recognised as a defined benefit asset only to the extent that the surplus is recoverable either through reduced contributions in the future or through refunds from the scheme.

The Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational pension scheme. The scheme is governed by statutory regulations (currently statutory instruments), these being: The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Contributions to the scheme are set at rates determined by the Secretary of State, taking advice from the scheme's actuary. Contributions received from members are used to offset payments to current pensioners with the balance of funding provided by Parliament. The scheme's administrative expenses are borne by scheme employers, payable as a percentage of pensionable earnings. Accordingly, the charity accounts for contributions payable to the scheme as if the schemes were defined contribution schemes, as is required by IAS 19 Employee Benefits.

Scottish Equitable

This is a defined contribution plan. Contributions are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in income or expenditure unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in the statement of financial activities in the period it arises, and is allocated to the appropriate expenditure heading.

Agored Cymru

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2023

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

4. Limited by guarantee

The charity is incorporated under the Companies Act 2006 and is limited by guarantee, each member having to contribute such amounts not exceeding £1 as may be required in the event of the company being wound up whilst they are still a member or within one year thereafter.

Number of members as at 31 December 2023 is 10 (2022: 9).

5. Charitable activities

	Unrestricted Funds	Total Funds 2023	Unrestricted Funds	Total Funds 2022
	£	£	£	£
Centre fees	174,952	174,952	162,669	162,669
Accreditation	1,854,220	1,854,220	1,355,998	1,355,998
Training & projects	127,820	127,820	87,130	87,130
Other income	7,832	7,832	17,037	17,037
	<u>2,164,824</u>	<u>2,164,824</u>	<u>1,622,834</u>	<u>1,622,834</u>

6. Investment income

	Unrestricted Funds	Total Funds 2023	Unrestricted Funds	Total Funds 2022
	£	£	£	£
Bank interest receivable	<u>15,902</u>	<u>15,902</u>	<u>1,734</u>	<u>1,734</u>

7. Expenditure on charitable activities by fund type

	Unrestricted Funds	Total Funds 2023	Unrestricted Funds	Total Funds 2022
	£	£	£	£
Accreditation services	<u>1,695,114</u>	<u>1,695,114</u>	<u>1,620,905</u>	<u>1,620,905</u>

Agored Cymru

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2023

8. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Total funds 2023 £	Total fund 2022 £
Accreditation services	<u>1,695,114</u>	<u>1,695,114</u>	<u>1,620,905</u>

9. Analysis of support costs

	Accreditation services £	Total 2023 £	Total 2022 £
Staff costs	1,130,187	1,130,187	1,125,098
Communications and IT	104,576	104,576	105,270
Rent, Storage & Utilities	127,007	127,007	121,027
Certification costs	64,035	64,035	51,660
External Verification & Training	63,641	63,641	64,194
Development costs	21,082	21,082	9,314
Marketing	44,997	44,997	33,212
Office Expenses & Other costs	34,326	34,326	26,922
Audit, Legal & Membership Fees	69,800	69,800	59,879
Travel & Subsistence	16,595	16,595	7,883
Depreciation	18,868	18,868	16,446
	<u>1,695,114</u>	<u>1,695,114</u>	<u>1,620,905</u>

10. 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.

11. Net gains on investments

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Gains/(losses) on other investment assets	<u>61,000</u>	<u>61,000</u>	<u>299,000</u>	<u>299,000</u>

Agored Cymru

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2023

12. Net income

Net income is stated after charging/(crediting):

	2023 £	2022 £
Depreciation of tangible fixed assets	18,868	16,446
Fees paid to the auditor:		
For the audit of the financial statements	6,432	6,180
For non-audit services	20,580	20,120

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2023 £	2022 £
Wages and salaries	<u>1,130,187</u>	<u>1,125,098</u>

The average head count of employees during the year was 24 (2022: 25). The average number of full-time equivalent employees during the year is analysed as follows:

	2023 No.	2022 No.
Provision of accreditation services	<u>23</u>	<u>24</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	2023 No.	2022 No.
£70,000 to £79,999	—	1
£80,000 to £89,999	<u>1</u>	<u>—</u>
	<u>1</u>	<u>1</u>

14. Trustee remuneration and expenses

Expenses totalling £247 (2022: £138, paid to one trustee) was reimbursed to one trustee during the year in relation to travelling expenses.

Other than the above, no trustees or any persons connected with them have received any remuneration or expenses, either in the current year or in the prior year.

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Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2023

15. Tangible fixed assets

	Fixtures and fittings £	Leasehold Property Improvements £	Total £
Cost			
At 1 January 2023	177,148	131,043	308,191
Additions	28,319	–	28,319
Disposals	(62,012)	(1,701)	(63,713)
At 31 December 2023	143,455	129,342	272,797
Depreciation			
At 1 January 2023	170,997	109,202	280,199
Charge for the year	7,806	11,062	18,868
Disposals	(62,012)	(1,701)	(63,713)
At 31 December 2023	116,791	118,563	235,354
Carrying amount			
At 31 December 2023	26,664	10,779	37,443
At 31 December 2022	6,151	21,841	27,992

16. Stocks

	2023 £	2022 £
Certificate stock	7,373	15,690

17. Debtors

	2023 £	2022 £
Trade debtors	302,357	163,865
Prepayments and accrued income	103,014	96,403
	405,371	260,268

18. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	9,695	3,077
Accruals and deferred income	22,317	85,866
Social security and other taxes	43,485	40,824
Other creditors	10,219	9,863
	85,716	139,630

19. Pensions and other retirement benefits

During the year the charity made contributions to a number of pension schemes, including The Teachers' Pension Scheme (TPS) and the Rhondda Cynon Taf County Borough Council Pension Fund (RCT), which is a defined benefit scheme.

The Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme, governed by the Teachers' Pension Regulations 2010, and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. 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.

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS 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 Act).

The Teachers' Pension Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

The latest actuarial review of the TPS was carried out as at 31 March 2016 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014.

The valuation report was published by the Department on 5 March 2019. The key results of the valuation are:

- employer contribution rates were set at 22.8% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £218.1 billion, and notional assets of £196.1 billion, giving a notional past service deficit of £22.0 billion;
- actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2019. A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/-/media/documents/member/documents/news-items/teacher-s-pension-scheme-actuarial-valuation-2016.ashx?rev=1d463cd3f4344c199ca0c2bcf193dc90&hash=D90840D6F4AF06461F6D927C4E6265B0>

Agored Cymru

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2023

20. Pensions and other post retirement benefits

Defined benefit schemes

Rhondda Cynon Taf County Borough Council Pension Fund (RCT)

The results below relate to the funded liabilities with the Fund which is part of the Local Government Pension Scheme (the LGPS). The funded nature of the LGPS requires the employer and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets.

Date of the last full valuation of the employer's LGPS funded benefits - 31 March 2022

Expected employer contribution next year - £13,000

Duration of liabilities - 25.2 years

Key assumptions

	2023 £	2022 £
Discount rate	4.40	4.50
CPI inflation	2.40	2.50
Pension increases	2.40	2.50
Pension accounts revaluation rate	2.40	2.50
Salary increases	3.65	3.75

Mortality assumptions

The mortality assumptions are based on actual mortality experience of members within the Fund based on analysis carried out as part of the 2022 Actuarial Valuation and allow for expected future mortality improvements. Sample life expectancies at age 65 in normal health resulting from these mortality assumptions are shown below.

	2023 £	2022 £
Males		
Members aged 65 at accounting date	21.0	21.6
Members aged 45 at accounting date	22.2	22.6
Females		
Member aged 65 at accounting date	23.7	23.9
Member aged 45 at accounting date	25.1	25.4

Agored Cymru

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2023

Asset allocation

	Value at 31 December 2023		Value at 31 December 2022		
	%	£	%	£	%
Equities	69.7	568,000	68.1	482,000	
Property	7.1	58,000	7.8	55,000	
Government bonds	9.7	79,000	10.5	74,000	
Corporate bonds	12.2	99,000	12.4	88,000	
Cash	0.3	2,000	0.7	5,000	
Other	1.0	8,000	0.5	4,000	
	<u>100</u>	<u>814,000</u>	<u>100</u>	<u>708,000</u>	

Reconciliation of funded status to Statement of Financial Position

	2023 £	2022 £
Fair value of assets	814,000	708,000
Present value of funded defined benefit obligation	(483,000)	(438,000)
Funded status	<u>331,000</u>	<u>270,000</u>

The split of the liabilities at the last valuation between various categories of members is as follows:

	2023 %	2022 %
Active members	88	85
Deferred pensioners	12	15

Amounts recognised in the Statement of Financial Activities

	2023 £	2022 £
Operating cost		
Current service cost	8,000	26,000
Financing cost		
Interest on net defined benefit liability/(asset)	(12,000)	—
Pension expense recognised in the Statement of Financial Activities	<u>(4,000)</u>	<u>26,000</u>

Amounts recognised in other comprehensive income

	2023 £	2022 £
Asset (losses)/gains arising during the period	58,000	(141,000)
Actuarial gains/(losses) due to changes in financial assumptions	1,000	495,000
Actuarial gains/(losses) due to changes in demographic assumptions	8,000	4,000
Actuarial gains/(losses) due to liability experience	(23,000)	(50,000)
Total amount recognised in other comprehensive income	<u>44,000</u>	<u>308,000</u>

Agored Cymru

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2023

Changes to the present value of the defined benefit obligation

	2023 £	2022 £
Opening defined benefit obligation	438,000	842,000
Current service cost	8,000	26,000
Interest expense on defined benefit obligation	20,000	16,000
Contributions by participants	3,000	3,000
Actuarial gains/(losses) due to changes in financial assumptions	(1,000)	(495,000)
Actuarial gains/(losses) due to changes in demographic assumptions	(8,000)	(4,000)
Actuarial gains/(losses) due to liability experience	23,000	50,000
Closing defined benefit obligation	<u>483,000</u>	<u>438,000</u>

Changes to the fair value of assets

	2023 £	2022 £
Opening fair value of assets	708,000	813,000
Interest income on assets	32,000	16,000
Remeasurement (losses)/gains on assets	58,000	(141,000)
Contributions by the employer	13,000	17,000
Contributions by the participants	3,000	3,000
Closing fair value of assets	<u>814,000</u>	<u>708,000</u>

Actual return on assets

	2023 £	2022 £
Interest income on assets	32,000	16,000
Gains/(loss) on assets	<u>58,000</u>	<u>(141,000)</u>
Actual return on assets	<u>90,000</u>	<u>(125,000)</u>

21. Analysis of charitable funds

Unrestricted funds

	At 1 January 20 23 £	Income £	Expenditure £	Gains and losses £	At 31 December 2023 £
General funds	<u>1,683,825</u>	<u>2,180,726</u>	<u>(1,695,114)</u>	<u>61,000</u>	<u>2,230,437</u>

	At 1 January 20 22 £	Income £	Expenditure £	Gains and losses £	At 31 December 2022 £
General funds	<u>1,381,162</u>	<u>1,624,568</u>	<u>(1,620,905)</u>	<u>299,000</u>	<u>1,683,825</u>

Agored Cymru

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2023

22. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2023 £
Tangible fixed assets	37,443	37,443
Current assets	1,947,710	1,947,710
Creditors less than 1 year	(85,716)	(85,716)
Defined benefit pension	331,000	331,000
Net assets	2,230,437	2,230,437

	Unrestricted Funds £	Total Funds 2022 £
Tangible fixed assets	27,992	27,992
Current assets	1,520,231	1,520,231
Creditors less than 1 year	(134,398)	(134,398)
Defined benefit pension	270,000	270,000
Net assets	1,683,825	1,683,825

23. Analysis of changes in net debt

	At 1 Jan 2023 £	Cash flows £	At 31 Dec 2023 £
Cash at bank and in hand	<u>1,249,505</u>	<u>285,461</u>	<u>1,534,966</u>

24. Operating lease commitments

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

	2023 £	2022 £
Not later than 1 year	44,254	615
Later than 1 year and not later than 5 years	<u>16,815</u>	<u>126,401</u>
	<u>61,069</u>	<u>127,016</u>

25. Limitation of auditors liability

By way of a board resolution the company has agreed to enter into a limited liability agreement with its auditors whereby their exposure to legal claims is limited to £50,000 per claim.

26. Related parties

No transactions with related parties were undertaken such as are required to be disclosed under FRS102.