

Open College Network West Midlands

Trustees' report and financial statements

For the year ended 31 August 2023

Open College Network West Midlands
(A company limited by guarantee)

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Open College Network West Midlands
(A company limited by guarantee)

Reference and administrative details of the charity, its Trustees and advisers
For the year ended 31 August 2023

Trustees	H Woolf D Adamson (appointed 7 September 2022) O E Burke A S Hanufi (appointed 7 September 2022) J M Hodges (appointed 7 September 2022) S L Holmes (appointed 7 September 2022) S J Jellyman (appointed 7 September 2022) S Ajayi (resigned 7 September 2022) D Dawson (resigned 7 September 2022) G Desai (resigned 7 September 2022) S Henson (resigned 7 September 2022) C D Morecroft (resigned 7 September 2022)
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Company registered number	05479207
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Charity registered number	1113382
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Registered office	Aldersley House Pendeford Business Park Wolverhampton West Midlands WV9 5HA
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Company secretary	V Taylor
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Chief executive officer	K Kerswell
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Independent auditors	Dains Audit Limited 15 Colmore Row Birmingham B3 2BH
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Bankers	Unity Trust Bank plc PO Box 1487 Stafford ST16 3GJ
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Solicitors	Freeths LLP The Colmore Building 20 Colmore Circus Queensway Birmingham B4 6AT
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Open College Network West Midlands
(A company limited by guarantee)

Trustees' report
For the year ended 31 August 2023

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).

Since the charity qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Charity Trustees

The Board Members have served as the Trustees of the Charity throughout the period except where indicated.

H Woolf (Chair)
O E Burke (Vice Chair)
D Adamson
A S Hanufi
J M Hodges
S J Jellyman
S L Holmes

The nomination, removal and replacement of the Trustees shall be by the Open College Network West Midlands Board as a whole (from time to time) having regard to the desire to achieve a broad representation of FE (including FE Colleges, adult, voluntary and community organisations, private training providers), and Higher Education Institutions. The Open College Network West Midlands Board may appoint (and remove or replace) up to 3 Co-opted Trustees having regard to the overall desire of achieving a combined board with a broad representation of relevant stakeholder interests across the West Midlands region.

The members may, at a properly constituted meeting, appoint an additional director(s) by ordinary resolution of those present.

As described in the Charity's Articles of Association the directors to retire by rotation shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed directors on the same day those to retire shall be determined by lot.

Registered Address:

Aldersley House Overstrand
Pendeford Business Park
Wolverhampton
WV9 5HA

Website: www.opencollnet.org.uk

Objectives and activities

a. Policies and objectives

Charitable Objects

The Charity's objects are the advancement of the education of the public nationally and where practical internationally. These can be summarised as promoting lifetime learning, increasing social inclusion and widening participation, supporting the providers of education and training, improving the quality and flexibility of education provision and access to learning opportunities by facilitating progression to further learning, employment and higher education particularly through the award of qualifications.

Objectives for the year

The Open College Network West Midlands has a new three-year Strategic Plan which was approved in January 2021. The vision of the organisation is 'creating and awarding exceptional qualifications that change lives' and this is delivered through four strategic priorities. The strategic priorities are:

- Priority 1: To foster an organisational culture built on trust, collaboration, integrity and Continuous Professional Development.
- Priority 2: To ensure the development and ongoing review of compliant and viable qualifications with subsequent delivery monitored and controlled in line with an effective Centre Assessment Standards Scrutiny (CASS) Strategy.
- Priority 3: To provide excellent support and service for Centres to widen participation in learning and recognise learner achievement.
- Priority 4: To ensure a financially viable and sustainable organisation that fulfils its charitable objectives effectively.

Objectives and activities (continued)

b. Activities for achieving objectives

A Company Operational Plan and performance targets were developed and monitored throughout the period. These included:

- ensuring compliance with the General Conditions of Recognition issued by Ofqual and Qualification Wales;
- ensuring compliance with the licensing criteria for the Quality Assurance Agency for Higher education (QAA);
- the development and promotion of Open College Network West Midlands Qualifications and providing information, training and support for all Open College Network West Midlands recognised centres;
- ensuring that all members, partners, stakeholders, agencies and customers were aware of the distinctive mission, vision and values of the organisation;
- supporting Centres through the pandemic and the extraordinary regulatory arrangements put in place to maintain education and training;
- supporting the staff team through a continuation of remote working.
- exploring and then preparing the organisation for a phased merger.

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

- ensuring that appropriate resources were in place to fulfil the Charity's operational responsibilities;
- ensuring the continued support and services for the recognised centres;
- preparing the awarding organisation segment of the organisation for merger with the AIM Qualifications and Assessment Group.
- the health, safety and wellbeing of the staff team
- the adoption of the Race Equality Code
- delivering growth across the whole business

c. Main activities undertaken to further the charity's purposes for the public benefit

The Trustees are cognisant of the key principles of the public benefit requirement. The Charity continues to demonstrate its objective of widening participation in education by working with groups and communities that have traditionally not benefited from traditional or formal educational opportunities. This includes, for example, learners working at lower educational levels; learners with few formal qualifications; learners based in offender institutions; younger learners who are not in employment or training; and people working in industries that have not traditionally valued formal qualifications.

Open College Network West Midlands have established a scheme to provide annual bursaries for learners who are undertaking Access to Higher Education Diplomas. These awards are made to nominated individuals who are undertaking or have had inspirational learning journeys which have helped them transform their lives.

Achievements and performance

a. Review of activities

Operational Performance

The Open College Network West Midlands continued to provide support for a wide range of organisations including Further Education Colleges, Schools, Voluntary and Community Organisations, Employers and Private Training Providers, both locally and nationally. Many of Open College Network West Midlands recognised centres deal with learners who have benefited least from their prior educational experiences and who are often the excluded and the "forgotten" members of the society.

Key achievements during the period were:

- continuing to be low risk with QAA for the AVA provision;
- significant expansion of Access to Higher Education provision;
- the continued excellent customer service and support for centres and learners by the staff;
- the successful negotiation to transfer the organisations assets with Aim Qualification and Assessment Group

Financial review

a. Going concern

Following the transfer of the Charity's activities, assets and liabilities to AIM Qualifications and Assessment Group on 31 July 2023, the going concern basis is not appropriate given the Charity's trading status. No adjustment is considered necessary to the financial statements in respect of the non-going concern basis.

b. Reserves policy

Open College Network West Midlands has no reserves following the of transfer the Charity's activities, assets and liabilities to AIM Qualifications and Assessment Group on 31 July 2023.

Structure, governance and management

a. Constitution

The Company applied for and was confirmed as a Charity in March 2006. The Open College Network West Midlands operates throughout England, Wales and internationally.

Governing Document:

The Memorandum and Articles of Association and accompanying the set of private "Rules", which include the detail of governance of the Company, explain the Open College Network West Midlands legal and constitutional arrangements.

How the Charity is constituted:

The Open College Network West Midlands is a company limited by guarantee (registration number 5479207) with charitable status (Charity registration number 1113382).

The governance structure of the Open College Network West Midlands consists of a Board of Trustees who are the principal strategy forming and decision-making body.

Structure, governance and management (continued)

b. Methods of appointment or election of Trustees

The Board should consist of the broadest representation in terms of types of organisation and geographical location including up to 12 board members from the Education and Learning Sector who would together constitute a broad representation of FE (including FE Colleges, adult, voluntary and community organisations, and private training providers), and Higher Education Institutions.

The Rules contain a code of conduct for the Trustees which specify their obligations and the need for them to act independently, honestly and in good faith and in the best interests of Open College Network West Midlands and its objects as a whole. Trustees must declare an interest in any item on the agenda and abide by the Nolan Principles of Public Life. .

c. Pay policy for key management personnel

The Board of Trustees has adopted a pay policy following consultation with employees in the Charity and the charity-based representatives of the recognised unions and professional associations.

The Chief Executive Officer is responsible for ensuring appraisal objectives for all members of the senior management team are set and reviews are undertaken in line with the policy, and to report the outcome to the FRC annually.

The remuneration package for the Chief Executive Officer will be determined by the Finance and Resources Committee, taking into account all of the permanent responsibilities of the role, any challenges that are specific to the role and all other relevant considerations. In the case of a new appointment, when determining the salary, the Finance and Resources Committee will consider the requirements of the post and the extent to which the preferred candidate meets those requirements.

The Finance and Resources Committee and the Board of Trustees will ensure that there is appropriate scope to allow for performance related progress over time, subject to receiving evidence that there has been substantial and sustained high quality of performance having regard to the results of the recent appraisal and achieving the overall expectations and outcomes of the Charity.

d. Organisational structure and decision making

The Board, as the Trustees of the Charity, are legally responsible for the overall management and control of Open College Network West Midlands and are responsible for all material decisions on expenditure, contracts, and policy matters. The Board has met four times this period.

e. Relationships

Open College Network West Midlands was approved by the regulatory authority Ofqual as an Awarding Organisation in May 2011 and by Qualification Wales when this was set up in 2015. As such it is able to develop national qualifications that meet the needs of Open College Network West Midlands learners and providers.

Open College Network West Midlands is also licensed as an Access Validating Agency (AVA) by QAA for the Access to Higher Education provision it offers.

Structure, governance and management (continued)

f. Risk management

The Open College Network West Midlands Board of Trustees is responsible for the management of the risks faced by the Charity. Detailed considerations of risk are delegated to the Senior Leadership Team. Risks are identified and systematically monitored throughout the period.

The key controls used by the Charity include:

- formal agendas for all Committee and Board activity;
- detailed terms of reference for all Committees;
- comprehensive strategic planning, budgeting and management accounting;
- frequently reviewed Finance Regulations;
- established organisational structure and lines of reporting;
- 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.

Plans for future periods

The board has agreed unanimously to transfer all the remaining assets of Open College Network West Midlands to Aim Qualifications and Assessment Group, as agreed as part of the Transfer Agreement signed in August 2022. The board has further agreed to preserve the name of Open College Network West Midlands by turning the organisation into a dormant company.

Members' liability

The Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up.

Trustees' report (continued)
For the year ended 31 August 2023

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

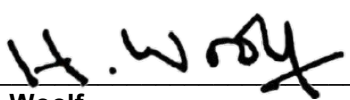
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- 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.

Auditors

The auditors, Dains Audit Limited, have indicated their willingness to continue in office. 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 9 January 2024 and signed on their behalf by:


H Woolf
(Chair of Trustees)

Independent auditors' report to the Members of Open College Network West Midlands

Opinion

We have audited the financial statements of Open College Network West Midlands (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.

Material uncertainty related to going concern

We draw attention to note 2.2 in the financial statements, which indicates that the Charity transferred the activities, assets and liabilities to AIM Qualifications and Assessment Group on 31 July 2023 and following this date the charity became dormant. As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Independent auditors' report to the Members of Open College Network West Midlands (continued)

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; 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 Trustees' report and from the requirement to prepare a Strategic report.

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 Open College Network West Midlands (continued)

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 charity 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.

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.

Independent auditors' report to the Members of Open College Network West Midlands (continued)

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. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and its members, 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 Accountant

Birmingham

9 January 2024

Open College Network West Midlands
(A company limited by guarantee)

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

	Note	Unrestricted funds 12 months ended 31 August 2023 £	Total funds 12 months ended 31 August 2023 £	Total funds 11 months ended 31 August 2022 £
Income from:				
Charitable activities	3	584,353	584,353	1,601,646
Investments	4	-	-	35,605
Total income		584,353	584,353	1,637,251
Expenditure on:				
Charitable activities		268,114	268,114	1,449,955
Transfer of assets	6	592,072	592,072	3,136,642
Total expenditure		860,186	860,186	4,586,597
Net expenditure before net losses on investments		(275,833)	(275,833)	(2,949,346)
Net losses on investments		-	-	(90,837)
Net movement in funds		(275,833)	(275,833)	(3,040,183)
Reconciliation of funds:				
Total funds brought forward		275,833	275,833	3,316,016
Net movement in funds		(275,833)	(275,833)	(3,040,183)
Total funds carried forward		-	-	275,833

The Statement of financial activities includes all gains and losses recognised in the year.

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

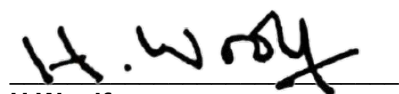
Open College Network West Midlands**(A company limited by guarantee)****Registered number: 05479207****Balance sheet****As at 31 August 2023**

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	10	-	20,140
		-	20,140
Current assets			
Debtors	11	-	244,689
Cash at bank and in hand		-	100,100
		-	344,789
Creditors: amounts falling due within one year	12	-	(89,096)
Net current assets		-	255,693
Total assets less current liabilities		-	275,833
Total net assets		-	275,833
Charity funds			
Restricted funds	13	-	-
Unrestricted funds	13	-	275,833
Total funds		-	275,833

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 have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 09 January 2024 and signed on their behalf by:



H Woolf
(Chair of Trustees)

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

Open College Network West Midlands
(A company limited by guarantee)

Statement of cash flows
For the year ended 31 August 2023

	12 months ended 31 August 2023 £	11 months ended 31 August 2022 £
Cash flows from operating activities		
Net cash used in operating activities	(100,100)	(1,405,277)
Cash flows from investing activities		
Purchase of tangible fixed assets	-	(10,249)
Proceeds from sale of investments	-	447,716
Purchase of investments	-	(439,505)
Proceeds from transfer of assets	-	1
Net cash provided by/(used in) investing activities	-	(2,037)
Change in cash and cash equivalents in the year	(100,100)	(1,407,314)
Cash and cash equivalents at the beginning of the year	100,100	1,507,414
Cash and cash equivalents at the end of the year	-	100,100

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

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

1. General information

The Charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. The address of the registered office is given in the charity information on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

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 2015), 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.

Open College Network West Midlands 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

Following the transfer of the Charity's activities, assets and liabilities to AIM Qualifications and Assessment Group on 31 July 2023, the going concern basis is not appropriate given the Charity's trading status.

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.

2.4 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.

2. Accounting policies (continued)

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.

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 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

2.7 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:

Patents	- 2 years
Computer software	- 2 years

2.8 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.

2.9 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.

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

2. Accounting policies (continued)

2.10 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.

3. Income from charitable activities

	Unrestricted funds 12 months ended 31 August 2023 £	Total funds 12 months ended 31 August 2023 £	Total funds 11 months ended 31 August 2022 £
Registration fees	584,353	584,353	1,601,646

4. Investment income

	Unrestricted funds 12 months ended 31 August 2023 £	Total funds 12 months ended 31 August 2023 £	Total funds 11 months ended 31 August 2022 £
Rental income	-	-	35,605

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

5. Analysis of expenditure by activities

	Activities undertaken directly 12 months ended 31 August 2023 £	Support costs 12 months ended 31 August 2023 £	Total funds 12 months ended 31 August 2023 £	Total funds 11 months ended 31 August 2022 £
Direct costs	267,858	256	268,114	1,386,870
Restructuring Costs	-	-	-	63,085
	<u>267,858</u>	<u>256</u>	<u>268,114</u>	<u>1,449,955</u>

Analysis of direct costs

	Total funds 12 months ended 31 August 2023 £	Total funds 11 months ended 31 August 2022 £
Staff costs	121,959	877,178
Depreciation	-	51,292
Quality reviewer and external moderation costs	138,999	115,761
Establishment costs	6,900	182,310
Subscriptions and licence fees	-	69,082
Annual bursaries	-	6,000
	<u>267,858</u>	<u>1,301,623</u>

Analysis of support costs

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

5. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Total funds 12 months ended 31 August 2023 £	Total funds 11 months ended 31 August 2022 £
Restructuring costs	-	63,085
Communications	256	25,730
Travel expenses and conference fees	-	19,521
Miscellaneous	-	2,291
Governance costs	-	37,705
	256	148,332

6. Transfer of assets

	Unrestricted funds 12 months ended 31 August 2023 £	Total funds 12 months ended 31 August 2023 £	Total funds 11 months ended 31 August 2022 £
Transfer of assets to Aim Qualifications and Assessment Group	592,072	592,072	3,136,642

7. Auditors' remuneration

	12 months ended 31 August 2023 £	11 months ended 31 August 2022 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	3,000	7,500

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

8. Staff costs

	12 months ended 31 August 2023 £	11 months ended 31 August 2022 £
Wages and salaries	106,243	734,846
Social security costs	9,800	77,888
Contribution to defined contribution pension schemes	5,916	64,444
	121,959	877,178

During the year, the Charity paid redundancy costs of £Nil (2022: £Nil)

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

	12 months ended 31 August 2023 No.	11 months ended 31 August 2022 No.
Average number of employees	-	23

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

	12 months ended 31 August 2023 No.	11 months ended 31 August 2022 No.
In the band £70,001 - £80,000	-	1

During the year, key management personnel received total compensation of £NIL (2022 - £260,302).

9. Trustees' remuneration and expenses

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

During the year ended 31 August 2023, no Trustee expenses have been incurred (2022 - £NIL).

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

10. Intangible assets

	Patents £	Computer software £	Total £
At 1 September 2022	24,999	7,200	32,199
Disposals	(24,999)	(7,200)	(32,199)
At 31 August 2023	-	-	-
At 1 September 2022	9,860	2,199	12,059
On disposals	(9,860)	(2,199)	(12,059)
At 31 August 2023	-	-	-
Net book value			
At 31 August 2023	-	-	-
At 31 August 2022	15,139	5,001	20,140

11. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	-	167,208
Prepayments and accrued income	-	77,481
	-	244,689

12. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	-	24,868
Other creditors	-	10,052
Accruals and deferred income	-	54,176
	-	89,096

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

13. Statement of funds

Statement of funds - current year

	Balance at 1 September 2022 £	Income £	Expenditure £	Balance at 31 August 2023 £
Unrestricted funds				
Designated funds				
Intangible fixed assets	20,140	-	(20,140)	-
General funds				
General Funds	255,693	584,353	(840,046)	-
Total Unrestricted funds	275,833	584,353	(860,186)	-

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

13. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 October 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
Designated funds						
Tangible fixed assets	939,046	-	(949,295)	10,249	-	-
Investments	731,395	-	(640,558)	-	(90,837)	-
Investment in digital technologies	50,000	-	-	(50,000)	-	-
Building future closer working relationships	50,000	-	(50,000)	-	-	-
Business Continuity	30,000	-	(13,085)	(16,915)	-	-
Intangible fixed assets	31,367	-	(11,227)	-	-	20,140
	<u>1,831,808</u>	<u>-</u>	<u>(1,664,165)</u>	<u>(56,666)</u>	<u>(90,837)</u>	<u>20,140</u>
General funds						
General Funds	<u>1,484,208</u>	<u>1,637,251</u>	<u>(2,922,432)</u>	<u>56,666</u>	<u>-</u>	<u>255,693</u>
Total Unrestricted funds	<u><u>3,316,016</u></u>	<u><u>1,637,251</u></u>	<u><u>(4,586,597)</u></u>	<u><u>-</u></u>	<u><u>(90,837)</u></u>	<u><u>275,833</u></u>

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

13. Statement of funds (continued)

Fixed assets

This designated fund represents the capital element of the fixed assets.

Investments

This designated fund represents the value of the investment portfolio.

Investment in digital technologies

This designated fund has been established to cover investments in new activities in the area of digital technologies.

Building future closer working relationships

This designated fund has been established to assist in building future closer working relationships with partners.

Business Continuity

This designated fund has been established to assist the charity with business continuity and accommodate unforeseen interruptions caused by national events outside of normal education and training matters.

Intangible fixed assets

This designated fund represents the capital element of the intangible fixed assets.

14. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Total funds 2023 £
Intangible fixed assets	-
Current assets	-
Creditors due within one year	-
Total	-

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

14. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Total funds 2022 £
Intangible fixed assets	20,140	20,140
Current assets	344,789	344,789
Creditors due within one year	(89,096)	(89,096)
Total	275,833	275,833

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

	12 months ended 2023 £	11 months ended 2022 £
Net expenditure for the year (as per Statement of Financial Activities)	(275,833)	(3,040,183)
Adjustments for:		
Depreciation charges	-	40,065
Amortisation charges	-	11,227
Gains on investments	-	82,626
Proceeds from the transfer of trade and assets	-	1
Loss on the sale of fixed assets	275,833	1,549,786
Decrease in debtors	-	55,626
Increase/(decrease) in creditors	-	(104,425)
Transfer of cash to AIM	(100,100)	-
Net cash used in operating activities	(100,100)	(1,405,277)

16. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	-	100,100
Total cash and cash equivalents	-	100,100

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

17. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £
Cash at bank and in hand	100,100	(100,100)
	<u>100,100</u>	<u>(100,100)</u>

18. Related party transactions

There have been no related party transactions in the year (2022 - £Nil).