

OPEN AWARDS

England & Wales · Charity number 1113612

Details

Other names	OPEN COLLEGE NETWORK NORTH WEST REGION, OPEN REWARDS, OCNNWR, OPEN COLLEGE NETWORK
Status	Registered
Legal form	Charitable company
Company number	05462874
Registered	2006-04-05
Register	View on the Charity Commission register

Contact

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Website	www.openawards.org.uk

Activities

Objects: TO ADVANCE THE EDUCATION OF THE PUBLIC AND IN PARTICULAR BY:- A) PROMOTING AND WIDENING PARTICIPATION IN EDUCATION, LEARNING AND TRAINING PARTICULARLY BY THOSE WHO HAVE PREVIOUSLY BENEFITED LEAST FROM EDUCATIONAL OPPORTUNITIES; B) IMPROVING THE QUALITY AND FLEXIBILITY OF EDUCATION, LEARNING AND TRAINING PROVISION PRIMARILY FOR THOSE WHO HAVE PREVIOUSLY BENEFITED LEAST FROM EDUCATIONAL OPPORTUNITIES; C) IMPROVING ACCESS TO LEARNING OPPORTUNITIES AND FACILITATING PROGRESSION TO FURTHER LEARNING AND EMPLOYMENT AND IN PARTICULAR THROUGH THE AWARD OF CREDIT AND CREDIT BASED QUALIFICATIONS.

Activities: Education / Training

Classification

- **How:** Provides Services, Provides Advocacy/advice/information
- **What:** Education/training
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** NOT DEFINED. IN PRACTICE MERSEYSIDE, LANCASHIRE, CHESHIRE, GREATER MANCHESTER, CUMBRIA, ISLE OF MANN.
- Northern Ireland
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£2,698,569	£2,653,514	£4,699,917	45
2024-07-31	£3,100,787	£3,189,728	£4,564,468	53
2023-07-31	£2,443,042	£2,627,248	£4,458,305	57
2022-07-31	£3,127,892	£2,425,691	£4,693,035	50
2021-07-31	£2,853,209	£1,806,239	£4,078,555	41
2020-07-31	£2,241,808	£1,700,211	£2,854,798	38

Trustees

Name	Role	Appointed
Captain Benjamin Cowling-Monks		2025-11-27
Claire Blanchard		2024-06-20
Clare Webster		2025-06-19
Dr Anthony Ronald Rayworth		2025-06-19
Dr Fern Chantele Carter		2025-11-27
Dr Harm van Zalinge		2022-06-23
Graeme Carter		2025-11-27
Julie Elizabeth Armitage		2023-06-22
Mathew Bennett		2023-06-22
Sheila Patricia Clark		2024-06-20
Vicki Clare Stott		2026-06-18

OPEN AWARDS

England & Wales - Charity number 1113612

Accounts

Company registration number 05462874 (England and Wales)

Charity registration number 1113612 (England and Wales)

OPEN AWARDS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

OPEN AWARDS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr B Jordan Dr H van Zalinge Mrs J Armitage Mr M Bennett Mrs C Blanchard Mrs S Clark Mr B Maregere Dr A Rayworth Mrs C Webster	(Appointed 19 June 2025) (Appointed 19 June 2025)
Secretary	Mrs A Till	
Senior management	Mrs H Akehurst	Chief Executive
Charity number	1113612	
Company number	05462874	
Registered office	17 De Havilland Drive Estuary Commerce Park Speke Liverpool L24 8RN	
Auditor	DSG Audit Castle Chambers 43 Castle Street Liverpool L2 9TL	
Bankers	National Westminster Bank	
Solicitors	Weightmans	
Investment advisors	Quilter Cheviot	

OPEN AWARDS

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OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 JULY 2025

The trustees present their annual report and financial statements for the year ended 31 July 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The objects of the charity are exclusively charitable and are to advance the education of the public and in particular by:

- promoting and widening participation in education, learning and training particularly by those who have previously benefited least from educational opportunities;
- improving the quality and flexibility of education, employment, learning and training provision primarily for those who have previously benefited least from educational opportunities;
- improving access to learning opportunities and facilitating progression to further learning and in particular through the award of credit and credit based qualifications.

Open Awards seeks to do this by working with local and national government; colleges, schools, academies, employers, private training providers, End Point Assessment Organisations and voluntary sector organisations to provide qualifications, acknowledged training courses and End Point Assessment, all of which have the potential to lead to enhanced employment opportunities.

Success for Open Awards is determined by the number of organisations we work with, the number of apprentices we ensure achieve meaningful outcomes, the number of learners and the qualifications we register. In addition, we capture learner information on the difference our qualifications and where applicable, bursaries make to their learner journey. This is measured monthly and high level information is contained within this report.

Open Awards has a subsidiary organisation, Maxam Training which delivers adult tutor qualifications, primarily for Blue Light organisations.

Our significant activities within the period are detailed within the Activities and Achievements section.

Mission Statement

Our mission is to 'Change Lives Through Learning'.

Our Values

Excellence: To exceed standards in all we do, inspire excellence in our staff, centres and learners, and deliver a personalised customer service that surpasses expectations.

Respect: To foster a culture of respect and inclusiveness, being receptive to each other and customers, and acting with integrity.

Innovation: To listen, learn, discover and develop; to respond effectively to and invest in our staff, centres and learners.

Aspiration: We strive to be visionary and influential.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

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 Open Awards aims and objectives; and in considering future activities.

Our Bursary fund allows us to tackle barriers to achievement within learning and this year we established the Knowledge Hub with three other Awarding Organisations to improve best practice within Assessment practices.

In particular, we seek to promote knowledge and raise standards in education, employment, learning and skills through our accreditation of qualifications and courses. Additionally, our work on Functional Skills, specific high level license to practice qualifications and End Point Assessment has allowed us to set standards against formal examinations. This year we delivered an Ofqual designated high risk qualification in Maritime studies. We continue to work alongside QAA and other Access Validating Agencies to raise the profile of Access to Higher Education diplomas.

All our Activities and achievements are measured against our Charitable Objects and Values to ensure that we are true to our mission and that we accurately measure our success and demonstrate our public benefit. Trustees keep up to date with guidance issued by the Charity Commission, particularly on public benefit and conduct reviews against the revised Charity Governance Code, as well as our public benefit.

Open Awards supports National Careers Week and staff continue in trustee and governorship roles within the wider community.

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

Achievements and performance

This academic year has been challenging as the education and skills sectors reacts with the changes in government policy towards education and skills including the cessation of the Institute for Apprenticeships and Technical Education and the creation of Skills England alongside a Curriculum and Assessment Review. Additionally Covid related disruption and a growth in mental health concerns for all ages continued to impact learners and apprentices with significant cost of living concerns felt across organisations and providers.

Open Awards registered 38,193 learners within the year and 19,427 learners were certificated within this period achieving full qualifications or specific units. 66 apprentices underwent their End Point Assessment with us and 194 learners undertook their Level 3 Pharmacy Integrated Standard. We supported 496 providers across all our provision.

Customer satisfaction continued to be measured within the year; and events continued with a mix of online webinars and support. It was good to note the attendance at the AI in Education Summit held in October 2024. Meetings with providers by the Chief Executive and members of the Senior Management Team continued particularly to develop the new Strategic Plan for 2025 – 2028. It is pleasing to note that customer satisfaction rates with our training continued to remain high as the training programme develops to meet differing needs. Open Awards continued to provide additional support and webinars throughout the year as well as additional training and resources for online learning, assessment and invigilation.

It was pleasing to see the growth in Access to Higher Education provision and we look forward to that continuing next year. Functional Skills financial performance improved throughout the year and Open Awards continued to provide online assessment and remote invigilation services with training for organisations using their own invigilators. Open Awards continues to work with Future Qualifications and VTCT in the development of our Functional Skills papers and resources. Qualification registration income was up by 14% on the previous year with Skills for Further Learning and Employment qualifications remaining as our most popular suite.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

Essential Digital Skills qualifications and our End Point Assessment services continued to be slow in development and uptake. Apprenticeship services will be significantly remodelled over the next twelve months due to government reforms.

Development of reformed qualifications for the new Welsh 16-19 continued in the year with Open Awards gaining Recognition from Qualification Wales to allow us to proceed. Significant investment will be made into this exciting development during the next financial year. The use of funding from reserves designated for this purpose means that Open Awards Trustees agreed a deficit operational budget.

Open Awards engagement with policy decisions at a government and a regulatory level continued within the year across Department for Education departments as Open Awards continued to represent our providers, learners and apprentices to ensure their voices are heard. We have sought to represent our providers with the new government in the areas of employability and skills.

Open Awards has 496 recognised Providers, however not all of these register learners each period and we work closely with all Providers to understand their business needs and funding positions. Open Awards recognised 61 new Centres within the period, including 3 new Access to Higher Education providers.

Learner registrations were 38,193 an increase of nearly 5,000 from the previous financial year which was pleasing to note. Changes in funding for Further Education Colleges and the voluntary sector continued to have an impact and we await the influence of government policy changes, particularly the Apprenticeship reforms and the anticipated Curriculum and Assessment Review .

Qualification development and Validity processes continue to be reviewed to ensure they provide real employment prospects and meet learner demand. Particular emphasis continued to be given to our Centre Assessment Standards Scrutiny (CASS) of Ofqual regulated provision and this was supported by Ofqual seminars and thematic reviews within the year. Validity is underpinned by our ongoing investment in our labour market intelligence system and guidance from the Business Development Committee.

We continue to have a national presence and attendance in person at events and meetings continued to grow with a variety of online training and events continuing. The debate around Artificial Intelligence grew apace within the year with opportunities and challenges for those in the education and training sector.

We regularly receive and publish news stories about the positive effect our qualifications have, especially with those hard to reach learners or those who have not had a good experience of learning. Our centres find that Open Awards qualifications allow for the flexibility of learning needed to help many disadvantaged learners to succeed.

Open Awards worked hard to continue to maintain our low risk rating with Ofqual, Qualification Wales and QAA. We look forward to our re-licencing with QAA in December 2025 and the potential of international development of the Access to Higher Education Diploma.

During the financial period each Provider received support through Quality Assurance meetings and on-line support with additional meetings with their Business Development Managers. These are supported by online training and standardisation events.

A number of Open Awards Trustees retired in June 2025 and recruitment took place to recruit replacements. We would like to thank in particular Dr Andy Stott and our previous Chair, Nicky Mailey for their hard work and support over the years.

Fundraising Activities

Open Awards does not undertake any fundraising activities.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

Investment Performance

Open Awards has an Investment Policy with Quilter Cheviot which was reviewed in the last period. The current investment objective for the portfolio is to maintain capital and the management strategy is designated as medium risk. The portfolio performance over the 12 months to 30 June 2025 was 3.5% which was a good performance given the economic situation. Recognised and unrecognised losses for the year were £90,394 with £79,918 income generated. It is recognised there may still be volatility with investments due to global financial uncertainty and world wide conflict but as the portfolio is for long term investment this is not a significant concern at this time.

Group Financial review

The Statement of Financial Activities is on page 13.

The group's income is derived from charges to providers of its courses and qualifications, such as learner registration fees and an annual provider approval fee to cover quality assurance and verification of award of credit. The main areas of provision are Access to Higher Education Diplomas, regulated qualifications and quality endorsed courses; and our End Point Assessment services. Open Awards recognised 61 new centres over a broad spectrum including FE Colleges, schools, Offender Learning providers, private training providers and employers. Over the period the group generated income of £2,698,569 which was 13% lower than the previous figure of £3,100,787 for the year ended 31 July 2024. Prices for 2024-25 saw a small increase but continue to remain competitive in the current market.

Resources expended were £2,653,514 in comparison to £3,189,728 for year ended 31 July 2024. This is a 17% decrease on the previous period. Net operating income was £45,055. After gains on investment there was a total surplus of £135,449.

Maxam Training made a loss of £11,214 for the year due to investment in a new learner management system and a consolidated product offer with new courses launching next year. £16,049 in course bookings was deferred to 2025-26.

Unrestricted Funds

During the period, the group's net assets increased in value from £4,564,468 to £4,699,917. This level of reserves continues to be considered by the Trustees to be necessary to generate income, which, along with other income earned each year, enables the Charity to maintain financial independence.

Reserves policy

Reserves are available to be spent at the discretion of the Trustees and the charity has developed its reserves policy to maintain continuity of its operations and safeguard its charitable purposes, in the event of a significant decrease in income.

In particular reserves are held for the following reasons:

- To maintain the continuity of operations; and provide protection for staff and learners for 12 months thus allowing learners to complete their course/qualification or move to another Awarding Organisation;
- Maintain funds for the maintenance and appropriate replacement of Open Awards assets including the ownership of our freehold property;
- To ensure that Open Awards has the capacity to develop new projects and products to support its future sustainability;
- To protect the organisation from loss of key investments;
- In the event of a cyber attack and preventative measures;
- To maintain investment into business critical systems.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

As at 31 July 2025 the group's total reserves stood at £4,699,917. After making allowance for designated funds of £1,926,796, including the carrying amount of functional tangible and intangible assets, reserves available to satisfy the policy requirements above stood at £2,773,121.

Open Awards Trustees are satisfied the existing amount of reserves allows it to fulfil all its obligations shown above and the existing Policy is reviewed annually to ensure the sustainability of the organisation is safeguarded. A decision was taken at the Trustees meeting in June 2025 to use reserves to invest in the development of new qualifications in Wales and international development.

The designated bursary fund is not a legal or restrictive commitment and can be undesignated by the Trustees at any time. However, it refers to an amount set aside year on year to assist learners financially, that may otherwise be prevented from accessing training or further education. This fund is generated from dividend income earned from our investment portfolio. Open Awards has awarded bursaries of £132,657 to date.

The Auditors and Trustees are happy that there are no uncertainties about Open Awards continuing as a going concern.

Principal Risks and Uncertainties

The risk management strategy developed by the Board consists of:

- Annual review of the risks Open Awards may face and updating the Risk Registers, as appropriate
- Systems and procedures to mitigate identified risks and
- Implementation of procedures designed to minimise any potential impact should those risks be realised.

This was last reviewed by the Board on 19 June 2025 and the review was carried out in accordance with Charities Commission guidance 'Charities and Risk Management'. This was a comprehensive review.

At the time of review the significant change was the investment from reserves into developing new products and services for intended Welsh provision and international development. Trustees accepted that the funding would need to come from reserves and set a planned, deficit operational budget for the year 2025-6. The overall level of risk is currently considered to be medium. Trustees have reviewed this and are satisfied that appropriate operational control systems are in place, although they will continue to monitor on a termly basis.

The principal risks are considered to be:

- Cyber Attacks – Open Awards has robust strategies in place and has undertaken significant scenario planning to manage and mitigate the risk in the next period.
- Artificial Intelligence – has shown to present significant challenges for our providers in the year as well as opportunities to reduce costs and enhance services for learners and apprentices.
- Policy changes – these remain ongoing under the new government and we await the findings of the Curriculum and Assessment Review
- Regulatory requirements – failure to meet these could result in Open Awards being unable to offer Ofqual, Qualification Wales and QAA regulated qualifications.

Open Awards continues to be seen as 'low risk' by our regulators and works hard to maintain this status.

Open Awards continues to seek to grow our customer base and to diversify in the products and services we provide, whilst remaining true to our mission and charitable aims. This includes diversifying our offer including developing our End Point Assessment services and investing in our planned suite of new qualifications for Wales. Our continued full cost recovery programme has been successful and we continue to make savings in our expenditure where they do not compromise our integrity and quality. The overall level of risk is however considered to be medium.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

Plans for future periods

Open Awards will continue to regard regulated qualifications and Access to HE Diplomas as our 'core' business. However, we will continue to seek diversification opportunities that deliver additional forms of funding to the organisation. Open Awards has continued to develop End Point Assessment services (now Apprenticeship Assessment services) within the year. We have invested in staff and systems to ensure this develops during the next financial year. Investment into reformed qualifications for 16-19 years olds in Wales has continued in the year and Trustees have agreed significant investment for the next academic and financial year to be funded through reserves.

Maintaining full cost recovery and seeking efficiencies where possible will also continue to be a priority as we seek to remain cost effective for the next period.

Structure, governance and management

Open Awards is a company limited by guarantee without share capital governed by its memorandum and articles of association. It is a registered charity number 1113612 and company number 05462874.

Open Awards is an Awarding Organisation and Access Validating Agency operating across England and Wales. It is regulated by the Office of Quality and Exams Regulator (OFQUAL), Qualifications Wales (QW) and the Quality Assurance Agency for Higher Education (QAA).

The Charity's Board of Trustees are also its Directors who are elected by Annual General Meeting of the members of the Charity. Casual vacancies are filled, as required, by the Board of Trustees in accordance with the Charity's Articles of Association. Members of the Board of Trustees who served during the year are listed below.

Mrs N Mailey	(Retired 19 June 2025)
Dr A Stott	(Retired 19 June 2025)
Mr B Jordan	
Dr H van Zalinge	
Mrs J Armitage	
Mr M Bennett	
Mrs L Adam	(Retired 14 November 2025)
Mrs C Blanchard	
Mrs S Clark	
Mrs J Colbourne-Davies	(Resigned 19 June 2025)
Mr B Maregere	
Dr A Rayworth	(Appointed 19 June 2025)
Mrs C Webster	(Appointed 19 June 2025)

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

The Board of Trustees meet termly to monitor the charity's activities and performance, to determine strategy and to attend to all other matters of governance.

In addition the Board of Trustees have the following committees:

The Search Committee meets as required to determine the specification for Trustee and Senior Management recruitment.

The Access to Higher Education Committee meets termly to undertake detailed scrutiny of all matters relating to the organisation's regulatory and standards responsibilities for Access to Higher Education provision. The committee has delegated powers to approve certain processes and recommend to the Board of Trustees the adoption of policies and reports.

The Business Development Committee meets to determine future strategic demand and review proposals for planned products and services.

The Bursary Committee decides the allocation of Open Awards bursaries.

Open Awards aims to maintain a diverse mix of skills and experience within the Board of Trustees that supports the governance and management of the charity. There is a balance between representation from the Higher Education and Further Education sectors and individuals with particular skills or experience. The induction procedure for new Trustees includes distribution of background information, access to all records and attendance at an organisational induction session.

Trustees receive ongoing training during their tenure with specialist training on Governance, Safeguarding and Financial Management for non-financial Trustees provided for Trustees as well as development sessions on specialist areas of Open Awards business. In addition Trustees are invited to attend a wide range of events and seminars, including on-line training to ensure that they are continually developed in their roles.

A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations the Chief Executive has delegated authority, for operational matters including finance and employment.

Open Awards Trustees have responsibility for setting the pay and remuneration of the charity's key personnel and this is done on an annual basis, including a formal cost of living review. Salaries are benchmarked with other Awarding Organisations and across the Further Education sector.

Employee Engagement

Open Awards communicates with our employees regularly, usually through monthly team meetings and full staff meetings. We have a Health and Wellbeing group that promotes healthy lifestyles including mental health awareness. Open Awards staff has access to a dedicated mental health advice and counselling helpline. Through one of our partners, The Mentoring School we were able to make their Wellbeing Suite available for all employees.

Since March 2020 we have used MS Teams for more informal organisational conversations and updates as well as sharing learning opportunities and additional mental health support.

Open Awards has very clear Mission, Vision and Values that are understood by all employees, displayed throughout the office, included in our Induction for new employees and demonstrated using the annual appraisal system.

Relationship with Related Parties

Maxam Training Ltd is a wholly owned subsidiary of Open Awards

Auditor

DSG Audit have agreed to offer themselves for re-election and a resolution proposing their re-appointment, at a remuneration to be determined by the Board of Trustees, will be placed before the Annual General Meeting.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report, including the strategic report, was approved by the Board of Trustees.



Dr H van Zalinge
Trustee

27 November 2025

OPEN AWARDS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 JULY 2025

The trustees, who also act as directors of Open Awards, for the purpose 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 which give a true and fair view of the state of affairs of the charity and group and of the incoming resources and application of resources, including the income and expenditure, of the group for that year.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the 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.

OPEN AWARDS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OPEN AWARDS

Opinion

We have audited the financial statements of Open Awards (the 'parent charity') and its subsidiary (the 'Group') for the year ended 31 July 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity balance sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and parent charity's affairs as at 31 July 2025 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 group 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 group's or parent 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.

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 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.

OPEN AWARDS

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF OPEN AWARDS

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within 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 by the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the parent charity for the purpose 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 group and parent 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 group or parent 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

OPEN AWARDS

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF OPEN AWARDS

Based on our discussions with the group and parent charity's management and the Trustees, we identified that the following laws and regulations are significant to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards and Charity Law.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the group and parent charity and therefore may have a material effect on the financial statements include compliance with the charitable objectives, public benefit, fundraising regulations, safeguarding and health and safety legislation.

These matters were discussed amongst the engagement team at the planning stage and the team remained alert to non-compliance throughout the audit.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and the Trustees as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of Trustee meeting minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent 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 parent 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 parent charity and the parent charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jean Ellis BA FCA CTA (Senior Statutory Auditor)

For and on behalf of DSG Audit, Statutory Auditor

Chartered Accountants

Castle Chambers

43 Castle Street

Liverpool

L2 9TL

27 November 2025

OPEN AWARDS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2025

	Notes	Unrestricted funds 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Income from:					
Donations and legacies	3	-	-	9,721	9,721
Charitable activities	4	2,347,831	2,657,428	-	2,657,428
Other trading activities	6	230,151	324,547	-	324,547
Investments	5	120,587	109,091	-	109,091
Total income		<u>2,698,569</u>	<u>3,091,066</u>	<u>9,721</u>	<u>3,100,787</u>
Expenditure on:					
Raising funds	8	242,253	280,317	-	280,317
Charitable activities	7	2,411,261	2,899,690	9,721	2,909,411
Total expenditure		<u>2,653,514</u>	<u>3,180,007</u>	<u>9,721</u>	<u>3,189,728</u>
Net gains/(losses) on investments	12	<u>90,394</u>	<u>240,889</u>	<u>-</u>	<u>240,889</u>
Net income and movement in funds		135,449	151,948	-	151,948
Reconciliation of funds:					
Fund balances at 1 August 2024		<u>4,564,468</u>	<u>4,412,520</u>	<u>-</u>	<u>4,412,520</u>
Fund balances at 31 July 2025		<u>4,699,917</u>	<u>4,564,468</u>	<u>-</u>	<u>4,564,468</u>

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

OPEN AWARDS

BALANCE SHEET

AS AT 31 JULY 2025

	Notes	2025 £	£	2024 £	£
Fixed assets					
Goodwill	15	503,644		572,322	
Tangible assets	17	169,808		187,230	
Investments	19	2,725,548		2,555,315	
		<u>3,399,000</u>		<u>3,314,867</u>	
Current assets					
Debtors	21	389,835		366,403	
Cash at bank and in hand		1,351,508		1,367,554	
		<u>1,741,343</u>		<u>1,733,957</u>	
Liabilities					
Creditors: amounts falling due within one year	23	(440,426)		(484,356)	
		<u></u>		<u></u>	
Net current assets		1,300,917		1,249,601	
Total assets less current liabilities		<u>4,699,917</u>		<u>4,564,468</u>	
The funds of the charity					
Designated funds	30	1,926,796		1,698,956	
General unrestricted funds		2,773,121		2,865,512	
		<u></u>		<u></u>	
Total unrestricted funds		4,699,917		4,564,468	
Total charity funds		<u>4,699,917</u>		<u>4,564,468</u>	

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

As permitted under Section 408 of the Companies Act 2006, the trustees have not presented a separate Statement of Financial Activities for the parent charity. The parent charity made a surplus, including investment gains, of £215,341 for the year.

The financial statements were approved by the Trustees on 27 November 2025



Dr H van Zalinge
Trustee

Company registration number 05462874

OPEN AWARDS

PARENT CHARITY BALANCE SHEET

AS AT 31 JULY 2025

	Notes	2025 £	£	2024 £	£
Fixed assets					
Tangible assets	18	169,808		187,230	
Investments	20	3,437,215		3,266,982	
		<u>3,607,023</u>		<u>3,454,212</u>	
Current assets					
Debtors	22	395,016		400,400	
Cash at bank and in hand		1,298,415		1,288,843	
		<u>1,693,431</u>		<u>1,689,243</u>	
Creditors: amounts falling due within one year	24	406,114		464,456	
Net current assets			1,287,317		1,224,787
Net assets			<u>4,894,340</u>		<u>4,678,999</u>
The funds of the charity					
Designated funds	31	2,134,817		1,838,299	
Unrestricted funds - general	31	2,759,523		2,840,700	
		<u>4,894,340</u>		<u>4,678,999</u>	

The financial statements were approved by the trustees on 27 November 2025

Harmann Zalinge

Dr H van Zalinge
Trustee

Company registration number 05462874 (England and Wales)

OPEN AWARDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash absorbed by operations	32		(56,794)		(27,023)
Investing activities					
Purchase of tangible fixed assets		-		(2,251)	
Purchase of investments		-		(127,199)	
Investment income received		120,587		109,091	
Net cash generated from/(used in) investing activities			120,587		(20,359)
Net cash generated from financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			63,793		(47,382)
Cash and cash equivalents at beginning of year			1,367,571		1,414,953
Cash and cash equivalents at end of year			1,431,364		1,367,571
Relating to:					
Cash at bank and in hand			1,351,508		1,367,554
Short term deposits included in current asset investments			79,856		17

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2025

1 Accounting policies

Charity information

Open Awards is a private company limited by guarantee incorporated in England and Wales. The registered office is 17 De Havilland Drive, Estuary Commerce Park, Speke, Liverpool, L24 8RN.

1.1 Basis of preparation

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

The company has taken advantage of the exemption in section 408 of the Companies Act from presenting its individual profit and loss account.

The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Exemptions under FRS 102

The parent charity has taken advantage of the following exemptions in its individual financial statements:

- From preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows.
- From disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7.

Basis of consolidation

The consolidated financial statements incorporate Open Awards its subsidiary company (ie an entity that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 July 2025. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.2 Going concern

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

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

1 Accounting policies

(Continued)

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Incoming resources from charitable activities relate to the academic year or years ending in the accounting period. Centre recognition income is recognised when a centre is formally approved to offer Open Awards courses and qualifications.

Learner registration income is recognised when a learner is registered on a course. There is no separate certification income. Where a course ends in the following accounting period the cost of moderation is covered by the annual fee for that year or additional quality assurance charges are applied at that time.

Bank interest and income from listed investments are recognised as investment income in the period it relates to.

1.5 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 are allocated on the portion of the asset's use.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

1 Accounting policies

(Continued)

Resources expended are recognised when the charity becomes obliged to settle the liability arising and include irrecoverable VAT.

Each resource expended is allocated to or apportioned between the headings of charitable expenditure according to the function it relates to, namely direct charitable activities, support activities or governance.

The support costs are those costs, which are necessary to deliver a charitable activity, but do not produce or constitute the output of the charitable activity. They include the rent and running costs of the charity's premises.

Governance costs are those costs associated with the governance arrangements of the charity, which affects the general running of the charity. They normally include external audit and legal advice for trustees, along with any other costs associated with strategic, as opposed to day-to-day management, of the charity's activities.

Whenever the resource expended relates to more than one of these three functions an apportionment is made on a reasonable or justifiable basis.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill shall be considered to have a finite useful life, and shall be amortised on a systematic basis over ten years.

Website and database	3 years straight line
----------------------	-----------------------

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Long leasehold buildings	equally over 40 years
Fixtures and fittings	15 years straight line
Computers	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

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

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

1 Accounting policies

(Continued)

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

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

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from donations and legacies

	Restricted funds 2025 £	Restricted funds 2024 £
Grants	-	9,721

4 Income from charitable activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Charitable activity		
Fees from learner registration, awards and accreditation of courses	2,347,831	2,657,428

5 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Income from listed investments	79,918	73,348
Interest receivable	40,669	35,743
	<u>120,587</u>	<u>109,091</u>

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

6 Income from other trading activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Fees from further education teaching and assessor qualifications.	230,151	324,547

7 Expenditure on charitable activities

	Charitable activity 2025 £	Charitable activity 2024 £
Direct costs		
Staff costs	1,633,121	1,860,152
Depreciation and impairment	17,422	20,725
Printing, postage and stationery	52,800	62,892
Telephone	14,231	12,391
Travelling	8,031	8,239
Staff expenses	9,083	7,845
Qualification development	16,288	66,065
Staff training, quality assurance and assessor costs	66,883	66,336
ICT Systems and maintenance	234,032	412,227
Bad debts	-	25,537
Subscriptions	35,418	31,371
Hire of copier	1,541	2,370
Training, hospitality and room hire	1,643	1,622
External verification and quality assurance	150,271	167,621
	<u>2,240,764</u>	<u>2,745,393</u>
Share of support and governance costs (see note 9)		
Support	154,971	152,163
Governance	15,526	11,855
	<u>2,411,261</u>	<u>2,909,411</u>
Analysis by fund		
Unrestricted funds	2,411,261	2,899,690
Restricted funds	-	9,721
	<u>2,411,261</u>	<u>2,909,411</u>

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

8 Expenditure on raising funds

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Trading costs		
Other trading activities	119,947	169,526
Staff costs	119,014	107,453
Support and governance costs	3,025	3,000
	<u>241,986</u>	<u>279,979</u>
Investment management	267	338
Total costs	<u>242,253</u>	<u>280,317</u>

9 Support costs allocated to activities

	2025 £	2024 £
Amortisation	68,678	74,558
Office and similar costs	86,293	77,605
Governance costs	18,551	14,855
	<u>173,522</u>	<u>167,018</u>
Analysed between:		
Fundraising	3,025	3,000
Charitable activity	170,497	164,018
	<u>173,522</u>	<u>167,018</u>

10 Net movement in funds

	2025 £	2024 £
The net movement in funds is stated after charging/(crediting):		
Fees payable to the charity's auditor:		
- for the audit of the charity and the consolidated financial statements	14,735	10,548
- for the preparation of the subsidiary's financial statements	3,000	3,000
Depreciation of owned tangible fixed assets	17,422	20,725
Amortisation of intangible assets	68,678	74,558
	<u></u>	<u></u>

11 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

12 Gains and losses on investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Gains/(losses) arising on:		
Revaluation of investments	90,394	240,889

13 Trustees

None of the trustees (or any persons connected with them) received remuneration during the year (2024: None and £nil). Three of them were reimbursed a total of £748 in expenses (2024: £343).

14 Employees

Group

	2025 Number	2024 Number
The average monthly number of employees during the year was:	45	56
Employment costs	2025 £	2024 £
Wages and salaries	1,510,906	1,700,987
Social security costs	153,220	167,454
Other pension costs	88,009	99,164
	1,752,135	1,967,605

No redundancy or termination payments were made in the reporting period (2024: £13,180).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2025 Number	2024 Number
£80,001 to £90,000	1	1

Contributions totalling £5,293 (2024: £5,089) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

14 Employees

(Continued)

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2025 £	2024 £
Aggregate compensation	423,617	408,004

Parent charity

	2025 Number	2024 Number
The average monthly number of employees during the year was:	42	53

15 Intangible fixed assets (Group)

	Goodwill £	Website and database £	Total £
Cost			
At 1 August 2024 and 31 July 2025	686,785	26,472	713,257
Amortisation and impairment			
At 1 August 2024	114,463	26,472	140,935
Amortisation charged for the year	68,678	-	68,678
At 31 July 2025	183,141	26,472	209,613
Carrying amount			
At 31 July 2025	503,644	-	503,644
At 31 July 2024	572,322	-	572,322

16 Intangible fixed assets (Parent charity)

	Website and database £
Cost	
At 1 August 2024 and 31 July 2025	26,472
Amortisation and impairment	
Amortisation charged for the year	-
At 1 August 2024 and 31 July 2025	26,472
Carrying amount	
At 31 July 2025	-
At 31 July 2024	-

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

17 Tangible fixed assets (Group)

	Long leasehold buildings £	Fixtures and fittings £	Computers £	Total £
Cost				
At 1 August 2024	1,006,015	253,799	66,564	1,326,378
At 31 July 2025	1,006,015	253,799	66,564	1,326,378
Depreciation and impairment				
At 1 August 2024	870,767	212,587	55,794	1,139,148
Depreciation charged in the year	5,867	4,172	7,383	17,422
At 31 July 2025	876,634	216,759	63,177	1,156,570
Carrying amount				
At 31 July 2025	129,381	37,040	3,387	169,808
At 31 July 2024	135,248	41,212	10,770	187,230

18 Tangible fixed assets (Parent charity)

	Long leasehold buildings £	Fixtures and fittings £	Computers £	Total £
Cost				
At 1 August 2024	1,006,015	241,219	66,564	1,313,798
At 31 July 2025	1,006,015	241,219	66,564	1,313,798
Depreciation and impairment				
At 1 August 2024	870,767	200,007	55,794	1,126,568
Depreciation charged in the year	5,867	4,172	7,383	17,422
At 31 July 2025	876,634	204,179	63,177	1,143,990
Carrying amount				
At 31 July 2025	129,381	37,040	3,387	169,808
At 31 July 2024	135,248	41,212	10,770	187,230

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

19 Fixed asset investments (Group)

	Listed investments £	Cash in investments £	Total £
Cost or valuation			
At 1 August 2024	2,555,298	17	2,555,315
Valuation changes	90,394	-	90,394
	-	79,839	79,839
At 31 July 2025	2,645,692	79,856	2,725,548
Carrying amount			
At 31 July 2025	2,645,692	79,856	2,725,548
At 31 July 2024	2,555,298	17	2,555,315

Fixed asset investments revalued

Listed investments are included at revalued amounts, being the market value of the shares at the year end. The historical cost of the shares was £2,344,744 (2024: £2,344,744).

Cash in investments is at cost.

20 Fixed asset investments (Parent charity)

	Listed investments £	Cash in investments £	Other investments £	Total £
Cost or valuation				
At 1 August 2024	2,555,298	17	711,667	3,266,982
Valuation changes	90,394	-	-	90,394
Change in cash balance	-	79,839	-	79,839
At 31 July 2025	2,645,692	79,856	711,667	3,437,215
Carrying amount				
At 31 July 2025	2,645,692	79,856	711,667	3,437,215
At 31 July 2024	2,555,298	17	711,667	3,266,982

	Notes	2025 £	2024 £
Other investments comprise:			
Investments in subsidiaries	28	711,667	711,667

Fixed asset investments revalued

Listed investments are included at revalued amounts, being the market value of the shares at the year end. The historical cost of the shares was £2,344,744 (2024: £2,344,744).

Other investments (subsidiary) and Cash in investments are at cost.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

20 Fixed asset investments (Parent charity)

(Continued)

Details of the subsidiary are included in note 28.

21 Debtors (Group)

	2025	2024
	£	£
Amounts falling due within one year:		
Trade debtors	156,007	173,443
Other debtors	9,452	4,474
Prepayments and accrued income	224,376	188,486
	<u>389,835</u>	<u>366,403</u>

22 Debtors (Parent charity)

	2025	2024
	£	£
Amounts falling due within one year:		
Trade debtors	119,404	140,106
Amounts owed by subsidiary undertakings	2,871	-
Other debtors	3,729	3,779
Prepayments and accrued income	269,012	256,515
	<u>395,016</u>	<u>400,400</u>

23 Creditors: amounts falling due within one year (Group)

	2025	2024
	£	£
Other taxation and social security	47,469	41,565
Trade creditors	45,962	51,612
Other creditors	40,782	105,619
Accruals and deferred income	306,213	285,560
	<u>440,426</u>	<u>484,356</u>

24 Creditors: amounts falling due within one year (Parent charity)

	2025	2024
	£	£
Other taxation and social security	36,646	31,073
Trade creditors	45,833	50,794
Amounts owed to subsidiary undertakings	-	2,045
Other creditors	15,182	94,984
Accruals and deferred income	308,453	285,560
	<u>406,114</u>	<u>464,456</u>

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

25 Retirement benefit schemes

	2025 £	2024 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	88,009	99,164

The group operates defined contribution pension schemes for all qualifying employees. The assets of the scheme are held separately from those of the group in independently administered funds.

26 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2025 £	2024 £
Within one year	59,167	77,350
Between two and five years	45,233	133,826
	104,400	211,176

27 Related party transactions

Group

Details for payroll and expenses in regards to trustees and key management personnel are disclosed in notes 13 and 14.

Due to the nature of the group's operations and the composition of its boards, who are drawn from the education and skills sector, it is possible that transactions will take place with organisations in which board members may have an interest only by reason of their employment by such organisations.

There were no other disclosable related party transactions during the year (2024: none).

Parent charity

Other than the transactions disclosed above, the company's other related party transactions were with wholly owned subsidiaries.

28 Subsidiaries

Details of the charity's subsidiary at 31 July 2025 is as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Maxam Training Limited	England and Wales	Provision of further education teaching and assessor qualifications	Ordinary shares	100.00	

The subsidiary is included in the consolidated accounts.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

29 Restricted funds (Group and Parent charity)

The restricted funds of the group and parent charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

Previous year:	At 1 August 2023 £	Incoming resources £	Resources expended £	At 31 July 2024 £
Welsh Translation Grant	-	9,721	(9,721)	-

30 Unrestricted funds (Group)

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 August 2024 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	At 31 July 2025 £
Bursary Fund	20,000	5,000	(5,000)	-	-	20,000
IT Infrastructure and Systems Fund	250,000	26,034	(26,034)	-	-	250,000
Assessment Development Fund	100,000	9,620	(9,620)	-	-	100,000
Tangible & Intangible Fixed Asset Fund	759,552	-	(86,100)	-	-	673,452
Adjustment in Income	200,000	-	-	-	-	200,000
Building Maintenance	93,344	-	-	-	-	93,344
Project work / Diversification opportunities	136,060	220,692	(6,752)	-	-	350,000
Cyber related incidents	100,000	100,000	-	-	-	200,000
Redundancy payments	40,000	-	-	-	-	40,000
General funds	2,865,512	2,337,223	(2,520,008)	-	90,394	2,773,121
	<u>4,564,468</u>	<u>2,698,569</u>	<u>(2,653,514)</u>	<u>-</u>	<u>90,394</u>	<u>4,699,917</u>

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

30 Unrestricted funds (Group) (Continued)						
Previous year:	At 1 August 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 July 2024
	£	£	£	£	£	£
Bursary Fund	20,000	-	-	-	-	20,000
IT Infrastructure and Systems Fund	250,000	-	(64,217)	64,217	-	250,000
Assessment Development Fund	78,652	-	(37,255)	58,603	-	100,000
Tangible & Intangible Fixed Asset Fund	852,584	-	-	(93,032)	-	759,552
Covid	200,000	-	-	-	-	200,000
Building Maintenance	94,539	-	(1,195)	-	-	93,344
Project work / Diversification opportunities	86,060	-	-	50,000	-	136,060
Cyber related incidents	100,000	-	-	-	-	100,000
Redundancy payments	40,000	-	(13,180)	13,180	-	40,000
General funds	2,690,685	3,091,066	(3,064,160)	(92,968)	240,889	2,865,512
	<u>4,412,520</u>	<u>3,091,066</u>	<u>3,180,007</u>	<u>-</u>	<u>240,889</u>	<u>4,564,468</u>

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

30 Unrestricted funds (Group)

(Continued)

Bursary Fund - This is a fund set up for the payment of bursaries to learners at recognised centres to enable or support them with their studies, or to providers to enable innovative projects to support their learners.

IT Infrastructure and Systems Fund - This is a fund committed to the development of Open Awards IT infrastructure and systems in order to streamline processes and improve efficiencies.

Assessment Development Fund - A fund for assessment development of Functional Skills, Essential Digital Skills and End-point assessments.

Tangible & Intangible Fixed Asset Fund - This fund reflects the value of the fixed assets used operationally by the charity and the value of the goodwill in Maxam Training Limited.

Adjustment in Income - Following a deficit in 2023-24 and balanced budget in 2024-25, whilst the number of approved providers has grown, there is reliance on a number of key customers. Changes to Apprenticeship assessment and Functional Skills requirements may also impact.

Building Maintenance - Open Awards owns 17 De Havilland Drive, Estuary Commerce Park, Speke L24 8RN and the Trustees wish to make proper provision for the maintenance of this building. This is in addition to operational maintenance incurred in-year.

Project work/Diversification Opportunities - Open Awards has to keep abreast of government initiatives and funding issues in order to offer providers the qualifications that best fit the needs of the learners and meet employer needs. This means that additional resources may be called upon to assess the viability of entering into new markets or areas of business without eating into the income generated from existing core operations. This fund has been increased for investment into the development of the reformed qualifications for Wales.

Cyber related incidents - Whilst Open Awards takes all necessary precautions in respect of network security and GDPR and has comprehensive levels of insurance, additional resources may be needed. With an increase in remote working and more sophisticated cyber-crime the board have decided it would be prudent to have reserves in place to cover this contingency. Trustees agreed to increase this fund due to recent high profile hacking cases.

Redundancy Payments - A restructure took place in April 2024 to enable streamlining and efficiency of operations. The economic climate has been and continues to be challenging for our Providers and it is therefore prudent to retain this fund.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

31 Unrestricted funds (Parent charity)

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 August 2024	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 July 2025
	£	£	£	£	£	£
Bursary Fund	20,000	5,000	(5,000)	-	-	20,000
IT Infrastructure and Systems Fund	250,000	26,034	(26,034)	-	-	250,000
Assessment Development Fund	100,000	9,620	(9,620)	-	-	100,000
Tangible & Intangible Fixed Asset Fund	898,895	-	(17,422)	-	-	881,473
Adjustment in income / Covid 19	200,000	-	-	-	-	200,000
Building Maintenance	93,344	-	-	-	-	93,344
Project work / Diversification opportunities	136,060	220,692	(6,752)	-	-	350,000
Cyber related incidents	100,000	100,000	-	-	-	200,000
Redundancy payments	40,000	-	-	-	-	40,000
General funds	2,840,700	2,106,451	(2,278,022)	-	90,394	2,759,523
	<u>4,678,999</u>	<u>2,467,797</u>	<u>2,342,850</u>	<u>-</u>	<u>90,394</u>	<u>4,894,340</u>

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

31 Unrestricted funds (Parent charity) (Continued)

Previous year:	At 1 August 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 July 2024
	£	£	£	£	£	£
Bursary Fund	20,000	-	-	-	-	20,000
IT Infrastructure and Systems Fund	250,000	-	(64,217)	64,217	-	250,000
Assessment Development Fund	78,652	-	(37,255)	58,603	-	100,000
Tangible & Intangible Fixed Asset Fund	923,252	-	(24,357)	-	-	898,895
Adjustment in income / Covid 19	200,000	-	-	-	-	200,000
Building Maintenance	94,539	-	(1,195)	-	-	93,344
Project work / Diversification opportunities	86,060	-	-	50,000	-	136,060
Cyber related incidents	100,000	-	-	-	-	100,000
Redundancy payments	40,000	-	(13,180)	13,180	-	40,000
General funds	2,665,802	2,811,155	(2,691,146)	(186,000)	240,889	2,840,700
	<u>4,458,305</u>	<u>2,811,155</u>	<u>(2,831,350)</u>	<u>-</u>	<u>240,889</u>	<u>4,678,999</u>

Bursary Fund - This is a fund set up for the payment of bursaries to learners at recognised centres to enable or support them with their studies, or to providers to enable innovative projects to support their learners.

IT Infrastructure and Systems Fund - This is a fund committed to the development of Open Awards IT infrastructure and systems in order to streamline processes and improve efficiencies.

Assessment Development Fund - A fund for assessment development of Functional Skills, Essential Digital Skills and End-point assessments.

Tangible & Intangible Fixed Asset Fund - This fund reflects the value of the fixed assets used operationally by the charity and the investment in Maxam Training Limited.

Adjustment in Income - Following a deficit in 2023-24 and balanced budget in 2024-25, whilst the number of approved providers has grown, there is reliance on a number of key customers. Changes to Apprenticeship assessment and Functional Skills requirements may also impact.

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OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

31 Unrestricted funds (Parent charity)

(Continued)

Project work/Diversification Opportunities - Open Awards has to keep abreast of government initiatives and funding issues in order to offer providers the qualifications that best fit the needs of the learners and meet employer needs. This means that additional resources may be called upon to assess the viability of entering into new markets or areas of business without eating into the income generated from existing core operations. This fund has been increased for investment into the development of the reformed qualifications for Wales.

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Redundancy Payments - A restructure took place in April 2024 to enable streamlining and efficiency of operations. The economic climate has been and continues to be challenging for our Providers and it is therefore prudent to retain this fund.

32 Cash absorbed by operations	2025 £	2024 £
Surplus for the year	135,449	151,948
Adjustments for:		
Investment income recognised in statement of financial activities	(120,587)	(109,091)
Fair value gains and losses on investments	(90,394)	(240,889)
Amortisation and impairment of intangible assets	68,678	74,558
Depreciation and impairment of tangible fixed assets	17,422	20,725
Movements in working capital:		
(Increase)/decrease in debtors	(23,432)	171,368
(Decrease) in creditors	(43,930)	(95,642)
Cash absorbed by operations	<u>(56,794)</u>	<u>(27,023)</u>

OPEN AWARDS

England & Wales - Charity number 1113612

Accounts

Charity registration number 1113612

Company registration number 05462874 (England and Wales)

OPEN AWARDS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

OPEN AWARDS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs N Mailey (Chair)	
	Dr A Stott	
	Mr B Jordan	
	Dr H van Zalinge	
	Mrs J Armitage	
	Mr M Bennett	
	Mrs L Adam	(Appointed 20 June 2024)
	Mrs C Blanchard	(Appointed 20 June 2024)
	Mrs S Clark	(Appointed 20 June 2024)
	Mrs J Colbourne-Davies	(Appointed 20 June 2024)
	Mr B Maregere	(Appointed 20 June 2024)
Secretary	Mrs A Till	
Senior management	Mrs H Akehurst	Chief Executive
Charity number	1113612	
Company number	05462874	
Registered office	17 De Havilland Drive Estuary Commerce Park Speke Liverpool L24 8RN	
Auditor	DSG Audit Castle Chambers 43 Castle Street Liverpool L2 9TL	
Bankers	National Westminster Bank	
Solicitors	Brabners llp	
Investment advisors	Quilter Cheviot	

OPEN AWARDS

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OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 JULY 2024

The trustees present their annual report and financial statements for the year ended 31 July 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The objects of the charity are exclusively charitable and are to advance the education of the public and in particular by:

- promoting and widening participation in education, learning and training particularly by those who have previously benefited least from educational opportunities;
- improving the quality and flexibility of education, employment, learning and training provision primarily for those who have previously benefited least from educational opportunities;
- improving access to learning opportunities and facilitating progression to further learning and in particular through the award of credit and credit based qualifications.

Open Awards seeks to do this by working with local and national government; colleges, schools, academies, employers, private training providers, End Point Assessment Organisations and voluntary sector organisations to provide qualifications, acknowledged training courses and End Point Assessment, all of which have the potential to lead to enhanced employment opportunities.

Success for Open Awards is determined by the number of organisations we work with, the number of apprentices we ensure achieve meaningful outcomes, the number of learners and the qualifications we register. In addition, we capture learner information on the difference our qualifications and where applicable, bursaries make to their learner journey. This is measured monthly and high level information is contained within this report.

Open Awards has a subsidiary organisation, Maxam Training which delivers adult tutor qualifications, primarily for Blue Light organisations.

Our significant activities within the period are detailed within the Activities and Achievements section.

Mission Statement

Our mission is to 'Change Lives Through Learning'.

Our Values

Excellence: To exceed standards in all we do, inspire excellence in our staff, centres and learners, and deliver a personalised customer service that surpasses expectations.

Respect: To foster a culture of respect and inclusiveness, being receptive to each other and customers, and acting with integrity.

Innovation: To listen, learn, discover and develop; to respond effectively to and invest in our staff, centres and learners.

Aspiration: We strive to be visionary and influential.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

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 Open Awards aims and objectives; and in considering future activities.

Our Bursary fund allows us to tackle barriers to achievement within learning and this year we have begun exploration with another Awarding Organisation to use Artificial Intelligence to develop resources that benefit our providers and learners.

In particular, we seek to promote knowledge and raise standards in education, employment, learning and skills through our accreditation of qualifications and courses. Additionally, our work on Functional Skills, specific high-level 'license to practice' qualifications and End Point Assessment has allowed us to set standards against formal examinations. This year we delivered two Ofqual designated high risk qualifications in Quilting and Maritime studies.

All our Activities and achievements are measured against our Charitable Objects and Values to ensure that we are true to our mission and that we accurately measure our success and demonstrate our public benefit. Trustees keep up to date with guidance issued by the Charity Commission, particularly on public benefit and conduct reviews against the revised Charity Governance Code, as well as our public benefit.

Open Awards supports National Careers Week and staff continue in trustee and governorship roles within the wider community.

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

Achievements and performance

This academic year has been challenging as the education and skills sectors looked forward to a General Election and the potential impacts on policy and education. Additionally, the effects of Covid related disruption and a growth in mental health concerns for all ages continued to impact learners and apprentices. Significant cost of living concerns were felt across organisations and providers.

Open Awards registered 33,292 learners within the year and 17,973 learners were certificated within this period achieving full qualifications or specific units. The Department for Education announced the return to 2019 Awarding standards and this had little impact on Vocational qualifications. Sixty apprentices underwent their End Point Assessment with us, encompassing 166 assessments.

Customer satisfaction continued to be measured within the year; and events continued with increased use of online webinars and support. Meetings with providers between the Chief Executive and members of the Senior Management Team continued and it is pleasing to note that customer satisfaction rates with our training continued to remain high as the training programme develops to meet differing needs. Open Awards continued to provide additional support and webinars throughout the year as well as additional training and resources for online learning, assessment and invigilation.

Functional Skills financial performance was impacted over this period as a large training provider moved to cheaper provision at the start of the academic year. Open Awards continued to provide online assessment and remote invigilation services with training for organisations using their own invigilators. Open Awards continued to work with Future Qualifications and VTCT to continue development of our Functional Skills papers and resources.

Open Awards was disappointed that Essential Digital Skills qualifications were delayed until the next academic year and that our End Point Assessment services suffered significant delay. This has resulted in a restructure within the organisation to align different functions and streamline processes.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

Open Awards engaged with the government and shadow cabinet regarding policy decisions; and across Department for Education departments at a regulatory level. Open Awards continued to represent our providers, learners and apprentices to ensure their voices are heard. We have sought to represent our providers with the new government in the areas of employability and skills.

Open Awards has 614 recognised Providers, however not all these register learners each period and we work closely with all Providers to understand their business needs and funding positions. This presented a challenge during the year due to cost of living pressures against a backdrop of increasing needs and a reluctance to make long term commitments given the known General Election. Open Awards recognised 60 new Centres within the period and activity continued strongest with Construction and Pharmacy qualifications, our Skills for Learning and Employment suite and Functional Skills.

Learner registrations were 33,292 a decrease of over 3,000 from the previous financial year and mainly due to the loss of a large Functional Skills provider. Changes in funding for Further Education Colleges and the voluntary sector continued to have an impact and we await the scale of government policy changes. Open Awards completed work on the Ofqual Level 2 and Level 3 reforms during the financial year.

Qualification development and Validity processes continue to be reviewed to ensure they provide real employment prospects and meet learner demand. Particular emphasis continued to be given to our Centre Assessment Standards Scrutiny (CASS) of Ofqual regulated provision and this was supported by Ofqual seminars and thematic reviews within the year. Validity is underpinned by our ongoing investment in our labour market intelligence system and guidance from the Business Development Committee.

We continue to have a national presence and attendance in person at a growing number of events, meetings and online training and events. The debate around Artificial Intelligence grew apace within the year with opportunities and challenges for those in the education and training sector.

We regularly receive and publish news stories about the positive effect our qualifications have, especially with those hard to reach learners or those who have not had a good experience of learning. Our centres find that Open Awards qualifications allow for the flexibility of learning needed to help many disadvantaged learners to succeed.

Open Awards worked hard to continue to maintain our low-risk rating with Ofqual, Qualification Wales and QAA.

During the financial period each Provider received support through Quality Assurance meetings and on-line support with additional meetings with their Business Development Managers. These are supported by online training and standardisation events.

A number of Open Awards Trustees retired due to their length of service in June 2024 and recruitment took place to recruit replacements. We would like to thank Adrian Bevin, David Tilley, Gill Mason, Gordon Laing and Kieran Gordon for their hard work and support over the years.

Fundraising Activities

Open Awards does not undertake any fundraising activities.

Investment Performance

Open Awards has an Investment Policy, which was reviewed in the last period. The Investment Manager changed to Quilter Cheviot the year previously. The current investment objective for the portfolio is to maintain capital and the management strategy is designated as medium risk. The portfolio performance over the 12 months to 30 June 2024 was 11% (2023: -2.3%) which was a good performance given the economic situation. Recognised and unrecognised gains for the year were £240,889 with £73,348 income generated. It is recognised there may still be volatility with investments following the US election but as the portfolio is for long term investment this is not a significant concern at this time.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

Group Financial review

The Statement of Financial Activities is on page 13. The group's income is derived from charges to providers of its courses and qualifications, such as learner registration fees and an annual provider approval fee to cover quality assurance and verification of award of credit. The main areas of provision are Access to Higher Education Diplomas, regulated qualifications and quality endorsed courses; and our End Point Assessment services. Open Awards recognised 60 new centres over a broad spectrum including FE Colleges, schools, Offender Learning providers, private training providers and employers.

Over the period the group generated income of £3,100,787 which was 19% higher than the previous period's figure of £2,601,093 for the year ended 31 July 2023 but was buoyed by residual contractual income from IfATE. Open Awards strategically planned in year to use the growth in our reserves over the Covid pandemic to invest in our ICT capability and platforms as well as investment to continue to develop qualifications in Wales and our End-point assessment services. Prices for 2023-24 saw a small increase but continue to remain competitive in the current market.

Resources expended were £3,189,728 in comparison to £2,831,084 for year ended 31 July 2023. This is a 13% increase on the previous period. Net operating expenditure was £88,941. After gains on investment there was a total surplus of £151,948.

Maxam Training contributed £44,568 towards the Open Awards surplus.

Unrestricted Funds

During the period, the group's net assets increased in value from £4,412,520 to £4,564,468. This level of reserves continues to be considered by the Trustees to be necessary to generate income, which, along with other income earned each year, enables the Charity to maintain financial independence.

Reserves policy

Reserves are available to be spent at the discretion of the Trustees and the charity has developed its reserves policy to maintain continuity of its operations and safeguard its charitable purposes, in the event of a significant decrease in income.

In particular reserves are held for the following reasons:

- To maintain the continuity of operations; and provide protection for staff and learners for 12 months thus allowing learners to complete their course/qualification or move to another Awarding Organisation;
- Maintain funds for the maintenance and appropriate replacement of Open Awards assets including the ownership of our freehold property;
- To ensure that Open Awards has the capacity to develop new projects and products to support its future sustainability;
- To protect the organisation from loss of key investments;
- To maintain investment into business critical systems.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

As at 31 July 2024 the group's total reserves stood at £4,564,468. After making allowance for designated funds of £1,698,956, including the carrying amount of functional tangible and intangible assets, reserves available to satisfy the policy requirements above stood at £2,865,512.

The Trustees are satisfied the existing amount of reserves allows the group to fulfil all its obligations shown above and the existing Policy is reviewed annually to ensure the sustainability of the group is safeguarded.

The designated bursary fund is not a legal or restrictive commitment and can be undesignated by the Trustees at any time. However, it refers to an amount set aside year on year to assist learners financially, that may otherwise be prevented from accessing training or further education. This fund is generated from dividend income earned from our investment portfolio. Open Awards has awarded bursaries of £127,657 to date. As there were accumulated funds prior to the launch of the scheme there is still a balance of £20,000 to meet the ongoing commitment from Trustees and this is due to be reviewed in November 2024.

The Auditors and Trustees are happy that there are no uncertainties about Open Awards and the group continuing as a going concern.

Principal Risks and Uncertainties

The risk management strategy developed by the Board consists of:

- Annual review of the risks Open Awards may face updating the Risk Registers, as appropriate
- Systems and procedures to mitigate identified risks and
- Implementation of procedures designed to minimise any potential impact should those risks be realised.

This was last reviewed by the Board on 20 June 2024 and the review was carried out in accordance with Charities Commission guidance 'Charities and Risk Management'. This was a comprehensive review.

At the time of review the significant change was the investment from reserves into developing new products and services and investment into our ICT platforms. The overall level of risk is currently considered to be medium. Trustees have reviewed this and are satisfied that appropriate operational control systems are in place, although they will continue to monitor on a termly basis.

The principal risks are considered to be:

- Cost of Living – this continues to impact every organisation and individual, including Open Awards. Open Awards has undertaken significant scenario planning to manage and mitigate the risk in the next period.
- Artificial Intelligence – has shown to present significant challenges for our providers in year as well as opportunities to reduce costs and enhance services for learners and apprentices.
- Policy changes – with a new government we await the new Skills Bill to see how this will impact policy and funding.
- Regulatory requirements – failure to meet these could result in Open Awards being unable to offer Ofqual and QAA regulated qualifications.

Open Awards continues to be seen as 'low risk' by our regulators and works hard to maintain this status.

Open Awards continues to seek to grow our customer base and to diversify in the products and services we provide, whilst remaining true to our mission and charitable aims. This includes diversifying our offer including developing our End Point Assessment services and investing in Essential Digital Skills. Our continued full cost recovery programme has been successful and we continue to make savings in our expenditure where they do not compromise our integrity and quality. The overall level of risk is however considered to be medium.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

Plans for future periods

Open Awards will continue to regard regulated qualifications and Access to HE Diplomas as our 'core' business. However, we will continue to seek diversification opportunities that deliver additional forms of funding to the organisation. Open Awards has continued to develop End Point Assessment services within the year. We have invested in staff and systems to ensure this develops during the next financial year.

Maintaining full cost recovery and seeking efficiencies where possible will also continue to be a priority as we seek to remain in surplus for the next period. However, we will need to balance this with a need for a small reorganisation to continue to develop our services for providers. It is accepted therefore that it is likely Open Awards will achieve a 'break even' position in the next financial year. Open Awards plans to continue our investment begun in the previous period in our business critical systems and processes to ensure that we continue to offer a centre centric service.

Structure, governance and management

Open Awards is a company limited by guarantee without share capital governed by its memorandum and articles of association. It is a registered charity number 1113612 and company number 05462874.

Open Awards is an Awarding Organisation and Access Validating Agency operating across England and Wales. It is regulated by the Office of Quality and Exams Regulator (OFQUAL), Qualifications Wales (QW) and the Quality Assurance Agency for Higher Education (QAA).

The Charity's Board of Trustees are also its Directors who are elected by Annual General Meeting of the members of the Charity. Casual vacancies are filled, as required, by the Board of Trustees in accordance with the Charity's Articles of Association. Members of the Board of Trustees who served during the year are listed below.

Mrs N Mailey (Chair)

Dr A Stott

Mr B Jordan

Dr H van Zalinge

Mrs J Armitage

Mr M Bennett

Mrs L Adam

(Appointed 20 June 2024)

Mrs C Blanchard

(Appointed 20 June 2024)

Mrs S Clark

(Appointed 20 June 2024)

Mrs J Colbourne-Davies

(Appointed 20 June 2024)

Mr B Maregere

(Appointed 20 June 2024)

Dr G Laing

(Retired 20 June 2024)

Mr A Bevin

(Retired 20 June 2024)

Ms G Mason

(Retired 20 June 2024)

Mr D Tilley

(Retired 20 June 2024)

Mr I Gordon

(Retired 20 June 2024)

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

The Board of Trustees meet termly to monitor the charity's activities and performance, to determine strategy and to attend to all other matters of governance.

In addition the Board of Trustees have the following committees:

The Search Committee meets as required to determine the specification for Trustee and Senior Management recruitment.

The Access to Higher Education Committee meets termly to undertake detailed scrutiny of all matters relating to the organisation's regulatory and standards responsibilities for Access to Higher Education provision. The committee has delegated powers to approve certain processes and recommend to the Board of Trustees the adoption of policies and reports.

The Business Development Committee is currently undergoing a review to undertake scrutiny of the validity of our Ofqual/QW regulated qualifications, determine future strategic demand and review proposals for planned products and services.

The Bursary Committee decides the allocation of Open Awards bursaries.

Open Awards aims to maintain a diverse mix of skills and experience within the Board of Trustees that supports the governance and management of the charity. There is a balance between representation from the Higher Education and Further Education sectors and individuals with particular skills or experience. The induction procedure for new Trustees includes distribution of background information, access to all records and attendance at an organisational induction session.

Trustees receive ongoing training during their tenure with specialist training on Governance, Safeguarding and Financial Management for non-financial Trustees provided for Trustees as well as development sessions on specialist areas of Open Awards business. In addition Trustees are invited to attend a wide range of events and seminars, including on-line training to ensure that they are continually developed in their roles.

A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations the Chief Executive has delegated authority, for operational matters including finance and employment.

Open Awards Trustees have responsibility for setting the pay and remuneration of the charity's key personnel and this is done on an annual basis, including a formal cost of living review. Salaries are benchmarked with other Awarding Organisations and across the Further Education sector.

Trustees receive ongoing training during their tenure with specialist training on Governance, Safeguarding and Financial Management for non-financial Trustees provided for Trustees as well as development sessions on specialist areas of Open Awards business. In addition Trustees are invited to attend a wide range of events and seminars, including on-line training to ensure that they are continually developed in their roles.

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Relationship with Related Parties

Maxam Training Ltd is a wholly owned subsidiary of Open Awards

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

Auditor

DSG resigned as auditor on 7 November 2024. DSG Audit were appointed on 7 November 2024 and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report, including the strategic report, was approved by the Board of Trustees.



Mrs N Mailey (Chair)
Trustee

28 November 2024

OPEN AWARDS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 JULY 2024

The trustees, who also act as directors of Open Awards, for the purpose 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 which give a true and fair view of the state of affairs of the charity and group and of the incoming resources and application of resources, including the income and expenditure, of the group for that year.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

OPEN AWARDS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OPEN AWARDS

Opinion

We have audited the financial statements of Open Awards (the 'parent charity') and its subsidiary (the 'Group') for the year ended 31 July 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity balance sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and parent charity's affairs as at 31 July 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 group 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 group's or parent 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.

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 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.

OPEN AWARDS

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF OPEN AWARDS

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within 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 by the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the parent charity for the purpose 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 group and parent 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 group or parent 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

OPEN AWARDS

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF OPEN AWARDS

Based on our discussions with the group and parent charity's management and the Trustees, we identified that the following laws and regulations are significant to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards and Charity Law.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the group and parent charity and therefore may have a material effect on the financial statements include compliance with the charitable objectives, public benefit, fundraising regulations, safeguarding and health and safety legislation.

These matters were discussed amongst the engagement team at the planning stage and the team remained alert to non-compliance throughout the audit.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and the Trustees as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of Trustee meeting minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent 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 parent 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 parent charity and the parent charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jean Ellis BA FCA CTA (Senior Statutory Auditor)
for and on behalf of DSG Audit

28 November 2024

Chartered Accountants
Statutory Auditor

Castle Chambers
43 Castle Street
Liverpool
L2 9TL

OPEN AWARDS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2024

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
	Notes						
Income from:							
Donations and legacies	3	-	9,721	9,721	-	3,000	3,000
Charitable activities	4	2,657,428	-	2,657,428	2,280,677	-	2,280,677
Other trading activities	5	324,547	-	324,547	231,444	-	231,444
Investments	6	109,091	-	109,091	85,972	-	85,972
Total income		3,091,066	9,721	3,100,787	2,598,093	3,000	2,601,093
Expenditure on:							
Raising funds	7	280,317	-	280,317	158,317	-	158,317
Charitable activities	8	2,899,690	9,721	2,909,411	2,669,767	3,000	2,672,767
Total expenditure		3,180,007	9,721	3,189,728	2,828,084	3,000	2,831,084
Net gains/(losses) on investments	13	240,889	-	240,889	(50,524)	-	(50,524)
Net income/(expenditure) and movement in funds		151,948	-	151,948	(280,515)	-	(280,515)
Reconciliation of funds:							
Fund balances at 1 August 2023		4,412,520	-	4,412,520	4,693,035	-	4,693,035
Fund balances at 31 July 2024		4,564,468	-	4,564,468	4,412,520	-	4,412,520

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

OPEN AWARDS

CONSOLIDATED BALANCE SHEET

AS AT 31 JULY 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Goodwill	15		572,322		641,000
Other intangible assets	15		-		5,880
Total intangible assets			572,322		646,880
Tangible assets	17		187,230		205,704
Investments	19		2,555,315		2,241,207
			3,314,867		3,093,791
Current assets					
Debtors	21	366,403		537,771	
Cash at bank and in hand		1,367,554		1,360,956	
			1,733,957		1,898,727
Creditors: amounts falling due within one year	23	(484,356)		(504,998)	
Net current assets			1,249,601		1,393,729
Total assets less current liabilities			4,564,468		4,487,520
Creditors: amounts falling due after more than one year	25		-		(75,000)
Net assets			4,564,468		4,412,520
The funds of the charity					
Unrestricted funds	29		4,564,468		4,412,520
			4,564,468		4,412,520

As permitted under Section 408 of the Companies Act 2006, the trustees have not presented a separate Statement of Financial Activities for the parent charity. The parent charity made a surplus, including investment gains, of £220,694 for the year.

The financial statements were approved by the trustees on 28 November 2024

N. J. Mailey

Mrs N Mailey (Chair)
Trustee

Company registration number 05462874 (England and Wales)

OPEN AWARDS

PARENT CHARITY BALANCE SHEET

AS AT 31 JULY 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	16		-		5,880
Tangible assets	18		187,230		205,704
Investments	20		3,266,982		2,952,874
			<u>3,454,212</u>		<u>3,164,458</u>
Current assets					
Debtors	22	400,400		586,775	
Cash at bank and in hand		1,288,843		1,260,580	
		<u>1,689,243</u>		<u>1,847,355</u>	
Creditors: amounts falling due within one year	24	464,456		478,508	
Net current assets			<u>1,224,787</u>		<u>1,368,847</u>
Total assets less current liabilities			4,678,999		4,533,305
Creditors: amounts falling due after more than one year	26		-		(75,000)
Net assets			<u>4,678,999</u>		<u>4,458,305</u>
The funds of the charity					
Unrestricted funds - general	30		4,678,999		4,458,305
			<u>4,678,999</u>		<u>4,458,305</u>

The financial statements were approved by the trustees on 28 November 2024

N. J. Mailey

Mrs N Mailey (Chair)
Trustee

Company registration number 05462874 (England and Wales)

OPEN AWARDS

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash absorbed by operations	34		(27,023)		(97,593)
Investing activities					
Purchase of intangible assets		-		(686,785)	
Purchase of tangible fixed assets		(2,251)		(15,743)	
Purchase of investments		(127,199)		(8,600)	
Proceeds from disposal of investments		-		9,399	
Investment income received		109,091		85,972	
Net cash used in investing activities			(20,359)		(615,757)
Financing activities					
Payment of finance leases obligations		-		(1,296)	
Net cash used in financing activities			-		(1,296)
Net decrease in cash and cash equivalents			(47,382)		(714,646)
Cash and cash equivalents at beginning of year			1,414,953		2,129,599
Cash and cash equivalents at end of year			1,367,571		1,414,953
Relating to:					
Cash at bank and in hand			1,367,554		1,360,956
Short term deposits included in current asset investments			17		53,997

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2024

1 Accounting policies

Charity information

Open Awards is a private company limited by guarantee incorporated in England and Wales. The registered office is 17 De Havilland Drive, Estuary Commerce Park, Speke, Liverpool, L24 8RN.

1.1 Accounting convention

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

The company has taken advantage of the exemption in section 408 of the Companies Act from presenting its individual profit and loss account.

The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Exemptions under FRS 102

The parent charity has taken advantage of the following exemptions in its individual financial statements:

- From preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows.
- From disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7.

Basis of consolidation

The consolidated financial statements incorporate Open Awards its subsidiary company (ie an entity that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 July 2024. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.2 Going concern

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

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

1 Accounting policies

(Continued)

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Incoming resources from charitable activities relate to the academic year or years ending in the accounting period. Centre recognition income is recognised when a centre is formally approved to offer Open Awards courses and qualifications.

Learner registration income is recognised when a learner is registered on a course. There is no separate certification income. Where a course ends in the following accounting period the cost of moderation is covered by the annual fee for that year or additional quality assurance charges are applied at that time.

Bank interest and income from listed investments are recognised as investment income in the period it relates to.

1.5 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 are allocated on the portion of the asset's use.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

1 Accounting policies

(Continued)

Resources expended are recognised when the charity becomes obliged to settle the liability arising and include irrecoverable VAT.

Each resource expended is allocated to or apportioned between the headings of charitable expenditure according to the function it relates to, namely direct charitable activities, support activities or governance.

The support costs are those costs, which are necessary to deliver a charitable activity, but do not produce or constitute the output of the charitable activity. They include the rent and running costs of the charity's premises.

Governance costs are those costs associated with the governance arrangements of the charity, which affects the general running of the charity. They normally include external audit and legal advice for trustees, along with any other costs associated with strategic, as opposed to day-to-day management, of the charity's activities.

Whenever the resource expended relates to more than one of these three functions an apportionment is made on a reasonable or justifiable basis.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill shall be considered to have a finite useful life, and shall be amortised on a systematic basis over ten years.

1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website and database	3 years straight line
----------------------	-----------------------

1.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Long leasehold buildings	equally over 40 years
Fixtures and fittings	15 years straight line
Computers	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

1 Accounting policies

(Continued)

1.9 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.10 Impairment of fixed assets

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

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

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

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

1 Accounting policies (Continued)

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from donations and legacies

	Restricted funds 2024 £	Restricted funds 2023 £
Grants	9,721	3,000

4 Income from charitable activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Charitable activity		
Fees from learner registration, awards and accreditation of courses	2,657,428	2,280,677

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

5 Income from other trading activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Fees from further education teaching and assessor qualifications.	324,547	231,444

6 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from listed investments	73,348	62,730
Interest receivable	35,743	23,242
	109,091	85,972

7 Expenditure on raising funds

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Trading costs		
Other trading activities	169,526	114,441
Staff costs	107,453	40,080
Support and governance costs	3,000	3,530
	279,979	158,051
Investment management	338	266
Total costs	280,317	158,317

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

8 Expenditure on charitable activities

	Charitable activity 2024 £	Charitable activity 2023 £
Direct costs		
Staff costs	1,860,152	1,863,377
Depreciation and impairment	20,725	22,243
Printing, postage and stationery	62,892	50,196
Telephone	12,391	11,636
Travelling	8,239	6,760
Staff expenses	7,845	6,958
Qualification development	66,065	110,092
Staff development, training and conferences	66,336	17,086
ICT Systems and maintenance	412,227	223,554
Bad debts	25,537	-
Subscriptions	31,371	37,393
Hire of copier	2,370	1,786
Training, hospitality and room hire	1,622	2,025
External verification and quality assurance	167,621	182,817
Bursary Fund	-	4,800
	<u>2,745,393</u>	<u>2,540,723</u>
Share of support and governance costs (see note 9)		
Support	152,163	124,382
Governance	11,855	7,662
	<u>2,909,411</u>	<u>2,672,767</u>
Analysis by fund		
Unrestricted funds	2,899,690	2,669,767
Restricted funds	9,721	3,000
	<u>2,909,411</u>	<u>2,672,767</u>

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

9 Support costs allocated to activities

	2024 £	2023 £
Amortisation	74,558	45,785
Office and similar costs	77,605	78,597
Governance costs	14,855	11,192
	<u>167,018</u>	<u>135,574</u>
Analysed between:		
Fundraising	3,000	3,530
Charitable activity	164,018	132,044
	<u>167,018</u>	<u>135,574</u>

10 Net movement in funds

	2024 £	2023 £
The net movement in funds is stated after charging/(crediting):		
Fees payable to the charity's auditor:		
- for the audit of the charity and the consolidated financial statements	10,548	10,401
- for the audit of the subsidiary's financial statements	3,000	3,530
Depreciation of owned tangible fixed assets	20,725	22,243
Amortisation of intangible assets	74,558	45,785
	<u>104,831</u>	<u>81,959</u>

11 Trustees

None of the trustees (or any persons connected with them) received remuneration during the year (2023: None and £nil). Three of them were reimbursed a total of £343 in expenses (2023: £696).

12 Employees

Group	2024 Number	2023 Number
The average monthly number of employees during the year was:	<u>56</u>	<u>59</u>
Employment costs	2024 £	2023 £
Wages and salaries	1,700,987	1,647,760
Social security costs	167,454	161,293
Other pension costs	99,164	94,404
	<u>1,967,605</u>	<u>1,903,457</u>

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

12 Employees

(Continued)

Redundancy and termination payments totalling £13,180 were made in the reporting period.

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2024 Number	2023 Number
£80,001 to £90,000	1	1

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2024 £	2023 £
Aggregate compensation	408,004	340,108

Parent charity

	2024 Number	2023 Number
The average monthly number of employees during the year was:	53	57

13 Gains and losses on investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Gains/(losses) arising on:		
Revaluation of investments	240,889	(50,524)

14 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

15 Intangible fixed assets (Group)

	Goodwill	Website and database	Total
	£	£	£
Cost			
At 1 August 2023 and 31 July 2024	686,785	26,472	713,257
Amortisation and impairment			
At 1 August 2023	45,785	20,592	66,377
Amortisation charged for the year	68,678	5,880	74,558
At 31 July 2024	114,463	26,472	140,935
Carrying amount			
At 31 July 2024	572,322	-	572,322
At 31 July 2023	641,000	5,880	646,880

16 Intangible fixed assets (Parent charity)

	Website and database
	£
Cost	
At 1 August 2023 and 31 July 2024	26,472
Amortisation and impairment	
At 1 August 2023	20,592
Amortisation charged for the year	5,880
At 31 July 2024	26,472
Carrying amount	
At 31 July 2024	-
At 31 July 2023	5,880

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

17 Tangible fixed assets (Group)

	Long leasehold buildings	Fixtures and fittings	Computers	Total
	£	£	£	£
Cost				
At 1 August 2023	1,006,015	253,799	64,313	1,324,127
Additions	-	-	2,251	2,251
At 31 July 2024	1,006,015	253,799	66,564	1,326,378
Depreciation and impairment				
At 1 August 2023	864,900	206,533	46,990	1,118,423
Depreciation charged in the year	5,867	6,054	8,804	20,725
At 31 July 2024	870,767	212,587	55,794	1,139,148
Carrying amount				
At 31 July 2024	135,248	41,212	10,770	187,230
At 31 July 2023	141,115	47,266	17,323	205,704

18 Tangible fixed assets (Parent charity)

	Long leasehold buildings	Fixtures and fittings	Computers	Total
	£	£	£	£
Cost				
At 1 August 2023	1,006,015	241,219	64,313	1,311,547
Additions	-	-	2,251	2,251
At 31 July 2024	1,006,015	241,219	66,564	1,313,798
Depreciation and impairment				
At 1 August 2023	864,900	193,953	46,990	1,105,843
Depreciation charged in the year	5,867	6,054	8,804	20,725
At 31 July 2024	870,767	200,007	55,794	1,126,568
Carrying amount				
At 31 July 2024	135,248	41,212	10,770	187,230
At 31 July 2023	141,115	47,266	17,323	205,704

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

19 Fixed asset investments (Group)

	Listed investments £	Long term savings accounts £	Total £
Cost or valuation			
At 1 August 2023	2,187,210	53,997	2,241,207
Additions	127,199	-	127,199
Valuation changes	240,889	-	240,889
	-	(53,980)	(53,980)
At 31 July 2024	2,555,298	17	2,555,315
Carrying amount			
At 31 July 2024	2,555,298	17	2,555,315
At 31 July 2023	2,187,210	53,997	2,241,207

Fixed asset investments revalued

Listed investments are included at revalued amounts, being the market value of the shares at the year end. The historical cost of the shares was £2,344,744 (2023: £2,217,546).

Long term savings accounts and other investments are at cost.

20 Fixed asset investments (Parent charity)

	Listed investments £	Long term savings accounts £	Other investments £	Total £
Cost or valuation				
At 1 August 2023	2,187,210	53,997	711,667	2,952,874
Additions	127,199	-	-	127,199
Valuation changes	240,889	-	-	240,889
Change in cash balance	-	(53,980)	-	(53,980)
At 31 July 2024	2,555,298	17	711,667	3,266,982
Carrying amount				
At 31 July 2024	2,555,298	17	711,667	3,266,982
At 31 July 2023	2,187,210	53,997	711,667	2,952,874

	Notes	2024 £	2023 £
Other investments comprise:			
Investments in subsidiaries	33	711,667	711,667

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

20 Fixed asset investments (Parent charity)

(Continued)

Fixed asset investments revalued

Listed investments are included at revalued amounts, being the market value of the shares at the year end. The historical cost of the shares was £2,344,744 (2023: £2,217,546).

Long term savings accounts and other investments are at cost.

Details of the subsidiary are included in note 33.

21 Debtors (Group)

	2024	2023
	£	£
Amounts falling due within one year:		
Trade debtors	173,443	271,685
Other debtors	4,474	8,575
Prepayments and accrued income	188,486	257,511
	<u>366,403</u>	<u>537,771</u>

22 Debtors (Parent charity)

	2024	2023
	£	£
Amounts falling due within one year:		
Trade debtors	140,106	247,296
Other debtors	3,779	8,575
Prepayments and accrued income	256,515	330,904
	<u>400,400</u>	<u>586,775</u>

23 Creditors: amounts falling due within one year (Group)

	2024	2023
	£	£
Other taxation and social security	41,565	46,937
Trade creditors	51,612	49,001
Other creditors	105,619	210,107
Accruals and deferred income	285,560	198,953
	<u>484,356</u>	<u>504,998</u>

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

24 Creditors: amounts falling due within one year (Parent charity)

	2024 £	2023 £
Other taxation and social security	31,073	40,029
Trade creditors	50,794	43,141
Amounts owed to subsidiary undertakings	2,045	-
Other creditors	94,984	196,385
Accruals and deferred income	285,560	198,953
	<u>464,456</u>	<u>478,508</u>

25 Creditors: amounts falling due after more than one year (Group)

	2024 £	2023 £
Other creditors	-	75,000
	<u>-</u>	<u>75,000</u>

26 Creditors: amounts falling due after more than one year (Parent charity)

	2024 £	2023 £
Other creditors	-	75,000
	<u>-</u>	<u>75,000</u>

27 Retirement benefit schemes

	2024 £	2023 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	99,164	94,404
	<u>99,164</u>	<u>94,404</u>

The group operates defined contribution pension schemes for all qualifying employees. The assets of the scheme are held separately from those of the group in independently administered funds.

28 Restricted funds (Group and Parent charity)

The restricted funds of the group and parent charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 August 2023 £	Incoming resources £	Resources expended £	At 31 July 2024 £
Welsh Translation Grant	-	9,721	(9,721)	-
	<u>-</u>	<u>9,721</u>	<u>(9,721)</u>	<u>-</u>

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

28 Restricted funds (Group and Parent charity) (Continued)

Previous year:	At 1 August 2022 £	Incoming resources £	Resources expended £	At 31 July 2023 £
Welsh Translation Grant	-	3,000	(3,000)	-

29 Unrestricted funds (Group)

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 August 2023 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	At 31 July 2024 £
Bursary Fund	20,000	-	-	-	-	20,000
IT Infrastructure and Systems Fund	250,000	-	(64,217)	64,217	-	250,000
Assessment Development Fund	78,652	-	(37,255)	58,603	-	100,000
Tangible & Intangible Fixed Asset Fund	852,584	-	-	(93,032)	-	759,552
Covid	200,000	-	-	-	-	200,000
Building Maintenance	94,539	-	(1,195)	-	-	93,344
Project work / Diversification opportunities	86,060	-	-	50,000	-	136,060
Cyber related incidents	100,000	-	-	-	-	100,000
Redundancy payments	40,000	-	(13,180)	13,180	-	40,000
General funds	2,690,685	3,091,066	(3,064,160)	(92,968)	240,889	2,865,512
	<u>4,412,520</u>	<u>3,091,066</u>	<u>(3,180,007)</u>	<u>-</u>	<u>240,889</u>	<u>4,564,468</u>

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

29 Unrestricted funds (Group) (Continued)

Previous year:	At 1 August 2022	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 July 2023
	£	£	£	£	£	£
Bursary Fund	20,250	-	(4,800)	4,550	-	20,000
IT Infrastructure and Systems Fund	250,000	-	(79,362)	79,362	-	250,000
Assessment Development Fund	135,000	-	(56,348)	-	-	78,652
Tangible & Intangible Fixed Asset Fund	218,084	-	-	634,500	-	852,584
Adjustment in income / Covid 19	500,000	-	(193,823)	(106,177)	-	200,000
Building Maintenance	97,477	-	(2,938)	-	-	94,539
Project work / Diversification opportunities	86,060	-	-	-	-	86,060
Cyber related incidents	100,000	-	-	-	-	100,000
Redundancy payments	40,000	-	-	-	-	40,000
General funds	3,246,164	2,598,093	(2,490,813)	(612,235)	(50,524)	2,690,685
	<u>4,693,035</u>	<u>2,598,093</u>	<u>2,828,084</u>	<u>-</u>	<u>(50,524)</u>	<u>4,412,520</u>

Bursary Fund - This is a fund set up for the payment of bursaries to learners at recognised centres to enable or support them with their studies, or to providers to enable innovative projects to support their learners.

IT Infrastructure and Systems Fund - This is a fund committed to the development of Open Awards IT infrastructure and systems in order to streamline processes and improve efficiencies.

Assessment Development Fund - A fund for assessment development of Functional Skills, Essential Digital Skills and End-point assessments.

Tangible & Intangible Fixed Asset Fund - This fund reflects the value of the fixed assets used operationally by the charity and the value of the goodwill in Maxam Training Limited.

Adjustment in Income/Covid Recovery - Following a deficit budget for 2022-23 as Open Awards invested in staffing and services to support growth in provision, a balanced budget has been set for 2023-24. Whilst the number of approved providers has grown, there is reliance on a number of key customers.

Building Maintenance - Open Awards owns 17 De Havilland Drive, Estuary Commerce Park, Speke L24 8RN and the Trustees wish to make proper provision for the maintenance of this building. This is in addition to operational maintenance incurred in-year.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

29 Unrestricted funds (Group)

(Continued)

Project work/Diversification Opportunities - Open Awards has to keep abreast of government initiatives and funding issues in order to offer providers the qualifications that best fit the needs of the learners and meet employer needs. This means that additional resources may be called upon to assess the viability of entering into new markets or areas of business without eating into the income generated from existing core operations.

Cyber related incidents - Whilst Open Awards takes all necessary precautions in respect of network security and GDPR and has comprehensive levels of insurance, additional resources may be needed. With an increase in remote working and more sophisticated cyber-crime the board have decided it would be prudent to have reserves in place to cover this contingency.

Redundancy Payments - A restructure took place in April 2024 to enable streamlining and efficiency of operations. The economic climate has been and continues to be challenging for our Providers and it is therefore prudent to retain this fund.

30 Unrestricted funds (Parent charity)

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	£	£	£	£	£	£
Bursary Fund	20,000	-	-	-	-	20,000
IT Infrastructure and Systems Fund	250,000	-	(64,217)	64,217	-	250,000
Assessment Development Fund	78,652	-	(37,255)	58,603	-	100,000
Tangible & Intangible Fixed Asset Fund	923,252	-	(24,357)	-	-	898,895
Adjustment in income / Covid 19	200,000	-	-	-	-	200,000
Building Maintenance	94,539	-	(1,195)	-	-	93,344
Project work / Diversification opportunities	86,060	-	-	50,000	-	136,060
Cyber related incidents	100,000	-	-	-	-	100,000
Redundancy payments	40,000	-	(13,180)	13,180	-	40,000
General funds	2,665,802	2,811,155	(2,691,146)	(186,000)	240,889	2,840,700
	<u>4,458,305</u>	<u>2,811,155</u>	<u>2,831,350</u>	<u>-</u>	<u>240,889</u>	<u>4,678,999</u>

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

30 Unrestricted funds (Parent charity) (Continued)

Previous year:	At 1 August 2022 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	At 31 July 2023 £
Bursary Fund	20,250	-	(4,800)	4,550	-	20,000
IT Infrastructure and Systems Fund	250,000	-	(79,362)	79,362	-	250,000
Assessment Development Fund	135,000	-	(56,348)	-	-	78,652
Tangible & Intangible Fixed Asset Fund	218,084	-	-	705,168	-	923,252
Adjustment in income / Covid 19	500,000	-	(193,823)	(106,177)	-	200,000
Building Maintenance	97,477	-	(2,938)	-	-	94,539
Project work / Diversification opportunities	86,060	-	-	-	-	86,060
Cyber related incidents	100,000	-	-	-	-	100,000
Redundancy payments	40,000	-	-	-	-	40,000
General funds	3,246,164	2,440,042	(2,286,977)	(682,903)	(50,524)	2,665,802
	<u>4,693,035</u>	<u>2,440,042</u>	<u>(2,624,248)</u>	<u>-</u>	<u>(50,524)</u>	<u>4,458,305</u>

Bursary Fund - This is a fund set up for the payment of bursaries to learners at recognised centres to enable or support them with their studies, or to providers to enable innovative projects to support their learners.

IT Infrastructure and Systems Fund - This is a fund committed to the development of Open Awards IT infrastructure and systems in order to streamline processes and improve efficiencies.

Assessment Development Fund - A fund for assessment development of Functional Skills, Essential Digital Skills and End-point assessments.

Tangible & Intangible Fixed Asset Fund - This fund reflects the value of the fixed assets used operationally by the charity and the investment in Maxam Training Limited.

Adjustment in Income/Covid Recovery - Following a deficit budget for 2022-23 as Open Awards invested in staffing and services to support growth in provision, a balanced budget has been set for 2023-24. Whilst the number of approved providers has grown, there is reliance on a number of key customers.

Building Maintenance - Open Awards owns 17 De Havilland Drive, Estuary Commerce Park, Speke L24 8RN and the Trustees wish to make proper provision for the maintenance of this building. This is in addition to operational maintenance incurred in-year.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

30 Unrestricted funds (Parent charity)

(Continued)

Project work/Diversification Opportunities - Open Awards has to keep abreast of government initiatives and funding issues in order to offer providers the qualifications that best fit the needs of the learners and meet employer needs. This means that additional resources may be called upon to assess the viability of entering into new markets or areas of business without eating into the income generated from existing core operations.

Cyber related incidents - Whilst Open Awards takes all necessary precautions in respect of network security and GDPR and has comprehensive levels of insurance, additional resources may be needed. With an increase in remote working and more sophisticated cyber-crime the board have decided it would be prudent to have reserves in place to cover this contingency.

Redundancy Payments - A restructure took place in April 2024 to enable streamlining and efficiency of operations. The economic climate has been and continues to be challenging for our Providers and it is therefore prudent to retain this fund.

31 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024 £	2023 £
Within one year	77,350	95,870
Between two and five years	133,826	127,477
	<u>211,176</u>	<u>223,347</u>

32 Related party transactions

Group

Details for payroll and expenses in regards to trustees and key management personnel are disclosed in notes 11 and 12.

Due to the nature of the group's operations and the composition of its boards, who are drawn from the education and skills sector, it is possible that transactions will take place with organisations in which board members may have an interest only by reason of their employment by such organisations.

There were no other disclosable related party transactions during the year (2023: none).

Parent charity

Other than the transactions disclosed above, the company's other related party transactions were with wholly owned subsidiaries.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

33 Subsidiaries

Details of the charity's subsidiary at 31 July 2024 is as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Maxam Training Limited	England and Wales	Provision of further education teaching and assessor qualifications	Ordinary shares	100.00	

The subsidiary is included in the consolidated accounts.

34 Cash generated from operations	2024 £	2023 £
Surplus/(deficit) for the year	151,948	(280,515)
Adjustments for:		
Investment income recognised in statement of financial activities	(109,091)	(85,972)
Fair value gains and losses on investments	(240,889)	50,524
Amortisation and impairment of intangible assets	74,558	45,785
Depreciation and impairment of tangible fixed assets	20,725	22,243
Movements in working capital:		
Decrease in debtors	171,368	42,419
(Decrease)/increase in creditors	(95,642)	107,923
Cash absorbed by operations	(27,023)	(97,593)

OPEN AWARDS

England & Wales - Charity number 1113612

Accounts

Charity registration number 1113612

Company registration number 05462874 (England and Wales)

OPEN AWARDS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

OPEN AWARDS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs N J Mailey - Chair Dr G B Laing Mr A J Bevin Ms G A Mason Mr D A E C Tilley Mr K Gordon Dr A Stott Mr B J Jordan Dr H van Zalinge Ms J Armitage Mr M Bennett	(Appointed 22 June 2023) (Appointed 22 June 2023)
Secretary	Mrs A Till	
Chief Executive	Ms H Akehurst	
Charity number	1113612	
Company number	05462874	
Registered office	17 De Havilland Drive Estuary Commerce Park Speke Liverpool L24 8RN	
Auditor	DSG Castle Chambers 43 Castle Street Liverpool L2 9TL	
Bankers	National Westminster Bank	
Solicitors	Brabners Chaffe Street	
Investment advisors	Quilter Cheviot	

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OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 JULY 2023

The trustees present their annual report and financial statements for the year ended 31 July 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The Objects of the Charity are exclusively charitable and are to advance the education of the public and in particular by:

- promoting and widening participation in education, learning and training particularly by those who have previously benefited least from educational opportunities;
- improving the quality and flexibility of education, employment, learning and training provision primarily for those who have previously benefited least from educational opportunities;
- improving access to learning opportunities and facilitating progression to further learning and in particular through the award of credit and credit based qualifications.

Open Awards seeks to do this by working with local and national government; colleges, schools, academies, employers, private training providers, End Point Assessment Organisations and voluntary sector organisations to provide qualifications, acknowledged training courses and End Point Assessment, all of which have the potential to lead to enhanced employment opportunities.

Success for Open Awards is determined by the number of organisations we work with, the number of apprentices we ensure achieve meaningful outcomes, the number of learners and the qualifications we register. In addition, we capture learner information on the difference our qualifications and where applicable, bursaries make to their learner journey. This is measured monthly and high level information is contained within this report.

Our significant activities within the period are detailed within the Activities and Achievements section.

Mission Statement

Our mission is to 'Change Lives Through Learning'.

Our Values

Excellence: To exceed standards in all we do, inspire excellence in our staff, centres and learners, and deliver a personalised customer service that surpasses expectations.

Respect: To foster a culture of respect and inclusiveness, being receptive to each other and customers, and acting with integrity.

Innovation: To listen, learn, discover and develop; to respond effectively to and invest in our staff, centres and learners.

Aspiration: We strive to be visionary and influential.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

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 Open Awards aims and objectives; and in considering future activities.

Our Bursary fund allows us to tackle barriers to achievement within learning and this year we were delighted to fund online resources designed to help individuals build personal resilience and address mental health concerns. This has proved popular with our providers, several of whom have used the resources within their curriculum. We thank Transform Lives Company who partnered with us on this initiative.

In particular, we seek to promote knowledge and raise standards in education, employment, learning and skills through our accreditation of qualifications and courses. Additionally, our work on Functional Skills, specific high level license to practice qualifications and End Point Assessment has allowed us to set standards against formal examinations.

All our Activities and achievements are measured against our Charitable Objects and Values to ensure that we are true to our mission and that we accurately measure our success and demonstrate our public benefit. Trustees keep up to date with guidance issued by the Charity Commission, particularly on public benefit and conducted a full review against the revised Charity Governance Code in June 2021. A review of our public benefit took place in June 2022.

Open Awards does not have regular volunteers and this year has continued our previous offer of University Intern placements. We continue to support National Careers Week and staff continue in trustee and governorship roles within the wider community.

Achievements and performance

This academic year has been challenging as the education and skills sectors continued to recover from Covid related disruption to working, continuing changes to the education sector and a growth in mental health concerns for all ages as the UK also adapted to significant cost of living concerns.

Open Awards registered 36,977 learners within the year and 11,094 learners were certificated within this period achieving full qualifications or specific units. It should be noted that Extraordinary Awarding powers were removed this year as assessment and examinations moved back to 2019 structures. 106 apprentices underwent their End Point Assessment with us.

Improvements to how we measure customer satisfaction continued within the year and events continued through increased use of online webinars and support. Meetings with providers by the Chief Executive and members of the Senior Management Team continued and it is pleasing to note that customer satisfaction rates with our training continued to remain high as the training programme continued to evolve. Open Awards continued to provide additional support and webinars throughout the year as well as additional training and resources for online learning, assessment and invigilation.

We are particularly proud of the difference our Bursary scheme makes to support Open Awards learners and apprentices to access qualifications and address additional barriers continued. The sessions delivered, within this period will continue into the next period and allow our providers to embed the sessions within their curriculum for the next academic year.

Functional Skills performance was strong over this period as Open Awards continued to provide online assessment and remote invigilation services with training for organisations using their own invigilators. Over 14,870 learners achieved Functional Skills qualifications over the period across a wide range of providers. Open Awards continued to work with Future Qualifications and VTCT to continue development of our Functional Skills papers and resources.

Open Awards engagement with policy decisions at a government and at a regulatory level continued within year across Department for Education departments as Open Awards continued to represent our providers, learners and apprentices to ensure their voices are heard.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

Open Awards has 542 recognised Providers, however not all of these register learners each period and we work closely with all Providers to understand their business needs and funding positions. This presented a particular challenge during the year due to cost of living pressures against a backdrop of increasing needs. Open Awards recognised 58 new Centres within the period and activity continued strongest with Construction and Pharmacy qualifications, our Skills for Learning and Employment suite and Functional Skills. We worked with 11 new training providers to deliver End-point assessment services.

Learner registrations were 36,977, an increase of over 1,000 from the previous financial year and mainly due to our diverse Functional Skills offer. Changes in funding for Further Education Colleges and the voluntary sector continued to have an impact and we await the scale of policy changes on Level 2 and Level 3 reforms during the next few financial years.

Qualification development and Validity processes continue to be reviewed to ensure they provide real employment prospects and meet learner demand. Particular emphasis was given to our Centre Assessment Standards Scrutiny (CASS) of Ofqual regulated provision and this was supported by Ofqual seminars and thematic reviews within the year. This is supported by our ongoing investment in our labour market intelligence system and guidance from the Business Development Committee.

We continue to have a national presence attending a variety of online events and virtual meetings to ensure we remain in touch with our providers needs and also are aware of current and future developments coming from regulators, funding agencies and national policy.

We regularly receive and publish news stories about the positive effect our qualifications have, especially with those hard to reach learners or those who have not had a good experience of learning. Our centres find that Open Awards qualifications allow for the flexibility of learning needed to help many disadvantaged learners to succeed.

As an awarding organisation based in Speke, Liverpool, Open Awards is extremely proud to work with the local community to support education and training across the Liverpool City Region. To further support our local community, Open Awards offered a certification scheme for the Eurovision Song Contest 2023. This was aimed at both volunteers and staff working across the city to support the event. The scheme was designed to demonstrate our appreciation to the dedication of everybody working hard across the city to ensure visitors to Liverpool had the best time celebrating this momentous occasion taking place in our hometown! The scheme was free for all participants and was set up to enable both individual nominations, and group nominations from employers.

In total, Open Awards issued 209 certificates. This included the Pullman Hotel and Radisson Red Hotels nomination all their staff who worked at the respective hotels over the event.

Open Awards continued to maintain our low risk rating with Ofqual and QAA. Within the period Open Awards gained recognition by Qualifications in Wales for our Pharmacy qualifications and look forward to working with them on their reform agenda over the next period.

During the financial period each Provider received support through Quality Assurance meetings and on-line support with additional meetings with their Business Development Managers. These are supported by online training and standardisation events.

A number of Open Awards Trustee will retire due to their length of service in June 2024 and plans have begun to thank them for their service and recruit new Trustees. Two Trustees resigned in year, Peter Taaffe due to his retirement and Counsellor Nick Small who returned to Liverpool City Council Cabinet. We thank them for their wisdom and guidance.

Open Awards finalised the purchase of Maxam Training Limited within the period to enable the charity to further support organisations and individuals. Investment has been made in terms of human resources from Open Awards and into new systems and processes. It is planned that Maxam will generate a surplus each year that can be returned to Open Awards.

Fundraising Activities

Open Awards does not undertake any fundraising activities.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

Investment Performance

Open Awards has an Investment Policy, which was reviewed in the last period. The Investment Manager changed to Quilter Cheviot after a tendering exercise in year. The current investment objective for the portfolio is to maintain capital and the management strategy is designated as medium risk. The portfolio performance over the 12 months to 30 June 2023 was +0.5% (2022: -4%) which was a good performance given the economic situation. Recognised and unrecognised losses for the year were £50,524 (2022: £87,721) with £62,730 (2022: £17,049) income generated. It is recognised there may still be volatility with investments due to the ongoing challenges of the pandemic but as the portfolio is for long term investment this is not a significant concern at this time.

Financial review

The Statement of Financial Activities is on page 13. The charity's income is derived from charges to providers of its courses and qualifications, such as learner registration fees and an annual centre recognition fee to cover quality assurance and verification of award of credit. The main areas of provision are Access to Higher Education Diplomas, regulated qualifications and quality endorsed courses; and our End Point Assessment services. Open Awards recognised 58 new centres over a broad spectrum including FE Colleges, schools, Offender Learning providers, private training providers and employers.

Over the period Open Awards generated income of £2,443,042 which was 22% lower than the previous period's figure of £3,127,892 for the year ended 31 July 2022 but above the forecast of £2,176,145. Open Awards strategically planned in year to use the growth in our reserves over the Covid pandemic to invest in our ICT capability and platforms as well as investment to develop qualifications in Wales and our End-point assessment services. Prices for 2022-23 saw a small increase but continue to remain competitive in the current market.

Resources expended were £2,627,248 in comparison to £2,425,691 for year ended 31 July 2022. This is an 8% increase on the previous period due to investment in our ICT capability and End-point assessment services as we review our business critical systems. There were continued savings on utilities and staff travel costs due to revised ways of working due to the pandemic. Net operating expenditure was £184,206 against a revised forecast of £343,555. After losses on investment there was a total deficit of £234,730.

Unrestricted Funds

During the period, the charitable company's net assets decreased in value from £4,693,035 to £4,458,305. This level of reserves continues to be considered by the Trustees to be necessary to generate income, which, along with other income earned each year, enables the Charity to maintain financial independence. It is anticipated that despite continued investment Open Awards will return to 'break even' by the end of the next financial period.

£4,800 was awarded through our Bursary scheme making a total of £127,657 awarded to date. Trustees have maintained their support for the scheme and it will be reviewed in November 2023.

Reserves policy

Reserves are available to be spent at the discretion of the Trustees and the charity has developed its reserves policy to maintain continuity of its operations and safeguard its charitable purposes, in the event of a significant decrease in income.

In particular reserves are held for the following reasons:

- To maintain the continuity of operations; and provide protection for staff and learners for 12 months thus allowing learners to complete their course/qualification or move to another Awarding Organisation;
- Maintain funds for the maintenance and appropriate replacement of Open Awards assets including the ownership of our freehold property;
- To ensure that Open Awards has the capacity to develop new projects and products to support its future sustainability;
- To protect the organisation from loss of key investments;
- To maintain investment into business critical systems.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

As at 31 July 2023, Open Award's total reserves stood at £4,458,305. After making allowance for designated funds of £1,792,503, including the carrying amount of functional tangible and intangible assets and investment in Maxam Training Limited of £923,252, reserves available to satisfy the policy requirements above stood at £2,665,802.

Open Awards Trustees are satisfied the existing amount of reserves allows it to fulfil all its obligations shown above and the existing Policy is reviewed annually to ensure the sustainability of the organisation is safeguarded.

The designated bursary fund is not a legal or restrictive commitment and can be undesignated by the Trustees at any time. However, it refers to an amount set aside year on year to assist learners financially, that may otherwise be prevented from accessing training or further education. This fund is generated from dividend income earned from our investment portfolio. Open Awards has awarded bursaries of £127,657 to date. As there were accumulated funds prior to the launch of the scheme there is still a balance of £15,450 to meet the ongoing commitment from Trustees and this is due to be reviewed in November 2023.

The Auditors and Trustees are happy that there are no uncertainties about Open Awards continuing as a going concern.

Principal Risks and Uncertainties

The risk management strategy developed by the Board consists of:

- Annual review of the risks Open Awards may face updating the Risk Registers, as appropriate
- Systems and procedures to mitigate identified risks and
- Implementation of procedures designed to minimise any potential impact should those risks be realised.

This was last reviewed by the Board on 22nd June 2023 and the review was carried out in accordance with Charities Commission guidance 'Charities and Risk Management'. This was a comprehensive review.

At the time of review the significant change was the investment from reserves into developing new products and services and investment into our ICT platforms. The overall level of risk is currently considered to be medium. Trustees have reviewed this and are satisfied that appropriate operational control systems are in place, although they will continue to monitor on a termly basis.

The principal risks are considered to be:

- Cost of Living – this continues to impact every organisation and individual, including Open Awards. Open Awards has undertaken significant scenario planning to manage and mitigate the risk in the next period.
- Artificial Intelligence – has shown to present significant challenges for our providers in year as well as opportunities to reduce costs and enhance services for learners and apprentices.
- Policy changes – Open Awards is working with Ofqual to implement the Level 2 and Level 3 changes; and Qualifications Wales to introduce their new reformed qualifications.
- Regulatory requirements – failure to meet these could result in Open Awards being unable to offer Ofqual and QAA regulated qualifications.

Open Awards continues to be seen as 'low risk' by our regulators and works hard to maintain this status.

Open Awards continues to seek to grow our customer base and to diversify in the products and services we provide, whilst remaining true to our mission and charitable aims. This includes diversifying our offer including developing our End Point Assessment services and investing in Essential Digital Skills. Our continued full cost recovery programme has been successful and we continue to make savings in our expenditure where they do not compromise our integrity and quality. The overall level of risk is however considered to be medium.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

Plans for Future

Open Awards will continue to regard regulated qualifications and Access to HE Diplomas as our 'core' business. However, we will continue to seek diversification opportunities that deliver additional forms of funding to the organisation. Open Awards has continued to develop End Point Assessment services within the year. We have invested in staff and systems to ensure this develops during the next financial year.

Maintaining full cost recovery and seeking efficiencies where possible will also continue to be a priority as we seek to remain in surplus for the next period. However, we will need to balance this with a need for a small reorganisation to continue to develop our services for providers. It is accepted therefore that it is likely Open Awards will achieve a 'break even' position in the next financial year. Open Awards plans to continue our investment begun in the previous period in our business critical systems and processes to ensure that we continue to offer a centre centric service.

Structure, governance and management

Open Awards is a company limited by guarantee without share capital governed by its memorandum and articles of association. It is a registered charity number 1113612 and company number 05462874.

Open Awards is an Awarding Organisation and Access Validating Agency operating across England and Wales. It is regulated by the Office of Quality and Exams Regulator (OFQUAL), Qualifications Wales (QW) and the Quality Assurance Agency for Higher Education (QAA).

The Charity's Board of Trustees are also its Directors who are elected by Annual General Meeting of the members of the Charity. Casual vacancies are filled, as required, by the Board of Trustees in accordance with the Charity's Articles of Association. Members of the Board of Trustees who served during the year are listed below.

Mrs N J Mailey - Chair

Dr G B Laing

Mr A J Bevin

Ms G A Mason

Mr D A E C Tilley

Mr P H Taaffe

(Resigned 3 November 2022)

Mrs K Grant

(Resigned 22 June 2023)

Mr K Gordon

Mr N Small

(Resigned 24 May 2023)

Dr A Stott

Mr B J Jordan

Dr H van Zalinge

Ms J Armitage

(Appointed 22 June 2023)

Mr M Bennett

(Appointed 22 June 2023)

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 JULY 2023**

The Board of Trustees meet termly to monitor the charity's activities and performance, to determine strategy and to attend to all other matters of governance.

In addition the Board of Trustees have the following committees:

The Search Committee meets as required to determine the specification for Trustee and Senior Management recruitment.

The Access to Higher Education Committee meets termly to undertake detailed scrutiny of all matters relating to the organisation's regulatory and standards responsibilities for Access to Higher Education provision. The committee has delegated powers to approve certain processes and recommend to the Board of Trustees the adoption of policies and reports.

The Business Development Committee has undergone a process of restructure and termly meetings will resume in 2023 to undertake scrutiny of the validity of our Ofqual/QW regulated qualifications, determine future strategic demand and review proposals for planned products and services.

The Bursary Committee decides the allocation of Open Awards bursaries.

Open Awards aims to maintain a diverse mix of skills and experience within the Board of Trustees that supports the governance and management of the charity. There is a balance between representation from the Higher Education and Further Education sectors and individuals with particular skills or experience. The induction procedure for new Trustees includes distribution of background information, access to all records and attendance at an organisational induction session.

Trustees receive ongoing training during their tenure with specialist training on Governance, Safeguarding and Financial Management for non-financial Trustees provided for Trustees as well as development sessions on specialist areas of Open Awards business. In addition Trustees are invited to attend a wide range of events and seminars, including on-line training to ensure that they are continually developed in their roles.

A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations the Chief Executive has delegated authority, for operational matters including finance and employment.

Open Awards Trustees have responsibility for setting the pay and remuneration of the charity's key personnel and this is done on an annual basis, including a formal cost of living review. Salaries are benchmarked with other Awarding Organisations and across the Further Education sector.

Employee Engagement

Open Awards communicates with our employees regularly, usually through monthly team meetings and full staff meetings. We have a Health and Wellbeing group that promotes healthy lifestyles including mental health awareness. Open Awards staff has access to a dedicated mental health advice and counselling helpline. Through one of our partners, The Mentoring School we were able to make their Wellbeing Suite available for all employees. During the year all employees received support through a Relaxation and Meditation programme designed to help them manage their own stress and mental health issues.

Since March 2020 we have used MS Teams for more informal organisational conversations and updates as well as sharing learning opportunities and additional mental health support.

Open Awards has very clear Mission, Vision and Values that are understood by all employees, displayed throughout the office, included in our Induction for new employees and demonstrated using the annual appraisal system.

Relationship with Related Parties

Maxam Training Ltd is a wholly owned subsidiary of Open Awards

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 JULY 2023*

Auditor

DSG have agreed to offer themselves for re-election and a resolution proposing their re-appointment, at a remuneration to be determined by the Board of Trustees, will be placed before the Annual General Meeting.

Disclosure of information to auditor

Trustees have confirmed on the date of approval of these financial statements, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. They have taken the steps that they ought to take as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor. The Trustees declare that they have approved the Trustee's Report above.

The trustees' report was approved by the Board of Trustees.



Mrs N J Mailey - Chair
Trustee

2 November 2023

OPEN AWARDS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 JULY 2023

The trustees, who are also the directors of Open Awards for the purpose 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

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

OPEN AWARDS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OPEN AWARDS

Opinion

We have audited the financial statements of Open Awards (the 'charitable company') for the year ended 31 July 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 July 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 *Auditor's 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 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

OPEN AWARDS

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF OPEN AWARDS

Matters on which we are required to report by exception

In the light of the 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 directors' report included within 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 trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose 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.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

OPEN AWARDS

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF OPEN AWARDS

Capability of the audit in detecting irregularities, including fraud

Based on our discussions with the charity's management and the Trustees, we identified that the following laws and regulations are significant to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards and Charity Law.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the charity and therefore may have a material effect on the financial statements include compliance with the charitable objectives, public benefit, fundraising regulations, safeguarding and health and safety legislation.

These matters were discussed amongst the engagement team at the planning stage and the team remained alert to non-compliance throughout the audit.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and the Trustees as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of Trustee meeting minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jean Ellis BA FCA CTA (Senior Statutory Auditor)
for and on behalf of DSG

2 November 2023

Chartered Accountants
Statutory Auditor

Castle Chambers
43 Castle Street
Liverpool
L2 9TL

OPEN AWARDS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
Income from:							
Donations and legacies	2	73,393	3,000	76,393	-	13,509	13,509
Charitable activities	3	2,280,677	-	2,280,677	3,091,872	-	3,091,872
Investments	4	85,972	-	85,972	22,511	-	22,511
Total income		2,440,042	3,000	2,443,042	3,114,383	13,509	3,127,892
Expenditure on:							
Raising funds	5	266	-	266	12,734	-	12,734
Charitable activities	6	2,623,982	3,000	2,626,982	2,399,448	13,509	2,412,957
Total expenditure		2,624,248	3,000	2,627,248	2,412,182	13,509	2,425,691
Net gains/(losses) on investments	10	(50,524)	-	(50,524)	(87,721)	-	(87,721)
Net movement in funds		(234,730)	-	(234,730)	614,480	-	614,480
Fund balances at 1 August 2022		4,693,035	-	4,693,035	4,078,555	-	4,078,555
Fund balances at 31 July 2023		4,458,305	-	4,458,305	4,693,035	-	4,693,035

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

OPEN AWARDS

BALANCE SHEET

AS AT 31 JULY 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Intangible assets	12	5,880		5,880	
Tangible assets	13	205,704		212,204	
Investments	14	2,952,874		2,229,379	
			3,164,458		2,447,463
Current assets					
Debtors	15	586,775		580,189	
Cash at bank and in hand		1,260,580		2,129,354	
			1,847,355		2,709,543
Creditors: amounts falling due within one year	17	(478,508)		(463,971)	
Net current assets			1,368,847		2,245,572
Total assets less current liabilities			4,533,305		4,693,035
Creditors: amounts falling due after more than one year	18	(75,000)			-
Net assets			4,458,305		4,693,035
Income funds					
<u>Unrestricted funds</u>					
Designated funds	21	1,792,503		1,446,871	
General unrestricted funds		2,665,802		3,246,164	
			4,458,305		4,693,035
			4,458,305		4,693,035

The financial statements were approved by the Trustees on 2 November 2023

Nicola J Mailey

Mrs N J Mailey - Chair
Trustee

Company registration number 05462874

OPEN AWARDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	25		(173,087)		701,488
Investing activities					
Purchase of tangible fixed assets		(15,743)		(8,793)	
Purchase of subsidiaries		(711,667)		-	
Purchase of other investments		(8,600)		(2,974,447)	
Proceeds from disposal of other investments		9,399		2,754,800	
Investment income received		85,972		22,511	
Net cash used in investing activities			(640,639)		(205,929)
Financing activities					
Payment of obligations under finance leases		(1,296)		(2,832)	
Net cash used in financing activities			(1,296)		(2,832)
Net (decrease)/increase in cash and cash equivalents			(815,022)		492,727
Cash and cash equivalents at beginning of year			2,129,599		1,636,872
Cash and cash equivalents at end of year			1,314,577		2,129,599
Relating to:					
Cash at bank and in hand			1,260,580		2,129,354
Short term deposits included in current asset investments			53,997		245

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies

Charity information

Open Awards is a private company limited by guarantee incorporated in England and Wales. The registered office is 17 De Havilland Drive, Estuary Commerce Park, Speke, Liverpool, L24 8RN.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's memorandum of articles of association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets. The principal accounting policies adopted are set out below.

The financial statements do not incorporate the results, assets and liabilities of the charity's wholly owned subsidiary, Maxam Training Limited which was acquired during the period. Consolidated accounts have not been prepared as these would not be materially different from the single entity financial statements as presented.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies

(Continued)

Incoming resources from charitable activities relate to the academic year or years ending in the accounting period. Centre recognition income is recognised when a centre is formally approved to offer Open Awards courses and qualifications.

Learner registration income is recognised when a learner is registered on a course. There is no separate certification income. Where a course ends in the following accounting period the cost of moderation is covered by the annual fee for that year or additional quality assurance charges are applied at that time.

Bank interest and income from listed investments are recognised as investment income in the period it relates to.

1.5 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 are allocated on the portion of the asset's use.

Resources expended are recognised when the charity becomes obliged to settle the liability arising and include irrecoverable VAT.

Each resource expended is allocated to or apportioned between the headings of charitable expenditure according to the function it relates to, namely direct charitable activities, support activities or governance.

The support costs are those costs, which are necessary to deliver a charitable activity, but do not produce or constitute the output of the charitable activity. They include the rent and running costs of the charity's premises.

Governance costs are those costs associated with the governance arrangements of the charity, which affects the general running of the charity. They normally include external audit and legal advice for trustees, along with any other costs associated with strategic, as opposed to day-to-day management, of the charity's activities.

Whenever the resource expended relates to more than one of these three functions an apportionment is made on a reasonable or justifiable basis.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website and database

3 years straight line

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies

(Continued)

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings	equally over 40 years
Fixtures, fittings & equipment	15 years straight line
Computer equipment	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Assets under £1,000 are not capitalised. They are expensed in the year of purchase

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charitable company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

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

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

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

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charitable company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

The charity operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies

(Continued)

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Restricted funds
	2023 £	2023 £	2023 £	2022 £
Donations and gifts	73,393	-	73,393	13,509
Funding received	-	3,000	3,000	-
	<u>73,393</u>	<u>3,000</u>	<u>76,393</u>	<u>13,509</u>
Donations and gifts				
Kickstart	-	-	-	13,509
Distribution from subsidiary	<u>73,393</u>	<u>-</u>	<u>73,393</u>	<u>-</u>
	<u>73,393</u>	<u>-</u>	<u>73,393</u>	<u>13,509</u>

3 Charitable activities

	2023 £	2022 £
Fees from learner registration, awards and accreditation of courses	<u>2,280,677</u>	<u>3,091,872</u>

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

4 Investments

	Unrestricted funds	Unrestricted funds
	2023 £	2022 £
Income from listed investments	62,730	17,049
Interest receivable	23,242	5,462
	<u>85,972</u>	<u>22,511</u>

5 Raising funds

	2023 £	2022 £
Investment management	266	12,734
	<u>266</u>	<u>12,734</u>

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

6 Charitable activities

	2023 £	2022 £
Staff costs	1,863,377	1,688,138
Depreciation and impairment	22,243	19,244
Printing, postage and stationery	50,196	49,864
Telephone	11,636	14,651
Travelling	6,760	4,460
Staff expenses	6,958	8,394
Qualification development	110,092	65,045
Staff development, training and conferences	17,086	39,462
ICT Systems and maintenance	223,554	190,972
Subscriptions	37,393	26,661
Hire of photocopier	1,786	1,944
Training, hospitality and room hire	2,025	1,121
External verification and quality assurance	182,817	185,233
Bursary fund	4,800	2,000
	<u>2,540,723</u>	<u>2,297,189</u>
Share of support costs (see note 7)	78,597	72,472
Share of governance costs (see note 7)	7,662	43,296
	<u>2,626,982</u>	<u>2,412,957</u>
Analysis by fund		
Unrestricted funds	2,623,982	
Restricted funds	3,000	
	<u>2,626,982</u>	
For the year ended 31 July 2022		
Unrestricted funds		2,399,448
Restricted funds		13,509
		<u>2,412,957</u>

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

7 Support costs

	Support costs £	Governance costs £	2023 £	Support costs £	Governance costs £	2022 £
Office costs	78,597	-	78,597	72,472	-	72,472
Audit fees	-	6,871	6,871	-	8,605	8,605
Legal and professional	-	-	-	-	34,123	34,123
Other governance costs	-	791	791	-	568	568
	<u>78,597</u>	<u>7,662</u>	<u>86,259</u>	<u>72,472</u>	<u>43,296</u>	<u>115,768</u>
Analysed between Charitable activities	<u>78,597</u>	<u>7,662</u>	<u>86,259</u>	<u>72,472</u>	<u>43,296</u>	<u>115,768</u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but 6 (2022: 5) of them were reimbursed a total of £696 in expenses (2022: £568).

9 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Academic and administrative staff	<u>57</u>	<u>50</u>

Employment costs

	2023 £	2022 £
Wages and salaries	1,607,680	1,469,875
Social security costs	161,293	140,827
Other pension costs	94,404	77,436
	<u>1,863,377</u>	<u>1,688,138</u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023 Number	2022 Number
£80,001 to £90,000	<u>1</u>	<u>1</u>

Contributions totalling £4,869 (2022: £4,474) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

10 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Revaluation of investments	(50,524)	20,189
Gain/(loss) on sale of investments	-	(107,910)
	<u>(50,524)</u>	<u>(87,721)</u>

11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

12 Intangible fixed assets

	Website and database
	£
Cost	
At 1 August 2022 and 31 July 2023	<u>26,472</u>
Amortisation and impairment	
At 1 August 2022 and 31 July 2023	<u>20,592</u>
Carrying amount	
At 31 July 2023	<u>5,880</u>
At 31 July 2022	<u>5,880</u>

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

13 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£
Cost				
At 1 August 2022	1,006,015	241,219	75,844	1,323,078
Additions	-	-	15,743	15,743
Disposals	-	-	(27,274)	(27,274)
At 31 July 2023	1,006,015	241,219	64,313	1,311,547
Depreciation and impairment				
At 1 August 2022	859,033	183,273	68,568	1,110,874
Depreciation charged in the year	5,867	10,680	5,696	22,243
Eliminated in respect of disposals	-	-	(27,274)	(27,274)
At 31 July 2023	864,900	193,953	46,990	1,105,843
Carrying amount				
At 31 July 2023	141,115	47,266	17,323	205,704
At 31 July 2022	146,982	57,946	7,276	212,204

14 Fixed asset investments

	Listed investments	Long term savings accounts	Other investments	Total
	£			£
Cost or valuation				
At 1 August 2022	2,229,134	245	-	2,229,379
Additions	8,600	53,752	-	62,352
Valuation changes	(50,524)	-	711,667	661,143
At 31 July 2023	2,187,210	53,997	711,667	2,952,874
Carrying amount				
At 31 July 2023	2,187,210	53,997	711,667	2,952,874
At 31 July 2022	2,229,134	245	-	2,229,379

	Notes	2023 £	2022 £
Other investments comprise:			
Investments in subsidiaries	24	711,667	-

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

14 Fixed asset investments

(Continued)

Fixed asset investments revalued

Listed investments are included at revalued amounts, being the market value of the shares at the year end. The historical cost of the shares was £2,217,546 (2022: £1,944,107).

15 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	247,296	209,474
Other debtors	8,575	-
Prepayments and accrued income	330,904	370,715
	<u>586,775</u>	<u>580,189</u>

16 Finance lease commitments

Future minimum lease payments due under finance leases:

	2023 £	2022 £
Within one year	-	1,296
	<u>-</u>	<u>1,296</u>

17 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Obligations under finance leases	16	-	1,296
Other taxation and social security		40,029	37,986
Trade creditors		43,141	122,723
Other creditors		196,385	20,493
Accruals and deferred income		198,953	281,473
		<u>478,508</u>	<u>463,971</u>

18 Creditors: amounts falling due after more than one year

	2023 £	2022 £
Other creditors	75,000	-
	<u>75,000</u>	<u>-</u>

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

19 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

The charge to Statement of Financial Activities in respect of defined contribution schemes was £77,436 (2022: £65,626).

20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds		
	Income	Expenditure	Balance at	Income	Expenditure	Balance at
	£	£	1 August 2022 £	£	£	31 July 2023 £
Kickstart	13,509	(13,509)	-	-	-	-
Apprenticeship Incentive	-	-	-	3,000	(3,000)	-
	<u>13,509</u>	<u>(13,509)</u>	<u>-</u>	<u>3,000</u>	<u>(3,000)</u>	<u>-</u>

Apprenticeship Incentive - Government funding to support an apprentice in the workplace.

Kickstart – Open Awards appointed two administrators in March 2021 as part of the Government scheme to support individuals into meaningful workplace roles.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

21 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 August 2021 £	Expenditure £	Transfers £	Balance at 1 August 2022 £	Expenditure £	Transfers £	Balance at 31 July 2023 £
Bursary Fund	20,250	(2,000)	2,000	20,250	(4,800)	4,550	20,000
IT Infrastructure and Systems Fund	250,000	(84,853)	84,853	250,000	(79,362)	79,362	250,000
Assessment Development Fund	100,000	(65,044)	100,044	135,000	(56,348)	-	78,652
Tangible & Intangible Fixed Asset Fund	228,536	(10,452)	-	218,084	-	705,168	923,252
Adjustment in income / Covid 19	500,000	-	-	500,000	(193,823)	(106,177)	200,000
Building Maintenance	100,000	(2,523)	-	97,477	(2,938)	-	94,539
Project work / Diversification opportunities	80,000	(43,940)	50,000	86,060	-	-	86,060
Cyber related incidents	100,000	-	-	100,000	-	-	100,000
Redundancy payments	40,000	-	-	40,000	-	-	40,000
	<u>1,418,786</u>	<u>(208,812)</u>	<u>236,897</u>	<u>1,446,871</u>	<u>(337,271)</u>	<u>682,903</u>	<u>1,792,503</u>

Bursary Fund - This is a fund set up for the payment of bursaries to learners at recognised centres to enable or support them with their studies, or to providers to enable innovative projects to support their learners.

IT Infrastructure and Systems Fund - This is a fund committed to the development of Open Awards IT infrastructure and systems in order to streamline processes and improve efficiencies.

Assessment Development Fund - A fund for assessment development of Functional Skills, Essential Digital Skills and End-point assessments.

Tangible & Intangible Fixed Asset Fund - This fund reflects the value of the fixed assets used operationally by the charity and the investment in Maxam Training Limited.

Adjustment in Income/Covid Recovery - Following a deficit budget for 2022-23 as Open Awards invested in staffing and services to support growth in provision, a balanced budget has been set for 2023-24.

Building Maintenance - Open Awards owns 17 De Havilland Drive, Estuary Commerce Park, Speke L24 8RN and the Trustees wish to make proper provision for the maintenance of this building. This is in addition to operational maintenance incurred in-year.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

21 Designated funds

(Continued)

Project work/Diversification Opportunities - Open Awards has to keep abreast of government initiatives and funding issues in order to offer providers the qualifications that best fit the needs of the learners and meet employer needs. This means that additional resources may be called upon to assess the viability of entering into new markets or areas of business without eating into the income generated from existing core operations.

Cyber related incidents - Whilst Open Awards takes all necessary precautions in respect of network security and GDPR and has comprehensive levels of insurance, additional resources may be needed. With an increase in remote working and more sophisticated cyber-crime the board have decided it would be prudent to have reserves in place to cover this contingency.

Redundancy Payments - The impact of Covid19 and the current economic climate on our Providers and therefore our income, is as yet unknown and ongoing. The board have determined it would be cautious to set aside a fund for this.

22 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	95,870	108,255
Between two and five years	127,447	197,627
	<u>223,317</u>	<u>305,882</u>

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	<u>286,361</u>	<u>338,145</u>

24 Subsidiaries

Details of the charitable company's subsidiaries at 31 July 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Maxam Training Limited	England and Wales	Providers of Further Education Teaching and Assessor Qualifications.	Ordinary shares	100.00

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

24 Subsidiaries

(Continued)

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Maxam Training Limited	121,640	98,275

Open Awards acquired 100% of the issued share capital of Maxam Training Limited on 22 November 2022.

25 Cash generated from operations

2023
£

2022
£

(Deficit)/surplus for the year	(234,730)	614,480
Adjustments for:		
Investment income recognised in statement of financial activities	(85,972)	(22,511)
(Gain)/loss on disposal of investments	-	107,910
Fair value gains and losses on investments	50,524	(20,189)
Depreciation and impairment of tangible fixed assets	22,243	19,244
Movements in working capital:		
(Increase) in debtors	(6,585)	(195,085)
Increase in creditors	81,433	197,639
Cash (absorbed by)/generated from operations	(173,087)	701,488

26 Analysis of changes in net funds

	At 1 August 2022 £	Cash flows £	At 31 July 2023 £
Cash at bank and in hand	2,129,354	(868,774)	1,260,580
Cash equivalents	245	53,752	53,997
	2,129,599	(815,022)	1,314,577
Obligations under finance leases	(1,296)	1,296	-
	2,128,303	(813,726)	1,314,577

OPEN AWARDS

England & Wales - Charity number 1113612

Accounts

Charity registration number 1113612

Company registration number 05462874 (England and Wales)

OPEN AWARDS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

OPEN AWARDS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Dr G B Laing Mr A J Bevin Ms G A Mason Mr D A E C Tilley Mrs N J Mailey - Chair Mr P H Taaffe Mrs K Grant Mr K Gordon Mr N Small Dr A Stott Mr B J Jordan Dr H Van Zalinge	(Appointed 23 June 2022) (Appointed 23 June 2022)
Secretary	Mrs A Till	
Chief Executive	Ms H Akehurst	
Charity number	1113612	
Company number	05462874	
Registered office	17 De Havilland Drive Estuary Commerce Park Speke Liverpool L24 8RN	
Auditor	DSG Castle Chambers 43 Castle Street Liverpool L2 9TL	
Bankers	National Westminster Bank	
Solicitors	Brabners Chaffe Street	
Investment advisors	Quilter Cheviot Previously Tilney BestInvest	

OPEN AWARDS

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OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 JULY 2022

The trustees present their annual report and financial statements for the year ended 31 July 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The Objects of the Charity are exclusively charitable and are to advance the education of the public and in particular by:

- promoting and widening participation in education, learning and training particularly by those who have previously benefited least from educational opportunities;
- improving the quality and flexibility of education, employment, learning and training provision primarily for those who have previously benefited least from educational opportunities;
- improving access to learning opportunities and facilitating progression to further learning and in particular through the award of credit and credit based qualifications.

Open Awards amended its Memorandum and Articles of Association to include 'employment' at the AGM in June 2022. Open Awards seeks to do this by working with local and national government; Colleges, schools, academies, employers, private training providers, End Point Assessment Organisations and voluntary sector organisations to provide qualifications, acknowledged training courses and End Point Assessment, all of which have the potential to lead to enhanced employment opportunities.

Success for Open Awards is determined by the number of organisations we work with, the number of apprentices we ensure achieve meaningful outcomes, the number of learners and the qualifications we register. In addition, we capture learner information on the difference our qualifications and where applicable, bursaries make to their learner journey. This is measured monthly and high level information is contained within this report.

Our significant activities within the period are detailed within the Activities and Achievements section.

Mission Statement

Our mission is to 'Change Lives Through Learning'.

Our Values

Excellence: To exceed standards in all we do, inspire excellence in our staff, centres and learners, and deliver a personalised customer service that surpasses expectations.

Respect: To foster a culture of respect and inclusiveness, being receptive to each other and customers, and acting with integrity.

Innovation: To listen, learn, discover and develop; to respond effectively to and invest in our staff, centres and learners.

Aspiration: We strive to be visionary and influential.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

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 Open Awards aims and objectives; and in considering future activities.

Our Bursary fund allows us to tackle barriers to achievement within learning and this year we were delighted to fund three projects. Two of these were to specifically address mental health issues and the third was for offenders within a prison setting to improve their wellbeing.

In particular, we seek to promote knowledge and raise standards in education, employment, learning and skills through our accreditation of qualifications and courses. Additionally, our work on the reformed Functional Skills and End Point Assessment has allowed us to set standards against formal examinations.

All our Activities and achievements are measured against our Charitable Objects and Values to ensure that we are true to our mission and that we accurately measure our success and demonstrate our public benefit. Trustees keep up to date with guidance issued by the Charity Commission, particularly on public benefit and conducted a full review against the revised Charity Governance Code in June 2021. A review of our public benefit took place in June 2022.

Open Awards does not have regular volunteers and this year has continued our previous offer of University Intern placements. We did continue to support National Careers Week and staff continue in trustee and governorship roles within the wider community.

Achievements and performance

This academic year has been challenging as the education and skills sectors saw further Covid related disruption to working, sweeping changes to the education sector and a growth in mental health concerns for all ages as the UK adapted to a post pandemic landscape or 'living with Covid'.

Open Awards registered 35,948 learners within the year across various areas of provision. 12,897 full qualifications were achieved during this period. It should be noted that Extraordinary Awarding powers were again used in year due to Covid although in the main assessment and examinations moved back to 2019 structures. 57 apprentices underwent their End Point Assessment with us.

Improvements to how we measure customer satisfaction continued within the year and continued this through increased use of online webinars and support. Meetings with providers by the Chief Executive and members of the Senior Management Team continued and it is pleasing to note that customer satisfaction rates with our training continued as the training programme continued to evolve. Open Awards continued to provide additional support and webinars throughout the year as well as additional training and resources for online learning, assessment and invigilation.

Open Awards delivered External Quality Assurance (EQA) on behalf of The Institute for Apprenticeships and Technical Education (IFATE) to 266 External Provider Assessment Organisations (EPAO) across 173 Standards within the year, as formal EQA reports. Additionally, we continued to provide ad-hoc support on assessment plan queries and, emergency support to ensure that apprentices could finish their End Point Assessments during the pandemic. The transfer of this contract to Ofqual was completed on 3rd June 2022.

The Bursary scheme to support Open Awards learners to access qualifications and address additional barriers continued, with over £112,657 being awarded since inception. The scheme was repurposed in year to provide support for mental health activities for Open Awards learners who were impacted by the Covid pandemic.

Functional Skills performance grew 110% over this period as Open Awards continued to provide online assessment and remote invigilation services with training for organisations using their own invigilators. Open Awards successfully re-tendered to provide Functional Skills for Health Education England.

Open Awards engagement with policy decisions at a government and at a regulatory level continued within year across Department for Education departments as Open Awards continued to represent our providers, learners and apprentices to ensure their voices are heard.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

Open Awards has 553 recognised Providers, however not all of these register learners each period and we work closely with all Providers to understand their business needs and funding positions. This presented a particular challenge during the year due to pandemic recovery against a backdrop of increasing needs. Open Awards recognised 67 new Centres within the period and activity continued strongest with our newer qualifications, our Skills for Learning and Employment suite and Functional Skills.

Learner registrations were 35,948, an increase of 33% from the previous financial year and mainly due to our diverse Functional Skills offer. Changes in funding for Further Education Colleges and the voluntary sector continued to have an impact and we await the scale of policy changes during the next financial year.

Qualification development and Validity processes continue to be reviewed to ensure they provide real employment prospects and meet learner demand. Particular emphasis was given to our Quality Assurance of Access of HE provision and this was supported by QAA within the year. This is supported by our ongoing investment in our labour market intelligence system and supported by the Business Development Committee.

Open Awards continued to provide much of the External Quality Assurance for Apprenticeship Standards on behalf of The Institute for Apprenticeships and Technical Education longer than expected but worked closely with the Institute and Ofqual to ensure transition was completed on 3 June 2022.

We continue to have a national presence attending a variety of online events and virtual meetings to ensure we remain in touch with our providers needs and also are aware of current and future developments coming from regulators, funding agencies and national policy. Our work for IFATE was publicly recognised by IFATE, which was pleasing to note.

We regularly receive and publish news stories about the positive effect our qualifications have, especially with those hard to reach learners or those who have not had a good experience of learning. Our centres find that Open Awards qualifications allow for the flexibility of learning needed to help many disadvantaged learners to succeed.

One such student was Majah Glodel Collantes who completed an Access to Education course at Southport College before progressing to Edge Hill University to study a Bachelor of Arts in Primary Education with Mathematics.

"Before the Access programme, I was a full-time homemaker, a wife and mother to two young children. I put my flourishing career on hold to focus on my family. For the past 8 years I had been pondering on what to do once my children had grown up and what I would be in 5 or 10-years' time.

My husband encouraged me to return to study. At first, I was hesitant as I felt insecure about my age and returning to learning. I was also unsure if I had the qualifications to even access any educational programmes in the UK as I was an immigrant. I had a degree, which I earned abroad, yet I was unsure if it was comparable or acceptable here.

The admissions team were very welcoming and encouraging. They advised me to enrol on the Pre-Access programme (GCSE) to gain the relevant qualification to progress onto an Access course and then to university. They were very accommodating and inspiring. The Access programme was challenging, not because it was hard but because of time constrictions (a full Level 3 programme in nine months). It was fast-paced yet achievable. You are guided and supported extremely well, taught how to achieve the best possible grades and achieve your academic potential.

Significantly, the Education tutors and Pastoral Leader went beyond in extending help beyond their call of duty. They have been instrumental to my success in the programme. Without their guidance and motivation, pursuing this programme would not have been possible.

Moreover, the extra support like the Child Care Funding was very helpful in ensuring that I got the most out of my studies without worrying about school runs and extra expenses. This financial assistance was very advantageous as it helped me focus on my studies with fewer distractions. Additionally, the proofreading service was very beneficial especially as English was not my first language. It helped improve my academic writing and increased my quality, communication and presentation grades.

My Access journey has been very inspiring and rewarding. This journey has fostered my positive attitude to learning: adaptability, high expectations and resilience; improved my self-esteem and enhanced my transferable skills. It has helped me significantly with my written communication skills, especially with grammar.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

I have not only grown personally but I am primed for the next stage of my journey: the higher education journey! With hard-work, determination, persistence and commitment, along with the remarkable support of my tutors, LLC1 staff and the whole college, I progressed to higher education and earned a place at Edge Hill University to pursue a Bachelor of Arts in Primary Education with Mathematics."

Open Awards was subject to two reviews from Ofqual within the period and no concerns were raised. Our low risk rating was renewed by QAA after a period of extensive work addressing quality assurance concerns. We continue to participate at a national level with focus groups and improvement activities.

During the financial period each Provider received support through Quality Assurance meetings and on-line support with additional meetings with their Business Development Managers. These are supported by online training and standardisation events.

In June 2022 Open Awards said thank you and farewell to two long serving Trustees – our Chair Phil Hunter and Julie Wilson. We will miss their wisdom and guidance.

Fundraising Activities

Open Awards does not undertake any fundraising activities.

Investment Performance

Open Awards has an Investment Policy, which was reviewed in the last period. The Investment Manager changed to Quilter Cheviot after a tendering exercise in year. The current investment objective for the portfolio is to maintain capital and the management strategy is designated as medium risk. The portfolio performance over the past 12 months was -4% with the quarter to June reacting to the current economic slowdown. Recognised and unrecognised losses for the year were £87,721 with £17,049 income generated. It is recognised there may still be volatility with investments due to the ongoing economic challenges of controlling inflation but as the portfolio is for long term investment this is not a significant concern at this time. Rising interest rates will bring higher returns on Open Awards shorter term deposits.

Financial review

The Statement of Financial Activities is on page 13. The charity's income is derived from charges to providers of its courses and qualifications, such as learner registration fees and an annual centre recognition fee to cover quality assurance and verification of award of credit. The main areas of provision are Access to Higher Education Diplomas, regulated qualifications and quality endorsed courses; and our End Point Assessment services. Open Awards recognised 67 new centres over a broad spectrum including FE Colleges, schools, Offender Learning providers, private training providers and employers.

Over the period Open Awards generated income of £3,127,892 which was 9.6% higher than the previous period's figure of £2,853,209 for the year ended 31 July 2021 and reflects the income gained through the IFATE EQA contract and the growth in Qualifications and Functional Skills. We have continued to improve our qualification offer responding to demand from our centres and in the labour market. There was a marginal increase in prices for 2021-22 having frozen them in the previous year to support our centres in the challenges facing them, but prices remain competitive in the current market.

Resources expended were £2,425,691 in comparison to £1,806,239 for year ended 31 July 2021. This is a 34% increase on the previous period due to investment in staffing and systems as we diversify our offer, support growth in Functional Skills and review our business critical systems. There were savings on utilities and staff travel costs due to revised ways of working following the pandemic. Net operating income was £702,201 against a revised forecast of £386,939. After gains on investment there was a total surplus of £614,480.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

Unrestricted Funds

During the period, the charitable company's net assets increased in value from £4,078,555 to £4,693,033. This level of reserves is considered by the Trustees to be necessary to generate income, which, along with other income earned each year, enables the Charity to maintain financial independence. Trustees have committed to using some of this surplus within the next financial year to continue development within Functional Skills, invest in End Point Assessment services and business systems as well as further diversification. It is therefore forecast that Open Awards will have a deficit at the end of the next financial year.

£2,000 was awarded in Bursaries making a total of £112,657 awarded to date. Trustees have maintained their support for the scheme and a further £2,000 has been designated in the period.

Reserves policy

Reserves are available to be spent at the discretion of the Trustees and the charity has developed its reserves policy to maintain continuity of its operations and safeguard its charitable purposes, in the event of a significant decrease in income.

In particular reserves are held for the following reasons:

- To maintain the continuity of operations; and provide protection for staff and learners for 12 months thus allowing learners to complete their course/qualification or move to another Awarding Organisation;
- Maintain funds for the maintenance and appropriate replacement of Open Awards assets including the ownership of our freehold property;
- To ensure that Open Awards has the capacity to develop new projects and products to support its future sustainability;
- To protect the organisation from loss of key investments;
- To maintain investment into business critical systems.

In order to satisfy these objectives, the reserves policy is set at a target of between £2.5m and £3m. This policy is reviewed annually by the trustees to ensure the sustainability of the organisation is safeguarded.

As at 31 July 2022, Open Award's total reserves stood at £4,693,035. After making allowance for designated funds of £1,446,871, reserves available to satisfy the policy requirements above stood at £3,246,164. The Trustees are aware this exceeds target but with a planned deficit for 2022/23 reserves are anticipated to fall in line with this policy at the end of the next financial year.

The designated funds, as outlined in the notes to the accounts, are not a legal or restrictive commitment and can be undesignated by the Trustees at any time. However, it refers to amount set aside to fund various projects and priorities.

The Auditors and Trustees are happy that there are no uncertainties about Open Awards continuing as a going concern.

Principal Risks and Uncertainties

The risk management strategy developed by the Board consists of:

- Annual review of the risks Open Awards may face updating the Risk Registers, as appropriate
- Systems and procedures to mitigate identified risks and
- Implementation of procedures designed to minimise any potential impact should those risks be realised.

This was last reviewed by the Board on 23rd June 2022 and the review was carried out in accordance with Charities Commission guidance 'Charities and Risk Management'. This was a comprehensive review.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 JULY 2022**

At the time of review the significant change was the loss of income from the IFATE contract for External Quality Assurance as it transfers to Ofqual. The overall level of risk is currently considered to be medium. Trustees have reviewed this and are satisfied that appropriate operational control systems are in place, although they will continue to monitor on a termly basis.

The principal risks are considered to be:

- Covid – this continues to impact every organisation and it is difficult to fully assess what financial impact it will have. Open Awards has undertaken significant scenario planning to manage and mitigate the risk in the next period.
- Policy changes – the Department for Education has opened substantial consultations that could adversely impact Open Awards.
- Regulatory requirements – failure to meet these could result in Open Awards being unable to offer Ofqual and QAA regulated qualifications.

Open Awards continues to be seen as 'low risk' by our regulators and works hard to maintain this status.

Open Awards continues to seek to grow our customer base and to diversify in the products and services we provide, whilst remaining true to our mission and charitable aims. This includes diversifying our offer including developing our End Point Assessment services and investing in Essential Digital Skills. Our continued full cost recovery programme has been successful and we continue to make savings in our expenditure where they do not compromise our integrity and quality. The overall level of risk is however considered to be medium.

Plans for Future

Open Awards will continue to regard regulated qualifications and Access to HE Diplomas as our 'core' business. However, we will continue to seek diversification opportunities that deliver additional forms of funding to the organisation. Open Awards has continued to develop End Point Assessment services within the year. We have invested in staff and systems to ensure this develops during the next financial year.

Maintaining full cost recovery and seeking efficiencies where possible will also continue to be a priority as we seek to remain in surplus for the next period. However, we will need to balance this with a need for a small reorganisation to continue to develop our services for providers. It is accepted therefore that it is likely Open Awards will have a deficit in the next financial year. Open Awards plans to continue our investment begun this year to the next year in our business critical systems and processes to ensure that we continue to offer a centre centric service.

Structure, governance and management

Open Awards is a company limited by guarantee without share capital governed by its memorandum and articles of association. It is a registered charity number 1113612 and company number 5462874.

Open Awards is an Awarding Organisation and Access Validating Agency operating across England and Wales. It is regulated by the Office of Quality and Exams Regulator (OFQUAL) and the Quality Assurance Agency for Higher Education (QAA).

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

The Charity's Board of Trustees are also its Directors who are elected by Annual General Meeting of the members of the Charity. Casual vacancies are filled, as required, by the Board of Trustees in accordance with the Charity's Articles of Association. Members of the Board of Trustees who served during the year are listed below.

Mr A P W Hunter - Chair to 23 June 2022	(Resigned 23 June 2022)
Dr G B Laing	
Ms J F Wilson	(Resigned 23 June 2022)
Mr A J Bevin	
Ms G A Mason	
Mr D A E C Tilley	
Mrs N J Mailey - Chair	
Mr P H Taaffe	
Mrs K Grant	
Mr K Gordon	
Mr N Small	
Dr A Stott	
Mr B J Jordan	(Appointed 23 June 2022)
Dr H Van Zalinge	(Appointed 23 June 2022)

The Board of Trustees meet termly to monitor the charity's activities and performance, to determine strategy and to attend to all other matters of governance.

In addition the Board of Trustees have the following committees:

The Search Committee meets as required to determine the specification for Trustee and Senior Management recruitment.

The Access to Higher Education Committee meets termly to undertake detailed scrutiny of all matters relating to the organisation's regulatory and standards responsibilities for Access to Higher Education provision. The committee has delegated powers to approve certain processes and recommend to the Board of Trustees the adoption of policies and reports.

The Business Development Committee is going through a process of restructure and termly meetings will resume in 2022 to undertake scrutiny of the validity of our Ofqual regulated qualifications, determine future strategic demand and review proposals for planned products and services.

The Bursary Committee decides the allocation of Open Awards bursaries.

Open Awards aims to maintain a diverse mix of skills and experience within the Board of Trustees that supports the governance and management of the charity. There is a balance between representation from the Higher Education and Further Education sectors and individuals with particular skills or experience. The induction procedure for new Trustees includes distribution of background information, access to all records and attendance at an organisational induction session.

Trustees receive ongoing training during their tenure with specialist training on Governance, Safeguarding and Financial Management for non-financial Trustees provided for Trustees as well as development sessions on specialist areas of Open Awards business. In addition Trustees are invited to attend a wide range of events and seminars, including on-line training to ensure that they are continually developed in their roles.

A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations the Chief Executive has delegated authority, for operational matters including finance and employment.

Open Awards Trustees have responsibility for setting the pay and remuneration of the charity's key personnel and this is done on an annual basis, including a formal cost of living review. Salaries are benchmarked with other Awarding Organisations and across the Further Education sector.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

Employee Engagement

Open Awards communicates with our employees regularly, usually through monthly team meetings and full staff meetings. We have a Health and Wellbeing group that promotes healthy lifestyles including mental health awareness. Open Awards staff has access to a dedicated mental health advice and counselling helpline. Through one of our partners, The Mentoring School we were able to make their Wellbeing Suite available for all employees. During the year all employees received support through a Relaxation and Meditation programme designed to help them manage their own stress and mental health issues.

Since March 2020 we have used MS Teams for more informal organisational conversations and updates as well as sharing learning opportunities and additional mental health support.

Open Awards has very clear Mission, Vision and Values that are understood by all employees, displayed throughout the office, included in our Induction for new employees and demonstrated using the annual appraisal system.

Relationship with Related Parties

None to declare.

Auditor

DSG have agreed to offer themselves for re-election and a resolution proposing their re-appointment, at a remuneration to be determined by the Board of Trustees, will be placed before the Annual General Meeting.

Disclosure of information to auditor

Trustees have confirmed on the date of approval of these financial statements, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. They have taken the steps that they ought to take as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor. The Trustees declare that they have approved the Trustee's Report above.

The trustees' report was approved by the Board of Trustees.



Mrs N J Mailey - Chair
Trustee

3 November 2022

OPEN AWARDS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 JULY 2022

The trustees, who are also the directors of Open Awards for the purpose 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

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

OPEN AWARDS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OPEN AWARDS

Opinion

We have audited the financial statements of Open Awards (the 'charitable company') for the year ended 31 July 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 July 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's 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 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

OPEN AWARDS

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF OPEN AWARDS

Matters on which we are required to report by exception

In the light of the 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 directors' report included within 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 trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose 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.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

OPEN AWARDS

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF OPEN AWARDS

Capability of the audit in detecting irregularities, including fraud

Based on our discussions with the charity's management and the Trustees, we identified that the following laws and regulations are significant to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards and Charity Law.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the charity and therefore may have a material effect on the financial statements include compliance with the charitable objectives, public benefit, fundraising regulations, safeguarding and health and safety legislation.

These matters were discussed amongst the engagement team at the planning stage and the team remained alert to non-compliance throughout the audit.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and the Trustees as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of Trustee meeting minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jean Ellis BA FCA CTA (Senior Statutory Auditor)
for and on behalf of DSG

3 November 2022

Chartered Accountants
Statutory Auditor

Castle Chambers
43 Castle Street
Liverpool
L2 9TL

OPEN AWARDS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes						
Income and endowments from:							
Donations and legacies	2	-	13,509	13,509	-	14,247	14,247
Charitable activities	3	3,091,872	-	3,091,872	2,791,898	-	2,791,898
Investments	4	22,511	-	22,511	23,783	-	23,783
Other income	5	-	-	-	23,281	-	23,281
Total income		3,114,383	13,509	3,127,892	2,838,962	14,247	2,853,209
Expenditure on:							
Raising funds	6	12,734	-	12,734	14,599	-	14,599
Charitable activities	7	2,399,448	13,509	2,412,957	1,765,390	14,247	1,779,637
Other	11	-	-	-	12,003	-	12,003
Total expenditure		2,412,182	13,509	2,425,691	1,791,992	14,247	1,806,239
Net gains/(losses) on investments	12	(87,721)	-	(87,721)	176,787	-	176,787
Net movement in funds		614,480	-	614,480	1,223,757	-	1,223,757
Fund balances at 1 August 2021		4,078,555	-	4,078,555	2,854,798	-	2,854,798
Fund balances at 31 July 2022		4,693,035	-	4,693,035	4,078,555	-	4,078,555

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

OPEN AWARDS

BALANCE SHEET

AS AT 31 JULY 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Intangible assets	13	5,880		5,880	
Tangible assets	14	212,204		222,656	
Investments	15	2,229,379		2,314,269	
			2,447,463		2,542,805
Current assets					
Debtors	16	580,189		385,104	
Cash at bank and in hand		2,129,354		1,419,811	
			2,709,543		1,804,915
Creditors: amounts falling due within one year	17	(463,971)		(267,773)	
Net current assets			2,245,572		1,537,142
Total assets less current liabilities			4,693,035		4,079,947
Creditors: amounts falling due after more than one year	18		-		(1,392)
Net assets			4,693,035		4,078,555
Income funds					
<u>Unrestricted funds</u>					
Designated funds	22	1,446,871		1,418,786	
General unrestricted funds		3,246,164		2,659,769	
			4,693,035		4,078,555
			4,693,035		4,078,555

The financial statements were approved by the Trustees on 3 November 2022

Nicola J Mailey

Mrs N J Mailey - Chair
Trustee

Company registration number 05462874

OPEN AWARDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	25		701,488		888,298
Investing activities					
Purchase of intangible assets		-		(5,880)	
Purchase of tangible fixed assets		(8,793)		(55,276)	
Purchase of investments		(2,974,447)		(1,397,584)	
Proceeds from disposal of investments		2,971,616		892,659	
Investment income received		22,511		23,783	
Net cash generated from/(used in) investing activities			10,887		(542,298)
Financing activities					
Payment of obligations under finance leases		(2,832)		(2,832)	
Net cash used in financing activities			(2,832)		(2,832)
Net increase in cash and cash equivalents			709,543		343,168
Cash and cash equivalents at beginning of year			1,419,811		1,076,643
Cash and cash equivalents at end of year			2,129,354		1,419,811

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies

Charity information

Open Awards is a private company limited by guarantee incorporated in England and Wales. The registered office is 17 De Havilland Drive, Estuary Commerce Park, Speke, Liverpool, L24 8RN.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's memorandum of articles of association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Incoming resources from charitable activities relate to the academic year or years ending in the accounting period. Centre recognition income is recognised when a centre is formally approved to offer Open Awards courses and qualifications.

Learner registration income is recognised when a learner is registered on a course. There is no separate certification income. Where a course ends in the following accounting period the cost of moderation is covered by the annual fee for that year or additional quality assurance charges are applied at that time.

Bank interest and income from listed investments are recognised as investment income in the period it relates to.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies

(Continued)

1.5 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 are allocated on the portion of the asset's use.

Resources expended are recognised when the charity becomes obliged to settle the liability arising and include irrecoverable VAT.

Each resource expended is allocated to or apportioned between the headings of charitable expenditure according to the function it relates to, namely direct charitable activities, support activities or governance.

The support costs are those costs, which are necessary to deliver a charitable activity, but do not produce or constitute the output of the charitable activity. They include the rent and running costs of the charity's premises.

Governance costs are those costs associated with the governance arrangements of the charity, which affects the general running of the charity. They normally include external audit and legal advice for trustees, along with any other costs associated with strategic, as opposed to day-to-day management, of the charity's activities.

Whenever the resource expended relates to more than one of these three functions an apportionment is made on a reasonable or justifiable basis.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website and database	3 years straight line
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1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings	equally over 40 years
Fixtures, fittings & equipment	15 years straight line
Computer equipment	3 years straight line

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Assets under £1,000 are not capitalised. They are expensed in the year of purchase

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

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

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

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

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charitable company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

The charity operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

2 Donations and legacies

	Restricted funds	Restricted funds
	2022	2021
	£	£
Donations and gifts	13,509	14,247
Donations and gifts		
Ufi VocTech Trust	-	9,032
Kickstart	13,509	3,365
Other	-	1,850
	13,509	14,247

3 Charitable activities

	2022	2021
	£	£
Fees from learner registration, awards and accreditation of courses	3,091,872	2,791,898

4 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Income from listed investments	17,049	19,240
Interest receivable	5,462	4,543
	22,511	23,783

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

5 Other income

	2022 £	2021 £
Insurance proceeds	-	23,281
	<u> </u>	<u> </u>

6 Raising funds

	2022 £	2021 £
Investment management	12,734	14,599
	<u> </u>	<u> </u>
	<u>12,734</u>	<u>14,599</u>

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

7 Charitable activities

	2022 £	2021 £
Staff costs	1,688,138	1,352,809
Depreciation and impairment	19,244	17,897
Printing, postage and stationery	49,864	31,275
Telephone	14,651	26,350
Travelling	4,460	1,301
Staff expenses	8,394	5,484
Qualification development	65,045	45,032
Staff development, training and conferences	39,462	5,281
ICT Systems and maintenance	190,972	107,854
Ufi VocTech project	-	1,113
Subscriptions	26,661	22,692
Hire of photocopier	1,944	1,976
Training, hospitality and room hire	1,121	(538)
External verification and quality assurance	185,233	64,950
Bursary fund	2,000	20,000
	<u>2,297,189</u>	<u>1,703,476</u>
Share of support costs (see note 8)	72,472	65,660
Share of governance costs (see note 8)	43,296	10,501
	<u>2,412,957</u>	<u>1,779,637</u>
Analysis by fund		
Unrestricted funds	2,399,448	
Restricted funds	13,509	
	<u>2,412,957</u>	
For the year ended 31 July 2021		
Unrestricted funds		1,765,390
Restricted funds		14,247
		<u>1,779,637</u>

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

8 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
Office costs	72,472	-	72,472	65,660	-	65,660
Audit fees	-	8,605	8,605	-	8,783	8,783
Legal and professional	-	34,123	34,123	-	1,718	1,718
Other governance costs	-	568	568	-	-	-
	<u>72,472</u>	<u>43,296</u>	<u>115,768</u>	<u>65,660</u>	<u>10,501</u>	<u>76,161</u>
Analysed between Charitable activities	<u>72,472</u>	<u>43,296</u>	<u>115,768</u>	<u>65,660</u>	<u>10,501</u>	<u>76,161</u>

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but 5 of them were reimbursed a total of £568 in expenses (2021 - none).

10 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Academic and administrative staff	<u>50</u>	<u>41</u>

Employment costs

	2022 £	2021 £
Wages and salaries	1,469,875	1,175,386
Social security costs	140,827	111,797
Other pension costs	77,436	65,626
	<u>1,688,138</u>	<u>1,352,809</u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2022 Number	2021 Number
£70,001 to £80,000	-	1
£80,001 to £90,000	<u>1</u>	<u>-</u>

Contributions totalling £4,774 (2021: £4,474) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

11 Other

	2022	2021
	£	£
Net loss on disposal of tangible fixed assets	-	12,003
	<u>-</u>	<u>12,003</u>
	<u>-</u>	<u>12,003</u>

12 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Revaluation of investments	20,189	103,888
Gain/(loss) on sale of investments	(107,910)	72,899
	<u>(87,721)</u>	<u>176,787</u>
	<u>(87,721)</u>	<u>176,787</u>

13 Intangible fixed assets

	Website and database
	£
Cost	
At 1 August 2021 and 31 July 2022	<u>26,472</u>
Amortisation and impairment	
At 1 August 2021 and 31 July 2022	<u>20,592</u>
Carrying amount	
At 31 July 2022	<u>5,880</u>
At 31 July 2021	<u>5,880</u>

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

14 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£
Cost				
At 1 August 2021	1,006,015	241,219	92,694	1,339,928
Additions	-	-	8,793	8,793
Disposals	-	-	(25,643)	(25,643)
At 31 July 2022	1,006,015	241,219	75,844	1,323,078
Depreciation and impairment				
At 1 August 2021	853,165	172,593	91,514	1,117,272
Depreciation charged in the year	5,868	10,680	2,697	19,245
Eliminated in respect of disposals	-	-	(25,643)	(25,643)
At 31 July 2022	859,033	183,273	68,568	1,110,874
Carrying amount				
At 31 July 2022	146,982	57,946	7,276	212,204
At 31 July 2021	152,850	68,626	1,180	222,656

15 Fixed asset investments

	Listed investments	Cash in portfolio	Total
	£		£
Cost or valuation			
At 1 August 2021	2,097,208	217,061	2,314,269
Additions	2,974,447	-	2,974,447
Valuation changes	20,189	-	20,189
Disposals	(2,862,710)	(216,816)	(3,079,526)
At 31 July 2022	2,229,134	245	2,229,379
Carrying amount			
At 31 July 2022	2,229,134	245	2,229,379
At 31 July 2021	2,097,208	217,061	2,314,269

Fixed asset investments revalued

Investments are included at revalued amounts, being the market value of the shares at the year end. The historical cost of the shares was £2,208,945 (2021: £1,944,107).

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

16 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	209,474	228,190
Prepayments and accrued income	370,715	156,914
	<u>580,189</u>	<u>385,104</u>

17 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Obligations under finance leases	19	1,296	2,736
Other taxation and social security		37,986	32,858
Trade creditors		122,723	54,377
Other creditors		20,493	17,459
Accruals and deferred income		281,473	160,343
		<u>463,971</u>	<u>267,773</u>

18 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Obligations under finance leases	19	-	1,392
		<u>-</u>	<u>1,392</u>

19 Finance lease commitments

Future minimum lease payments due under finance leases:

	2022 £	2021 £
Within one year	1,296	2,736
Within two and five years	-	1,392
	<u>1,296</u>	<u>4,128</u>

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

20 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

The charge to Statement of Financial Activities in respect of defined contribution schemes was £77,436 (2021: £65,626).

21 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds		
	Income	Expenditure	Balance at 1 August 2021	Income	Expenditure	Balance at 31 July 2022
	£	£	£	£	£	£
Ufi VocTech Trust	9,032	(9,032)	-	-	-	-
Skelton Charity Donation	850	(850)	-	-	-	-
Biochemical Society Grant	1,000	(1,000)	-	-	-	-
Kickstart	3,365	(3,365)	-	13,509	(13,509)	-
	<u>14,247</u>	<u>(14,247)</u>	<u>-</u>	<u>13,509</u>	<u>(13,509)</u>	<u>-</u>

Ufi VocTech Trust: In May 2020 Open Awards was awarded funding to undertake a project to improve remote invigilation of Functional Skills to allow more training and exams to be undertaken remotely.

Skelton Charity Donation – In October 2020 Open Awards was awarded a grant of £850 towards setting up an Assessment Room to enable access to online assessment for learners during the pandemic as part of the Extraordinary Awarding framework.

Biochemical Society Grant – a grant of £1,000 was awarded in November 2020 towards the development of an appropriate entry level Science qualification for SEND learners.

Kickstart – Open Awards appointed two administrators in March 2021 as part of the Government scheme to support individuals into meaningful workplace roles.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

22 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 August 2021 £	Expenditure £	Transfers £	Balance at 1 August 2022 £	Expenditure £	Transfers £	Balance at 31 July 2022 £
Bursary Fund	40,250	(20,000)	-	20,250	(2,000)	2,000	20,250
IT Infrastructure and Systems Fund	180,000	(42,994)	112,994	250,000	(84,853)	84,853	250,000
Assessment Development Fund	50,000	(45,079)	95,079	100,000	(65,044)	100,044	135,000
Tangible & Intangible Fixed Asset Fund	-	-	228,536	228,536	(10,452)	-	218,084
Adjustment in income / Covid 19	-	-	500,000	500,000	-	-	500,000
Building Maintenance	-	-	100,000	100,000	(2,523)	-	97,477
Project work / Diversification opportunities	-	-	80,000	80,000	(43,940)	50,000	86,060
Cyber related incidents	-	-	100,000	100,000	-	-	100,000
Redundancy payments	-	-	40,000	40,000	-	-	40,000
	<u>270,250</u>	<u>(108,073)</u>	<u>1,256,609</u>	<u>1,418,786</u>	<u>(208,812)</u>	<u>236,897</u>	<u>1,446,871</u>

Bursary Fund - This is a fund set up for the payment of bursaries to learners at recognised centres to enable or support them with their studies, or to providers to enable innovative projects to support their learners.

IT Infrastructure and Systems Fund - This is a fund committed to the development of Open Awards IT infrastructure and systems in order to streamline processes and improve efficiencies.

Assessment Development Fund - A fund for assessment development of Functional Skills, Essential Digital Skills and End-point assessments.

Tangible & Intangible Fixed Asset Fund - This fund reflects the value of the fixed assets used operationally by the charity.

Adjustment in Income/Covid Recovery - A deficit budget has been set for 2022-23 as Open Awards invests in staffing and services to support growth in provision, following the transition of the IFATE contract to Ofqual.

Building Maintenance - Open Awards owns 17 De Havilland Drive, Estuary Commerce Park, Speke L24 8RN and the Trustees wish to make proper provision for the maintenance of this building. This is in addition to operational maintenance incurred in-year.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

22 Designated funds

(Continued)

Project work/Diversification Opportunities - Open Awards has to keep abreast of government initiatives and funding issues in order to offer providers the qualifications that best fit the needs of the learners and meet employer needs. This means that additional resources may be called upon to assess the viability of entering into new markets or areas of business without eating into the income generated from existing core operations.

Cyber related incidents - Whilst Open Awards takes all necessary precautions in respect of network security and GDPR and has comprehensive levels of insurance, additional resources may be needed. With an increase in remote working and more sophisticated cyber-crime the board have decided it would be prudent to have reserves in place to cover this contingency.

Redundancy Payments - The impact of Covid19 and the current economic climate on our Providers and therefore our income, is as yet unknown and ongoing. The board have determined it would be cautious to set aside a fund for this.

23 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	5,712	6,958
Between two and five years	1,738	7,450
	<u>7,450</u>	<u>14,408</u>

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	<u>338,145</u>	<u>285,618</u>

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

25	Cash generated from operations	2022 £	2021 £	
	Surplus for the year	614,480	1,223,757	
	Adjustments for:			
	Investment income recognised in statement of financial activities	(22,511)	(23,783)	
	(Gain)/loss on disposal of tangible fixed assets	-	12,003	
	Loss/(gain) on disposal of investments	107,910	(72,899)	
	Fair value gains and losses on investments	(20,189)	(103,888)	
	Depreciation and impairment of tangible fixed assets	19,244	17,897	
	Movements in working capital:			
	(Increase) in debtors	(195,085)	(265,965)	
	Increase in creditors	197,639	101,176	
	Cash generated from operations	701,488	888,298	
26	Analysis of changes in net funds	At 1 August 2021 £	Cash flows £	At 31 July 2022 £
	Cash at bank and in hand	1,419,811	709,543	2,129,354
	Obligations under finance leases	(4,128)	2,832	(1,296)
		1,415,683	712,375	2,128,058

OPEN AWARDS

England & Wales - Charity number 1113612

Accounts

Charity Registration No. 1113612

Company Registration No. 05462874 (England and Wales)

OPEN AWARDS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

OPEN AWARDS

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OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2021

The trustees present their report and financial statements for the year ended 31 July 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The Objects of the Charity are exclusively charitable and are to advance the education of the public and in particular by:

- promoting and widening participation in education, learning and training particularly by those who have previously benefited least from educational opportunities;
- improving the quality and flexibility of education, learning and training provision primarily for those who have previously benefited least from educational opportunities;
- improving access to learning opportunities and facilitating progression to further learning and in particular through the award of credit and credit based qualifications

Open Awards seeks to do this by working with local and national government; Colleges, schools, academies, employers, private training providers, End Point Assessment Organisations and voluntary sector organisations to provide qualifications, acknowledged training courses and End Point Assessment, all of which have the potential to lead to enhanced employment opportunities.

Success for Open Awards is determined by the number of organisations we work with, the number of apprentices we ensure achieve meaningful outcomes, the number of learners and the qualifications we register. In addition, we capture learner information on the difference our qualifications and where applicable, bursaries make to their learner journey. This is measured monthly and high level information is contained within this report.

Our significant activities within the period are detailed within the Activities and Achievements section.

Mission Statement

Our mission is to 'Change Lives Through Learning'.

Our Values

Excellence: To exceed standards in all we do, inspire excellence in our staff, centres and learners, and deliver a personalised customer service that surpasses expectations.

Respect: To foster a culture of respect and inclusiveness, being receptive to each other and customers, and acting with integrity.

Innovation: To listen, learn, discover and develop; to respond effectively to and invest in our staff, centres and learners.

Aspiration: We strive to be visionary and influential.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

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 Open Awards aims and objectives; and in considering future activities.

Our Bursary fund allows us to tackle barriers to achievement within learning and this year we were delighted to fund two specific projects designed to help learners cope with the effects of the Covid pandemic.

In particular, we seek to promote knowledge and raise standards in education, learning and skills through our accreditation of qualifications and courses. Additionally, our work on the reformed Functional Skills has allowed us to set standards against formal examinations.

All our Activities and achievements are measured against our Charitable Objects and Values to ensure that we are true to our mission and that we accurately measure our success and demonstrate our public benefit. Trustees keep up to date with guidance issued by the Charity Commission, particularly on public benefit and conducted a full review against the revised Charity Governance Code in June 2021 including a review of our public benefit.

Open Awards does not have regular volunteers and this year with remote working have been unable to offer our usual placements. We did however support National Careers Week and staff have continued in trustee and governorship roles within the wider community. Additionally, this year we have continued to provide free certification for Volunteer work during Covid-19.

Achievements and performance

This academic year has been challenging as the Covid19 pandemic saw disruption to working, sweeping changes to the education sector and the implementation of the Extraordinary Regulatory Framework.

Open Awards registered 27,074 learners within the year and 14,909 learners were certificated within this period with 11,130 achieving full qualifications. It should be noted that Extraordinary Awarding powers were again used in year due to Covid19 although adaptations were used to greater extent than the previous year.

We have sought to improve the way and timeliness with which we measure customer satisfaction within the year and continued this through increased use of online webinars and support. Meetings with providers by the Chief Executive and members of the Senior Management Team continued and it is pleasing to note that customer satisfaction rates with our training were 95% of customers rating it as 'Excellent'. Open Awards continued to provide additional support and webinars throughout the year as well as additional training and resources for online learning, assessment and invigilation.

Open Awards delivered External Quality Assurance (EQA) on behalf of The Institute for Apprenticeships and Technical Education (IFATE) to 266 External Provider Assessment Organisations (EPAO) across 173 Standards within the year, as formal EQA reports. Additionally, we continued to provide ad-hoc support on assessment plan queries and, emergency support to ensure that apprentices could finish their End Point Assessments during the pandemic. The transfer of this contract to Ofqual was delayed in this period and will now not complete until December 2021.

The Bursary scheme to support Open Awards learners to access qualifications and address additional barriers continued, with over £110,657 being awarded since inception. The scheme was repurposed in year to provide £10,000 of support for mental health activities for Open Awards learners who were impacted by the Covid pandemic.

The reformed Functional Skills qualifications made available for delivery in the last academic year were a major contributor to our financial performance especially as Open Awards moved swiftly to provide online assessment and rapid expansion of our remote invigilation service.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

Open Awards engagement with policy decisions at a government and at a regulatory level continued within year across many Department for Education departments and the Cabinet Office as Open Awards played a major part in ensuring that learners and Apprentices could achieve within the year.

Open Awards has 430 recognised Providers, however not all of these register learners each period and we work closely with all Providers to understand their business needs and funding positions. This presented a particular challenge during the year due to Covid-19. Open Awards recognised 91 new Centres within the period and activity continued strongest with our newer qualifications, our Skills for Learning and Employment suite and most pleasingly on Functional Skills, resulting in Open Awards continuing to be the faster growing provider of Functional Skills in England.

Learner registrations were 27,074, an increase of 36% from the previous financial year and mainly due to our diverse Functional Skills offer. Changes in funding for Further Education Colleges and the voluntary sector continued to have an impact but due to the nature of the last two years it is not possible to identify sustained trends.

Nine new Centres began to deliver our Badge of Excellence programmes showing continued support, particularly within the SEN and voluntary sector for our flexible approach in ensuring learners are able to achieve and progress.

Qualification development and Validity processes continue to be reviewed to ensure they provide real employment prospects and meet learner demand. This is supported by our ongoing investment in our labour market intelligence system and supported by the Business Development Committee.

Open Awards continued to provide much of the External Quality Assurance for Apprenticeship Standards on behalf of The Institute for Apprenticeships and Technical Education, having our contract extended twice within the year. The impact of Covid meant that Ofqual were not able to transfer Standards according to their original forecasts and the majority of Standards will transfer in the latter part of 2021.

We continue to have a national presence attending a variety of online events and virtual meetings to ensure we remain in touch with our providers needs and also are aware of current and future developments coming from regulators, funding agencies and national policy. Our innovation and proactive Functional Skills offer achieved national recognition from the Minister for Apprenticeships, Gillian Keegan and we engaged with both the Treasury and Cabinet Office to ensure that Apprentices were able to complete their Apprenticeships.

We regularly receive and publish news stories about the positive effect our qualifications have, especially with those hard to reach learners or those who have not had a good experience of learning. Our centres find that Open Awards qualifications allow for the flexibility of learning needed to help many disadvantaged learners to succeed.

Here at Open Awards we love nothing more than an Access to Higher Education Success Story. Sara, who studied with Teach Ltd is on her way to studying Veterinary Science at university because of Access to HE!

Here's what Sarah had to say about her Access journey and experience;

About herself;

I want to be a veterinarian, but my life has not followed a conventional application route. I covered biology, maths, and physics during my undergrad (over five years ago now!), but I was missing university level chemistry. Truthfully, I also fancied a refresher in science and maths. The Biochemistry course was so perfect because it offers either a biology, chemistry, and maths option, or a biology, chemistry, physics option; having this choice mattered to me, as I wanted my studies to feel focused and intentional. I'm really pleased to say I've been offered two places, one at Royal Vet College, London and the other at Bristol University.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

About the Access to HE Diploma;

No one could have predicted COVID, but my goodness, it is lovely to be on a course that was originally intended to be virtual and distance-learning based! There was no stress, confusion, or difficulty getting started. My course organiser and tutors were all accustomed to online delivery and support - no transition period to all-online etc. I also sincerely appreciate how much support is available: and not just academic! Zoë, our course lead, and Mel, my personal tutor, are so timely and available to help with anything that will help you as an individual be successful (time management etc.).

Why she chose an Access to HE Diploma;

The Access course was actually suggested to me by Bristol Vet admissions. I needed to top-up my chemistry qualifications. I was considering sitting the A-level exam as an individual as I couldn't find a single course that fit my schedule, application timeline, or COVID restrictions (i.e. all online). It was getting pretty stressful, but I felt immensely relieved when I saw that the Access course offered everything I was looking for!

Would she recommend Access to HE to others?

Absolutely. I've had the practical experience to apply for vet school for years, but the missing chemistry component disqualified my application right away. In hindsight, it was pretty demoralizing. I wasn't sure during my undergraduate year I wanted to be a vet, and I've felt a bit undercut by that ever since. The Access course has allowed me to achieve the needed qualification, refresh my science and maths knowledge, and maintain my work/social life (as much as possible during COVID!). Truly, I am so pleased with my present and optimistic about my future because of the Access course.

Open Awards was subject to no regulatory reviews from Ofqual within the period. Our low risk rating was renewed by QAA. We continue to participate at a national level with focus groups and improvement activities.

During the financial period each provider received support through Quality Assurance meetings and on-line support with additional meetings with their Business Development Managers. These have been supported by online training and standardisation events since March 2020.

Fundraising Activities

Open Awards does not undertake any fundraising activities.

Investment Performance

Open Awards has an Investment Policy, which was reviewed in the last period. The current investment objective for the portfolio is to maintain capital and the management strategy is designated as medium risk from September 2018. The portfolio performance over the 12 months to 30 June was 9.7% which was a positive recovery from the downturn experienced in the previous year due to the Covid19 pandemic. Recognised and unrecognised losses for the year were £176,787 with £19,240 income generated. Trustees have been happy with the performance of Tilneys against benchmarks. It is recognised there may still be volatility with investments due to the ongoing challenges of the pandemic but as the portfolio is for long term investment this is not a significant concern at this time.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

Financial review

The Statement of Financial Activities is on page 14. The charity's income is derived from charges to providers of its courses and qualifications, such as learner registration fees and an annual centre recognition fee to cover quality assurance and verification of award of credit. The main areas of provision are Access to Higher Education Diplomas, regulated qualifications and quality endorsed courses; and our Badge of Excellence quality kitemark for training, development and learning programmes that do not require qualification accreditation. Open Awards recognised 91 new centres over a broad spectrum including FE Colleges, schools, Offender Learning providers, private training providers and employers.

Over the period Open Awards generated income of £2,853,209 which was 27% higher than the previous period's figure of £2,241,808 for the year ended 31 July 2020 and reflects the income gained through the IFATE EQA contract and the growth in Functional Skills. Covid did not impact on the number of learner registrations this year as significantly as anticipated. We have continued to improve our qualification offer responding to demand from our centres and in the labour market. Prices for 2021-22 were in the main frozen to support our centres in their planning and the challenges facing them but continue to remain competitive in the current market.

In January 2021 Open Awards was awarded the first of two contracts by Health Education England to provide Functional Skills for their staff and apprentices. This has generated £5,226 in year from the first contract value of £48,750 with a total anticipated income of £98,400.

Resources expended were £1,806,239 in comparison to £1,700,211 for year ended 31 July 2020. This is a 6% increase on the previous period due to the extension of the contract for External Quality assurance with the IFATE, continued investment in Functional Skills and project management costs as we review our business critical systems. There were savings on utilities and staff travel costs due to revised ways of working due to the pandemic. Net operating income was £1,046,970 against a revised forecast of £536,283. After gains on investment there was a total surplus of £1,223,757.

Unrestricted Funds

During the period, the charitable company's net assets increased in value from £2,854,798 to £4,078,555. This level of reserves is considered by the Trustees to be necessary to generate income, which, along with other income earned each year, enables the Charity to maintain financial independence. Previous prudence meant that Open Awards did not have to furlough any staff during any time of the pandemic. Trustees committed to expenditure from reserves during this financial year to begin the transition of some business critical ICT systems, but this was not required.

£10,000 was awarded in Bursaries making a total of £110,657 awarded to date. A further commitment of £10,000 was made in year to support Open Awards centres recovering from the pandemic and Trustees have maintained their support for the scheme.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 JULY 2021**

Reserves policy

Reserves are available to be spent at the discretion of the Trustees and the charity has developed its reserves policy to maintain continuity of its operations and safeguard its charitable purposes, in the event of a significant decrease in income.

In particular reserves are held for the following reasons:

- To maintain the continuity of operations; and provide protection for staff and learners for 12 months thus allowing learners to complete their course/qualification or move to another Awarding Organisation;
- Maintain funds for the maintenance and appropriate replacement of Open Awards assets including the ownership of our freehold property;
- To ensure that Open Awards has the capacity to develop new projects and products to support its future sustainability;
- To protect the organisation from loss of key investments;
- To maintain investment into business critical systems.

As at 31 July 2021, Open Award's total reserves stood at £4,078,555. After making allowance for designated funds of £1,418,785 reserves available to satisfy the policy requirements above stood at £2,659,770.

Open Awards Trustees are satisfied the existing amount of reserves allows it to fulfil all its obligations shown above and the existing Policy is reviewed annually to ensure the sustainability of the organisation is safeguarded. Trustees will be ensuring that reserves do not fall below acceptable levels during the next period due to anticipated loss of income, National Insurance contribution rises and potential down turn of investment income due to Covid19.

The designated bursary fund is not a legal or restrictive commitment and can be undesignated by the Trustees at any time. However, it refers to an amount set aside year on year to assist learners financially, that may otherwise be prevented from accessing training or further education. This fund is generated from dividend income earned from our investment portfolio. Open Awards has awarded bursaries of £110,657 to date. As there were accumulated funds prior to the launch of the scheme there is still a balance of £20,250 to meet the ongoing commitment from Trustees.

The Auditors and Trustees are happy that there are no uncertainties about Open Awards continuing as a going concern.

Principal Risks and Uncertainties

The risk management strategy developed by the Board consists of:

- Annual review of the risks Open Awards may face updating the Risk Registers, as appropriate
- Systems and procedures to mitigate identified risks and
- Implementation of procedures designed to minimise any potential impact should those risks be realised.

This was last reviewed by the Board on 24th June 2021 and the review was carried out in accordance with Charities Commission guidance 'Charities and Risk Management'. This was a comprehensive review.

At the time of review the significant change was the ongoing impact of Covid19 and the loss of income from the IFATE contract for External Quality Assurance as it transfers to Ofqual. The overall level of risk is currently considered to be medium. Trustees have reviewed this and are satisfied that appropriate operational control systems are in place, although they will continue to monitor on a bi-monthly basis.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 JULY 2021**

The principal risks are considered to be:

- Covid19 – this continues to impact every organisation and it is difficult to fully assess what financial impact it will have. Open Awards has undertaken significant scenario planning to manage and mitigate the risk in the next period.
- IFATE Contract – as can be seen from the financial figures this contract has contributed to the income generated this year. However, this contract will transfer to Ofqual with transition completed by 31st December 2021.
- Regulatory requirements – failure to meet these could result in Open Awards being unable to offer Ofqual and QAA regulated qualifications. Open Awards continues to be seen as 'low risk' by our regulators and works hard to maintain this status.

Open Awards continues to seek to grow our customer base and to diversify in the products and services we provide, whilst remaining true to our mission and charitable aims. This includes diversifying our offer including developing our End Point Assessment services and investing in Essential Digital Skills. Our continued full cost recovery programme has been successful and we continue to make savings in our expenditure where they do not compromise our integrity and quality. The overall level of risk is however considered to be medium.

Plans for Future

Open Awards will continue to regard regulated qualifications and Access to HE Diplomas as our 'core' business. However, we will continue to seek diversification opportunities that deliver additional forms of funding to the organisation.

During the year Open Awards was recognised by Ofqual as an End Point Assessment Organisation with two Standards recognised by the end of the year. We have invested in staff and systems to ensure this develops during the next financial year.

Maintaining full cost recovery and seeking efficiencies where possible will also continue to be a priority as we seek to remain in surplus for the next period. However, we will need to balance this with a third disruptive year and loyalty to our employees during difficult times. It is accepted therefore that it may not be possible next year to achieve a surplus. Open Awards plans to continue our investment begun this year to the next year in our business critical systems and processes to ensure that we continue to offer a centre centric service.

Structure, governance and management

Open Awards is a company limited by guarantee without share capital governed by its memorandum and articles of association. It is a registered charity number 1113612 and company number 5462874.

Open Awards is an Awarding Organisation and Access Validating Agency operating across England and Wales. It is regulated by the Office of Quality and Exams Regulator (OFQUAL) and the Quality Assurance Agency for Higher Education (QAA).

The Charity's Board of Trustees are also its Directors who are elected by Annual General Meeting of the members of the Charity. Casual vacancies are filled, as required, by the Board of Trustees in accordance with the Charity's Articles of Association. Members of the Board of Trustees who served during the year are listed below.

Mr A P W Hunter - Chair
Dr G B Laing
Ms J F Wilson
Mr A J Bevin
Ms G A Mason
Mr D A E C Tilley
Mrs N J Mailey
Mr P H Taaffe
Mrs K Grant

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 JULY 2021**

Mr K Gordon
Mr N Small
Dr A Stott

The Board of Trustees meet termly to monitor the charity's activities and performance, to determine strategy and to attend to all other matters of governance.

In addition the Board of Trustees have the following committees:

The Search Committee meets as required to determine the specification for Trustee and Senior Management recruitment.

The Access to Higher Education Committee meets termly to undertake detailed scrutiny of all matters relating to the organisation's regulatory and standards responsibilities for Access to Higher Education provision. The committee has delegated powers to approve certain processes and recommend to the Board of Trustees the adoption of policies and reports.

The Business Development Committee meets termly to undertake scrutiny of the validity of our Ofqual regulated qualifications, determine future strategic demand and review proposals for planned products and services.

The Bursary Committee decides the allocation of Open Awards bursaries.

Open Awards aims to maintain a diverse mix of skills and experience within the Board of Trustees that supports the governance and management of the charity. There is a balance between representation from the Higher Education and Further Education sectors and individuals with particular skills or experience. The induction procedure for new Trustees includes distribution of background information, access to all records and attendance at an organisational induction session.

Trustees receive ongoing training during their tenure with specialist training on Governance, Safeguarding and Financial Management for non-financial Trustees provided for Trustees as well as development sessions on specialist areas of Open Awards business. In addition Trustees are invited to attend a wide range of events and seminars, including on-line training to ensure that they are continually developed in their roles.

A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations the Chief Executive has delegated authority, for operational matters including finance and employment.

Open Awards Trustees have responsibility for setting the pay and remuneration of the charity's key personnel and this is done on an annual basis, including a formal cost of living review. Salaries are benchmarked with other Awarding Organisations and across the Further Education sector.

Employee Engagement

Open Awards communicates with our employees regularly, usually through monthly team meetings and full staff meetings. We have a Health and Wellbeing group that promotes healthy lifestyles including mental health awareness. Open Awards staff has access to a dedicated mental health advice and counselling helpline. Through one of our partners, The Mentoring School we were able to make their Wellbeing Suite available for all employees. During the year all employees received support through a 'Bounce Back' programme designed to help them consider the issues that challenged their mental health and develop strategies to address them.

Since March 2020 we have used MS Teams for more informal organisational conversations and updates as well as sharing learning opportunities and additional mental health support.

Open Awards has very clear Mission, Vision and Values that are understood by all employees, displayed throughout the office, included in our Induction for new employees and demonstrated using the annual appraisal system.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

Relationship with Related Parties

None to declare.

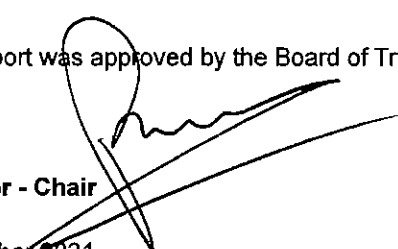
Auditor

DSG have agreed to offer themselves for re-election and a resolution proposing their re-appointment, at a remuneration to be determined by the Board of Trustees, will be placed before the Annual General Meeting.

Disclosure of Information to auditor

Trustees have confirmed on the date of approval of these financial statements, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. They have taken the steps that they ought to take as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor. The Trustees declare that they have approved the Trustee's Report above.

The trustees' report was approved by the Board of Trustees.



Mr A P W Hunter - Chair

Trustee

Dated: 4 November 2021

OPEN AWARDS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 JULY 2021

The trustees, who are also the directors of Open Awards for the purpose 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

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

OPEN AWARDS

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF OPEN AWARDS

Opinion

We have audited the financial statements of Open Awards (the 'charitable company') for the year ended 31 July 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 charitable company 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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 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.

OPEN AWARDS

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF OPEN AWARDS

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within 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 trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose 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.

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.

OPEN AWARDS

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF OPEN AWARDS

Capability of the audit in detecting irregularities, including fraud

Based on our discussions with the charity's management and the Trustees, we identified that the following laws and regulations are significant to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards and Charity Law.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the charity and therefore may have a material effect on the financial statements include compliance with the charitable objectives, public benefit, fundraising regulations, safeguarding and health and safety legislation.

These matters were discussed amongst the engagement team at the planning stage and the team remained alert to non-compliance throughout the audit.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and the Trustees as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of Trustee meeting minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jean Ellis BA FCA CTA (Senior Statutory Auditor)
for and on behalf of DSG

4 November 2021

Chartered Accountants
Statutory Auditor

Castle Chambers
43 Castle Street
Liverpool
L2 9TL

OPEN AWARDS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JULY 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	2	-	14,247	14,247	2,569	13,547	16,116
Charitable activities	3	2,791,898	-	2,791,898	2,191,706	-	2,191,706
Investments	4	23,783	-	23,783	33,986	-	33,986
Other income	5	23,281	-	23,281	-	-	-
Total income		2,838,962	14,247	2,853,209	2,228,261	13,547	2,241,808
<u>Expenditure on:</u>							
Raising funds	6	14,599	-	14,599	14,714	-	14,714
Charitable activities	7	1,765,390	14,247	1,779,637	1,671,950	13,547	1,685,497
Other	11	12,003	-	12,003	-	-	-
Total resources expended		1,791,992	14,247	1,806,239	1,686,664	13,547	1,700,211
Net gains/(losses) on investments	12	176,787	-	176,787	(117,256)	-	(117,256)
Net movement in funds		1,223,757	-	1,223,757	424,341	-	424,341
Fund balances at 1 August 2020		2,854,798	-	2,854,798	2,430,457	-	2,430,457
Fund balances at 31 July 2021		4,078,555	-	4,078,555	2,854,798	-	2,854,798

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

OPEN AWARDS

BALANCE SHEET

AS AT 31 JULY 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	13	5,880		-	
Tangible assets	14	222,656		197,280	
Investments	15	2,314,269		1,632,557	
		<u>2,542,805</u>		<u>1,829,837</u>	
Current assets					
Debtors	16	385,104		119,139	
Cash at bank and in hand		1,419,811		1,076,643	
		<u>1,804,915</u>		<u>1,195,782</u>	
Creditors: amounts falling due within one year	17	(267,773)		(166,645)	
Net current assets		<u>1,537,142</u>		<u>1,029,137</u>	
Total assets less current liabilities		<u>4,079,947</u>		<u>2,858,974</u>	
Creditors: amounts falling due after more than one year	19	(1,392)		(4,176)	
Net assets		<u><u>4,078,555</u></u>		<u><u>2,854,798</u></u>	
Income funds					
<u>Unrestricted funds</u>					
Designated funds	22	1,418,786		270,250	
General unrestricted funds		2,659,769		2,584,548	
		<u>4,078,555</u>		<u>2,854,798</u>	
		<u><u>4,078,555</u></u>		<u><u>2,854,798</u></u>	

The financial statements were approved by the Trustees on 4 November 2021

Mr A P W Hunter - Chair
Trustee

Company Registration No. 05462874

OPEN AWARDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	25		888,298		633,713
Investing activities					
Purchase of intangible assets		(5,880)		-	
Purchase of tangible fixed assets		(55,276)		(13,198)	
Purchase of investments		(1,397,584)		(1,082,906)	
Proceeds on disposal of investments		892,659		967,034	
Investment income received		23,783		33,986	
Net cash used in Investing activities			(542,298)		(95,084)
Financing activities					
Payment of obligations under finance leases		(2,832)		6,960	
Net cash (used in)/generated from financing activities			(2,832)		6,960
Net increase in cash and cash equivalents			343,168		545,589
Cash and cash equivalents at beginning of year			1,076,643		531,054
Cash and cash equivalents at end of year			1,419,811		1,076,643

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies

Charity information

Open Awards is a private company limited by guarantee incorporated in England and Wales. The registered office is 17 De Havilland Drive, Estuary Commerce Park, Speke, Liverpool, L24 8RN.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's memorandum of articles of association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

As part of assessing the potential impact of the ongoing COVID-19 virus situation the trustees have prepared revised financial forecasts for the charity. These forecasts indicate that the charity will continue to operate in surplus, and generate cash, over the period considered by them in their assessment of the appropriateness of adopting the going concern basis in the preparation of these financial statements. The trustees have also considered the impact of potential operational challenges posed by COVID-19, including but not restricted to, an assessment of the costs and ability to deliver services. The trustees have concluded that any operational pressures caused directly by the COVID-19 situation are unlikely to have a material impact on the charity. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies

(Continued)

Incoming resources from charitable activities relate to the academic year or years ending in the accounting period. Centre recognition income is recognised when a centre is formally approved to offer Open Awards courses and qualifications.

Learner registration income is recognised when a learner is registered on a course. There is no separate certification income. Where a course ends in the following accounting period the cost of moderation is covered by the annual fee for that year or additional quality assurance charges are applied at that time.

Bank interest and income from listed investments are recognised as investment income in the period it relates to.

1.5 Expenditure

Resources expended are recognised when the charity becomes obliged to settle the liability arising and include irrecoverable VAT.

Each resource expended is allocated to or apportioned between the headings of charitable expenditure according to the function it relates to, namely direct charitable activities, support activities or governance.

The support costs are those costs, which are necessary to deliver a charitable activity, but do not produce or constitute the output of the charitable activity. They include the rent and running costs of the charity's premises.

Governance costs are those costs associated with the governance arrangements of the charity, which affects the general running of the charity. They normally include external audit and legal advice for trustees, along with any other costs associated with strategic, as opposed to day-to-day management, of the charity's activities.

Whenever the resource expended relates to more than one of these three functions an apportionment is made on a reasonable or justifiable basis.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website and database

3 years straight line

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies (Continued)

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings	equally over 40 years
Fixtures, fittings & equipment	15 years straight line
Computer equipment	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Assets under £1,000 are not capitalised. They are expensed in the year of purchase

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

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

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

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

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charitable company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

The charity operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies

(Continued)

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2 Donations and legacies

	Restricted funds	Unrestricted funds	Restricted funds	Total
	2021 £	2020 £	2020 £	2020 £
Donations and gifts	14,247	2,569	13,547	16,116
Donations and gifts				
Ufi VocTech Trust	9,032	-	13,547	13,547
Other	5,215	2,569	-	2,569
	14,247	2,569	13,547	16,116

3 Charitable activities

	2021 £	2020 £
Fees from learner registration, awards and accreditation of courses	2,791,898	2,191,706

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

4 Investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Income from listed investments	19,240	30,387
Interest receivable	4,543	3,599
	<u>23,783</u>	<u>33,986</u>

5 Other income

	Unrestricted funds	Total
	2021 £	2020 £
Insurance proceeds	<u>23,281</u>	<u>-</u>

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

6 Raising funds

	2021	2020
	£	£
Investment management	14,599	14,714
	<u>14,599</u>	<u>14,714</u>

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

7 Charitable activities

	2021 £	2020 £
Staff costs	1,352,809	1,284,253
Depreciation and impairment	17,897	24,385
Printing, postage and stationery	31,275	25,175
Telephone	26,350	18,186
Travelling	1,301	26,593
Staff expenses	5,484	10,920
Qualification development	45,032	68,741
Staff development, training and conferences	5,281	4,753
Computer costs	107,854	79,299
Ufi VocTech project	1,113	21,466
Subscriptions	22,692	12,802
Hire of photocopier	1,976	2,375
Training, hospitality and room hire	(538)	4,197
External verification and quality assurance	64,950	22,406
Bursary fund	20,000	5,000
	<u>1,703,476</u>	<u>1,610,551</u>
Share of support costs (see note 8)	65,660	66,758
Share of governance costs (see note 8)	10,501	8,188
	<u>1,779,637</u>	<u>1,685,497</u>
Analysis by fund		
Unrestricted funds	1,765,390	
Restricted funds	14,247	
	<u>1,779,637</u>	
For the year ended 31 July 2020		
Unrestricted funds		1,671,950
Restricted funds		13,547
		<u>1,685,497</u>

Governance costs of £10,501 (2020: £8,188) are made up of other costs as detailed in note 7.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

8 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Office costs	65,660	-	65,660	66,758	-	66,758
Audit fees	-	8,783	8,783	-	8,133	8,133
Legal and professional	-	1,718	1,718	-	55	55
	<u>65,660</u>	<u>10,501</u>	<u>76,161</u>	<u>66,758</u>	<u>8,188</u>	<u>74,946</u>
Analysed between Charitable activities	<u>65,660</u>	<u>10,501</u>	<u>76,161</u>	<u>66,758</u>	<u>8,188</u>	<u>74,946</u>

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but they were reimbursed a total of NIL travelling expenses (2020- trustees were reimbursed £569).

10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Academic and administrative staff	<u>41</u>	<u>39</u>

Employment costs

	2021 £	2020 £
Wages and salaries	1,175,386	1,125,965
Social security costs	111,797	97,127
Other pension costs	65,626	61,161
	<u>1,352,809</u>	<u>1,284,253</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2021 Number	2020 Number
£60,001 to £70,000	<u>1</u>	<u>1</u>

Contributions totalling £4,474 (2020: £4,426) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

11 Other

	2021	2020
	£	£
Net loss on disposal of tangible fixed assets	12,003	-
	<u>12,003</u>	<u>-</u>

12 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Revaluation of investments	103,888	(95,210)
Gain/(loss) on sale of investments	72,899	(22,046)
	<u>176,787</u>	<u>(117,256)</u>

13 Intangible fixed assets

	Website and database
	£
Cost	
At 1 August 2020	20,592
Additions - separately acquired	5,880
	<u>26,472</u>
At 31 July 2021	
Amortisation and Impairment	
At 1 August 2020 and 31 July 2021	20,592
	<u>-</u>
Carrying amount	
At 31 July 2021	5,880
	<u>-</u>
At 31 July 2020	-
	<u>-</u>

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

14 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£
Cost				
At 1 August 2020	1,006,015	263,433	111,983	1,381,431
Additions	-	55,276	-	55,276
Disposals	-	(77,490)	(19,289)	(96,779)
At 31 July 2021	1,006,015	241,219	92,694	1,339,928
Depreciation and impairment				
At 1 August 2020	847,298	227,400	109,453	1,184,151
Depreciation charged in the year	5,867	10,680	1,350	17,897
Eliminated in respect of disposals	-	(65,487)	(19,289)	(84,776)
At 31 July 2021	853,165	172,593	91,514	1,117,272
Carrying amount				
At 31 July 2021	152,850	68,626	1,180	222,656
At 31 July 2020	158,717	36,033	2,530	197,280

15 Fixed asset investments

	Listed investments	Cash in portfolio	Total
	£		£
Cost or valuation			
At 1 August 2020	1,566,085	66,472	1,632,557
Additions	1,397,584	150,589	1,548,173
Valuation changes	103,888	-	103,888
Disposals	(970,351)	-	(970,351)
At 31 July 2021	2,097,206	217,061	2,314,267
Carrying amount			
At 31 July 2021	2,097,206	217,061	2,314,267
At 31 July 2020	1,566,085	66,472	1,632,557

Fixed asset investments revalued

Investments are included at revalued amounts, being the market value of the shares at the year end. The historical cost of the shares was £1,944,107 (2020: £1,590,609).

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

16 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	228,190	24,695
Prepayments and accrued income	156,914	94,444
	<u>385,104</u>	<u>119,139</u>

17 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Obligations under finance leases	18	2,736	2,784
Other taxation and social security		32,858	29,919
Trade creditors		54,377	35,571
Other creditors		17,459	5,991
Accruals and deferred income		160,343	92,380
		<u>267,773</u>	<u>166,645</u>

18 Finance lease commitments

Future minimum lease payments due under finance leases:

	2021 £	2020 £
Within one year	2,736	2,784
Within two and five years	1,392	4,176
	<u>4,128</u>	<u>6,960</u>

19 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Obligations under finance leases	18	<u>1,392</u>	<u>4,176</u>

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

20 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

The charge to Statement of Financial Activities in respect of defined contribution schemes was £65,626 (2020: £61,161).

21 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds		
	Income	Expenditure	Balance at 1 August 2020	Income	Expenditure	Balance at 31 July 2021
	£	£	£	£	£	£
Ufi VocTech Trust	13,547	(13,547)	-	9,032	(9,032)	-
Skelton Charity Donation	-	-	-	850	(850)	-
Biochemical Society Grant	-	-	-	1,000	(1,000)	-
Kickstart	-	-	-	3,365	(3,365)	-
	<u>13,547</u>	<u>(13,547)</u>	<u>-</u>	<u>14,247</u>	<u>(14,247)</u>	<u>-</u>

Ufi VocTech Trust: In May 2020 Open Awards was awarded funding to undertake a project to improve remote invigilation of Functional Skills to allow more training and exams to be undertaken remotely.

Skelton Charity Donation – In October 2020 Open Awards was awarded a grant of £850 towards setting up an Assessment Room to enable access to online assessment for learners during the pandemic as part of the Extraordinary Awarding framework.

Biochemical Society Grant – a grant of £1,000 was awarded in November 2020 towards the development of an appropriate entry level Science qualification for SEND learners.

Kickstart – Open Awards appointed an Administrator in March 2021 as part of the Government scheme to support individuals into meaningful workplace roles.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

22 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 August 2019 £	Transfers £	Balance at 1 August 2020 £	Expenditure £	Transfers £	Balance at 31 July 2021 £
Bursary Fund	45,250	(5,000)	40,250	(20,000)	-	20,250
Functional Skills Fund	20,000	(20,000)	-	-	-	-
IT Infrastructure and Systems Fund	180,000	-	180,000	(42,994)	112,994	250,000
Assessment Development Fund	-	50,000	50,000	(45,079)	95,079	100,000
Tangible & Intangible Fixed Asset Fund	-	-	-	-	228,536	228,536
Adjustment in income / Covid 19	-	-	-	-	500,000	500,000
Building Maintenance	-	-	-	-	100,000	100,000
Project work / Diversification opportunities	-	-	-	-	80,000	80,000
Cyber related incidents	-	-	-	-	100,000	100,000
Redundancy payments	-	-	-	-	40,000	40,000
	<u>245,250</u>	<u>25,000</u>	<u>270,250</u>	<u>(108,073)</u>	<u>1,256,609</u>	<u>1,418,786</u>

Bursary Fund - This is a fund set up for the payment of bursaries to learners at recognised centres to enable, or support them with their studies.

Functional Skills Fund - This is a fund set aside to develop the charity's Functional Skills Qualification programme. Functional Skills Qualifications have been designed to help young people and adults develop practical skills in English, Mathematics and Information and Communication Technology (ICT).

IT Infrastructure and Systems Fund - This is a fund committed to the development of Open Awards IT infrastructure and systems in order to streamline processes and improve efficiencies.

Assessment Development Fund - A fund for assessment development work in Essential Digital Skills and Pharmacy end-point assessment.

Tangible & Intangible Fixed Asset Fund - This fund reflects the value of the fixed assets used operationally by the charity.

Adjustment in Income / Covid 19 - A budget has been set for 2021-22 that shows a prudent surplus but there is the need to invest in services designed to assist in the recovery from Covid19 as well as the transition of the IFATE contract to Ofqual.

Building Maintenance - Open Awards owns 17 De Havilland Drive, Estuary Commerce Park, Speke L24 8RN and the Trustees wish to make proper provision for the maintenance of this building. This is in addition to operational maintenance incurred in-year.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

22 Designated funds

(Continued)

Project work/Diversification Opportunities - Open Awards has to keep abreast of government initiatives and funding issues in order to offer providers the qualifications that best fit the needs of the learners and meet employer needs. This means that additional resources may be called upon to assess the viability of entering into new markets or areas of business without eating into the income generated from existing core operations.

Cyber related incidents - Whilst Open Awards takes all necessary precautions in respect of network security and GDPR and has comprehensive levels of insurance, additional resources may be needed. With an increase in remote working and more sophisticated cyber-crime the board have decided it would be prudent to have reserves in place to cover this contingency.

Redundancy Payments - The impact of Covid19 on our Centres, and therefore our income, is as yet unknown and ongoing. The board have determined it would be cautious to set aside a fund for this.

23 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	6,958	12,361
Between two and five years	7,450	11,136
	<u>14,408</u>	<u>23,497</u>

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	<u>285,618</u>	<u>280,875</u>

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

25	Cash generated from operations	2021	2020
		£	£
	Surplus for the year	1,223,757	424,341
	Adjustments for:		
	Investment income recognised in statement of financial activities	(23,783)	(33,986)
	Loss on disposal of tangible fixed assets	12,003	-
	(Gain)/loss on disposal of investments	(72,899)	22,046
	Fair value gains and losses on investments	(103,888)	95,210
	Depreciation and impairment of tangible fixed assets	17,897	24,385
	Movements in working capital:		
	(Increase)/decrease in debtors	(265,965)	57,862
	Increase in creditors	101,176	43,855
	Cash generated from operations	888,298	633,713
26	Analysis of changes in net funds		
		At 1 August 2020	Cash flows
		£	£
	Cash at bank and in hand	1,076,643	343,168
	Obligations under finance leases	(6,960)	2,832
		<u>1,069,683</u>	<u>346,000</u>
			<u>1,415,683</u>

OPEN AWARDS

England & Wales - Charity number 1113612

Accounts

Charity Registration No. 1113612

Company Registration No. 05462874 (England and Wales)

OPEN AWARDS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

OPEN AWARDS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr A P W Hunter - Chair Dr G B Laing Ms J F Wilson Mr A J Bevin Ms G A Mason Mr D A E C Tilley Mrs N J Mailey Mr P H Taaffe Mrs K Grant Mr K Gordon Mr N Small Dr A Stott
Secretary	Ms E Burgess
Chief Executive	Ms H Akehurst
Charity number	1113612
Company number	05462874
Registered office	17 De Havilland Drive Estuary Commerce Park Speke Liverpool L24 8RN
Auditor	DSG Castle Chambers 43 Castle Street Liverpool L2 9TL
Bankers	National Westminster Bank
Solicitors	Brabners Chaffe Street
Investment advisors	Tilney BestInvest

OPEN AWARDS

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OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2020

The trustees present their report and financial statements for the year ended 31 July 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The Objects of the Charity are exclusively charitable and are to advance the education of the public and in particular by:

- promoting and widening participation in education, learning and training particularly by those who have previously benefited least from educational opportunities;
- improving the quality and flexibility of education, learning and training provision primarily for those who have previously benefited least from educational opportunities;
- improving access to learning opportunities and facilitating progression to further learning and in particular through the award of credit and credit based qualifications

Open Awards seeks to do this by working with local and national government; Colleges, schools, academies, employers, private training providers, End Point Assessment Organisations and voluntary sector organisations to provide qualifications, acknowledged training courses and End Point Assessment, all of which have the potential to lead to enhanced employment opportunities.

Success for Open Awards is determined by the number of organisations we work with, the number of apprentices we ensure achieve meaningful outcomes, the number of learners and the qualifications we register. In addition, we capture learner information on the difference our qualifications and where applicable, bursaries make to their learner journey. This is measured monthly and high level information is contained within this report.

Our significant activities within the period are detailed within the Activities and Achievements section.

Mission Statement

Our mission is to 'Change Lives Through Learning'.

Our Values

Excellence: To exceed standards in all we do, inspire excellence in our staff, centres and learners, and deliver a personalised customer service that surpasses expectations.

Respect: To foster a culture of respect and inclusiveness, being receptive to each other and customers, and acting with integrity.

Innovation: To listen, learn, discover and develop; to respond effectively to and invest in our staff, centres and learners.

Aspiration: We strive to be visionary and influential.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

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 Open Awards aims and objectives; and in considering future activities.

Our Bursary fund allows us to tackle barriers to achievement within learning and this year we were delighted to fund the creation of a pre-apprenticeship work space within one of our SEN schools.

In particular we seek to promote knowledge and raise standards in education, learning and skills through our accreditation of qualifications and courses. Additionally, our work on the reformed Functional Skills has allowed us to set standards against formal examinations.

All our Activities and achievements are measured against our Charitable Objects and Values to ensure that we are true to our mission and that we accurately measure our success and demonstrate our public benefit. Trustees keep up to date with guidance issued by the Charity Commission, particularly on public benefit and conducted a full review against the revised Charity Governance Code in November 2017 and reviewed our public benefit in May 2019.

Open Awards does not have regular volunteers but in the year has supported Abbots Lea High School, Liverpool and Welburn Hall School, Kirbymoorside through the national Careers Enterprise initiative, supported local schools with work experience and provided free certification for Volunteer work during Covid-19.

Achievements and performance

This academic year has been challenging as the Covid19 pandemic saw disruption to working, sweeping changes to the education sector and the implementation of the Extraordinary Regulatory Framework.

Open Awards registered 19,913 learners within the year and 12,533 learners were certificated within this period with 7,911 learners achieving full qualifications. It should be noted that Extraordinary Awarding powers were used in year due to Covid19.

We have sought to improve the way and timeliness with which we measure customer satisfaction within the year and continued our 1:1 customer meetings. Meetings with providers by the Chief Executive and members of the Senior Management Team continued and it is pleasing to note that customer satisfaction rates with our training were 96% of customers rating it as 'Excellent'. Open Awards provided additional support and webinars from March 2020 when Covid-19 lockdown began in England.

Open Awards delivered External Quality Assurance (EQA) on behalf of The Institute for Apprenticeships and Technical Education (IFATE) to 98 External Provider Assessment Organisations (EPAO) across 86 Standards within the year, as formal EQA reports. Additionally, we have provided ad-hoc support on assessment plan queries and, emergency support to ensure that apprentices could finish their End Point Assessments during the early days of Covid-19. Open Awards have worked with EPAOs to agree Covid-19 flexibilities/discretions across 70 Standards and actively review implementation of 25 of these Standards.

The Bursary scheme to support Open Awards learners to access qualifications and address additional barriers such as childcare, textbooks, travel expenses that may otherwise prevent them from learning continued, with over £100,657 being awarded since inception. The scheme has been reviewed in-year and during this year £5,000 was awarded to Abbots Lea school to improve their work placed learning on site.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 JULY 2020*

It is particularly pleasing to note that the reformed Functional Skills qualifications have been made available for delivery in this academic year after considerable work, in partnership with SkillsFirst and Future Qualifications. Due to Covid-19 the Legacy Functional Skills qualifications were formally extended to December 2020. Open Awards also expanded our remote invigilation in this area and was assisted by Ufl funding during Covid19 to increase our reach.

Open Awards engagement with policy decisions at a government and at a regulatory level has increased significantly this year initially with Ofqual proposed regulatory changes and the IFATE consultation on Simplifying External Assurance for Apprenticeships. However, since March this increased substantially to address the challenges presented by Covid-19 in ensuring that learners and apprentices achieve. It is important that this is maintained next year to ensure that social mobility and the case for positive change remain on the political agenda.

Open Awards has 372 recognised Centres, however not all of these register learners each period and we work closely with all Centres to understand their business needs and funding positions. This has presented a particular challenge during the end of this year that will continue into next year due to Covid-19. Open Awards recognised 61 new Centres within the period and activity increased on our newer qualifications, our Skills for Learning and Employment suite and most pleasingly on Functional Skills, resulting in Open Awards being the faster growing provider of Functional Skills in England.

Learner registrations were 19,913 over the period and income per learner increased reflecting the changing way the sector is choosing to purchase. This is due to changes in funding for Further Education Colleges and the voluntary sector in particular, which continues to struggle. April 2020 saw a significant drop in registrations due to Covid-19 and it is as yet unclear as what the longer impact will be, how quickly the sector will recover and importantly what the sector will look like.

Eight new Centres began to deliver our Badge of Excellence programmes showing continued support, particularly within the SEN and voluntary sector for our flexible approach in ensuring learners are able to achieve and progress.

Qualification development and Validity processes continue to be reviewed to ensure they provide real employment prospects and meet learner demand. This is supported by our ongoing investment in our labour market intelligence system and supported by the Business Development Committee.

In April Open Awards introduced new and importantly free certificates of recognition thanking Volunteers and Front-Line workers for their work during Covid-19. By the end of July we had issued 620 certificates.

Open Awards won the contract for the provision of EQA for the Apprenticeships Standards IFATE are responsible for in 2019 and this underwent a consultation that agreed to transfer the work to Ofqual from Summer 2020. The results of this consultation will potentially negatively impact our financial performance next year. We are currently responsible for over 266 Standards across 173 EPAOs and delivered ten EPAO Forums, including fortnightly remote support sessions since April.

We continue to have a national presence attending a variety of events and meetings to ensure we remain in touch with our providers needs and also are aware of current and future developments coming from regulators, funding agencies and national policy. This has taken up far more time since March 2020 as we move to the extraordinary use of predicted grades for Ofqual and QAA regulated qualifications. The outbreak of Covid19 meant that our Inspiration events were paused but replaced with over 50 remote webinars to implement the new Ofqual and QAA Extraordinary Regulatory Frameworks and work undertaken to award calculated grades during the summer this shifting the focus significantly across the organisation for the final quarter.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 JULY 2020*

We regularly receive and publish news stories about the positive effect our qualifications have, especially with those hard to reach learners or those who have not had a good experience of learning. Our centres find that Open Awards qualifications allow for the flexibility of learning needed to help many disadvantaged learners to succeed.

The following is a short focus on David Phiri, an Access to HE learner at Bury College who won the prestigious Keith Fletcher prize:

“Open Awards and Bury College have been working together to change lives through learning for 18 years. In year Open Awards received the wonderful news that one of Bury College’s Access to HE learners was announced as the winner of the esteemed Keith Fletcher Memorial Prize in Outstanding Academic Achievement category. The Keith Fletcher Memorial Prize is a national prize that celebrates the achievements of Access to Higher Education learners in two categories ‘Outstanding Academic Achievement’ and ‘Outstanding Commitment to Study’

One such Access to HE learner was David Phiri. David was announced as the winner of the prize for his amazing academic achievements at Bury College. David was raised in South Africa, but due to troubles, his family sought safety in the North West of England. Once settling in Bury, David made the decision to continue his educational pursuit in humanities at Bury College.

Once at the college David excelled at his academic studies. David achieved one of the highest GCSE English grades in Bury College; he also walked away with outstanding results in his Access to HE diploma.

David’s tutor, Shengchi Hsu said of his achievement

“I have been honoured to work with David on our Humanities diploma. This award validates not only his academic achievements but also his exceptional talent in writing. I look forward to seeing him develop into a writer, enriching the UK’s literary landscape with his powerful voice.”

David said of his achievement

“I am so happy and very proud to receive this award. Prior to starting my Bury College Access course, I had been out of education for some time. Access courses have been designed to support individuals on their journeys back into education so to receive an award to celebrate my journey is amazing.”

Open Awards was subject to no regulatory reviews from Ofqual within the period. Our low risk rating was renewed by QAA and best practice was again highlighted by them. We continue to participate at a national level with focus groups and improvement activities.

During the financial period each Centre received support through Quality Assurance visits and on-line support with additional visits by the Business Development Consultants These were supported by training events nationally including standardisation events, which have continued online since March 2020. The programme is centred on personal development and is a good starting point for vocational education and training. It also develops employability skills and develops knowledge within specific vocational areas.

Fundraising Activities

Open Awards does not undertake any fundraising activities.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

Investment Performance

Open Awards has an Investment Policy, which was reviewed in the last period. The current investment objective for the portfolio is to maintain capital and the management strategy is designated as medium risk from September 2018 moving from low risk. Due to Covid19 the investment portfolio took a significant downturn in March before recovering in the final quarter. Recognised and unrecognised losses for the year were £117,256 with £30,387 income generated. Trustees have been happy with the performance of Tilneys against benchmarks. It is recognised that the value of Open Awards investments may take further significant down turns given the current climate but as no draw down is planned this is not a significant concern at this time.

Financial review

The Statement of Financial Activities is on page 14. The charity's income is derived from charges to providers of its courses and qualifications, such as learner registration fees and an annual centre recognition fee to cover quality assurance and verification of award of credit. The main areas of provision are Access to Higher Education Diplomas, regulated qualifications and quality endorsed courses; and our Badge of Excellence quality kitemark for training, development and learning programmes that do not require qualification accreditation. Open Awards recognised 61 new centres over a broad spectrum including FE Colleges, schools, Offender Learning providers, private training providers and employers.

Over the period Open Awards generated income of £2,241,808 which was 56% higher than the previous period's figure of £1,433,679 for the year ended 31 July 2019 and reflects the higher income gained through the IFATE EQA contract. This was impacted by Covid19 in the latter end of the year. Funding cuts within the Education and Voluntary sectors continue to impact on the level of provision offered by our recognised Centres and therefore on the number of learner registrations with Open Awards. However, we have continued to improve our qualification offer responding to demand from our centres and in the labour market. Prices for 2019-20 were increased slightly but for 2020-21 were frozen to support our centres in their planning and the challenges facing them but continue to remain competitive in the current market.

In May 2020 Open Awards was awarded £22,579 from Ufl VocTech Trust to undertake a three-month project to improve remote invigilation of Functional Skills to allow more training and exams to be undertaken remotely.

Resources expended were £1,700,211 in comparison to £1,373,320 for year ended 31 July 2019. This is a 24% increase on the previous period due to the contract for External Quality assurance with the IFATE, continued investment in the reformed Functional Skills qualifications and project management costs as we review our business critical systems. Net operating income was £541,597 against a forecast of £3,324. After losses on investment there was a total surplus of £424,341.

Unrestricted Funds

During the period, the charitable company's net assets increased in value from £2,430,457 to £2,854,798. This level of reserves is considered by the Trustees to be necessary to generate income, which, along with other income earned each year, enables the Charity to maintain financial independence. Previous prudence meant that Open Awards did not have to furlough any staff during the latter end of the period. Trustees committed to expenditure from reserves during this financial year to complete the required restructure, but this was not required.

£5,000 was awarded in Bursaries to Abbots Lea school making a total of £100,657 awarded to date. A full review of the scheme has taken place and Trustees have maintained their support for the scheme.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

Reserves policy

Reserves are available to be spent at the discretion of the Trustees and the charity has developed its reserves policy to maintain continuity of its operations and safeguard its charitable purposes, in the event of a significant decrease in income.

In particular reserves are held for the following reasons:

- To maintain the continuity of operations; and provide protection for staff and learners for 12 months thus allowing learners to complete their course/qualification or move to another Awarding Organisation;
- Maintain funds for the maintenance and appropriate replacement of Open Awards assets including the ownership of our freehold property;
- To ensure that Open Awards has the capacity to develop new projects and products to support its future sustainability;
- To protect the organisation from loss of key investments;
- To maintain investment into business critical systems.

As at 31 July 2020, Open Award's total reserves stood at £2,854,798. After making allowance for designated funds of £270,250, and the carrying amount of functional tangible and intangible assets of £197,280, reserves available to satisfy the policy requirements above stood at £2,387,268.

Open Awards Trustees are satisfied the existing amount of reserves allows it to fulfil all its obligations shown above and the existing Policy is reviewed annually to ensure the sustainability of the organisation is safeguarded. Trustees will be ensuring that reserves do not fall below acceptable levels during the next period due to anticipated loss of income and down turn of investment income due to Covid19.

The designated bursary fund is not a legal or restrictive commitment and can be undesignated by the Trustees at any time. However, it refers to an amount set aside year on year to assist learners financially, that may otherwise be prevented from accessing training or further education. This fund is generated from dividend income earned from our investment portfolio. Open Awards has awarded bursaries of £100,657 to date. As there were accumulated funds prior to the launch of the scheme there is still a balance of £40,250 to meet the ongoing commitment from Trustees.

The Auditors and Trustees are happy that there are no uncertainties about Open Awards continuing as a going concern.

Principal Risks and Uncertainties

The risk management strategy developed by the Board consists of:

- Annual review of the risks Open Awards may face updating the Risk Registers, as appropriate
- Systems and procedures to mitigate identified risks and
- Implementation of procedures designed to minimise any potential impact should those risks be realised.

This was last reviewed by the Board on 25th June 2020 and the review was carried out in accordance with Charities Commission guidance 'Charities and Risk Management'. This was a comprehensive review.

At the time of review the significant change was the impact of Covid19 and the potential loss of income from the IFATE contract for External Quality Assurance through the severe drop in apprentices and the still awaited results of the IFATE consultation 'Simplifying External Quality Assurance'. The overall level of risk is currently considered to be medium – high. Trustees have reviewed this and are satisfied that appropriate operational control systems are in place, although they will continue to monitor on a bi-monthly basis.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

The principal risks are considered to be:

- Covid19 – this has impacted every organisation and it is difficult to fully assess what financial impact it will have. Open Awards has undertaken significant scenario planning to manage and mitigate the risk in the next period. Regrettably, combined with the other major risk this may require a restructure of the organisation.
- IFATE Contract – as can be seen from the financial figures this contract has contributed to the surplus generated this year. There are two risks to this income in the next period, the first is the outcome of the 'Simplifying EQA' consultation which is likely to see the work transferred to Ofqual, beginning August 2020 and the significant drop in apprentice starts and certifications.
- Regulatory requirements – failure to meet these could result in Open Awards being unable to offer Ofqual and QAA regulated qualifications. Open Awards continues to be seen as 'low risk' by our regulators and works hard to maintain this status.

Open Awards continues to seek to grow our customer base and to diversify in the products and services we provide, whilst remaining true to our mission and charitable aims. This includes diversifying our offer including looking to become an End Point Assessment Organisation. Our continued full cost recovery programme has been successful and we continue to make savings in our expenditure where they do not compromise our integrity and quality. The overall level of risk is however considered to be medium-high.

Plans for Future

Open Awards will continue to regard regulated qualifications and Access to HE Diplomas as our 'core' business. However, we will continue to seek diversification opportunities that deliver additional forms of funding to the organisation.

Our contract for External Quality Assurance with The Institute for Apprenticeships will be affected by the drop in apprentice numbers and potentially the outcome of IFATE's consultation to move all such work to Ofqual and therefore we are seeking to replace this work with End Point Assessment activity. Increasingly we are working to support on line delivery by all our centres.

Maintaining full cost recovery and seeking efficiencies where possible will also continue to be a priority as we seek to remain in surplus for the next period. However, we will need to balance this with a second disruptive year and loyalty to our employees during difficult times. It is accepted therefore that it may not be possible next year to achieve a surplus. Open Awards plans to continue our investment begun this year to the next year in our business critical systems and processes to ensure that we continue to offer a centre centric service.

Structure, governance and management

Open Awards is a company limited by guarantee without share capital governed by its memorandum and articles of association. It is a registered charity number 1113612 and company number 5462874.

Open Awards is an Awarding Organisation and Access Validating Agency operating across England and Wales. It is regulated by the Office of Quality and Exams Regulator (OFQUAL) and the Quality Assurance Agency for Higher Education (QAA).

The Charity's Board of Trustees are also its Directors who are elected by Annual General Meeting of the members of the Charity. Casual vacancies are filled, as required, by the Board of Trustees in accordance with the Charity's Articles of Association. Members of the Board of Trustees who served during the year are listed below.

Mr A P W Hunter - Chair
Dr G B Laing
Ms J F Wilson
Mr A J Bevin
Ms G A Mason
Mr D A E C Tilley

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 JULY 2020*

Mrs N J Mailey
Mr P H Taaffe
Mrs K Grant
Mr K Gordon
Mr N Small
Dr A Stott

The Board of Trustees meet termly to monitor the charity's activities and performance, to determine strategy and to attend to all other matters of governance.

In addition the Board of Trustees have the following committees:

The Search Committee meets as required to determine the specification for Trustee and Senior Management recruitment.

The Access to Higher Education Committee meets termly to undertake detailed scrutiny of all matters relating to the organisation's regulatory and standards responsibilities for Access to Higher Education provision. The committee has delegated powers to approve certain processes and recommend to the Board of Trustees the adoption of policies and reports.

The Business Development Committee meets termly to undertake scrutiny of the validity of our Ofqual regulated qualifications, determine future strategic demand and review proposals for planned products and services.

The Bursary Committee decides the allocation of Open Awards bursaries.

Open Awards aims to maintain a diverse mix of skills and experience within the Board of Trustees that supports the governance and management of the charity. There is a balance between representation from the Higher Education and Further Education sectors and individuals with particular skills or experience. The induction procedure for new Trustees includes distribution of background information, access to all records and attendance at an organisational induction session.

Trustees receive ongoing training during their tenure with specialist training on Governance, Safeguarding and Financial Management for non-financial Trustees provided for Trustees as well as development sessions on specialist areas of Open Awards business. In addition Trustees are invited to attend a wide range of events and seminars, including on-line training to ensure that they are continually developed in their roles.

A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations the Chief Executive has delegated authority, for operational matters including finance and employment.

Open Awards Trustees have responsibility for setting the pay and remuneration of the charity's key personnel and this is done on an annual basis, including a formal cost of living review. Salaries are benchmarked with other Awarding Organisations and across the Further Education sector.

OPEN AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

Employee Engagement

Open Awards communicates with our employees regularly, usually through monthly team meetings and full staff meetings but since March 2020 through team remote meetings on a fortnightly basis and weekly CEO briefings. We have a Health and Wellbeing group that promotes healthy lifestyles including mental health awareness. Open Awards staff has access to a dedicated mental health advice and counselling helpline. Open Awards also took advantage of the Sage Employee Benefits scheme for six months to provide additional support. Through one of our partners, The Mentoring School we were able to make their Wellbeing Suite available for all employees.

Since March 2020 we have introduced 'Slack' and MS Teams for more informal organisational conversations and updates as well as sharing learning opportunities and additional mental health support.

Open Awards has very clear Mission, Vision and Values that are understood by all employees, displayed throughout the office, included in our Induction for new employees and demonstrated using the annual appraisal system.

Relationship with Related Parties

None to declare.

Auditor

DSG have agreed to offer themselves for re-election and a resolution proposing their re-appointment, at a remuneration to be determined by the Board of Trustees, will be placed before the Annual General Meeting.

Disclosure of information to auditor

Trustees have confirmed on the date of approval of these financial statements, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. They have taken the steps that they ought to take as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor. The Trustees declare that they have approved the Trustee's Report above.

The trustees' report was approved by the Board of Trustees.



Mr A P W Hunter - Chair

Trustee

Dated: 5 November 2020

OPEN AWARDS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 JULY 2020

The trustees, who are also the directors of Open Awards for the purpose 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

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

OPEN AWARDS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OPEN AWARDS

Opinion

We have audited the financial statements of Open Awards (the 'charitable company') for the year ended 31 July 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, 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 July 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 charitable company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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.

OPEN AWARDS

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF OPEN AWARDS

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within 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 trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose of company law, is 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 is 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.

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.

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

OPEN AWARDS

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF OPEN AWARDS

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jean Ellis BA FCA CTA (Senior Statutory Auditor)
for and on behalf of DSG

5 November 2020

Chartered Accountants
Statutory Auditor

Castle Chambers
43 Castle Street
Liverpool
L2 9TL

OPEN AWARDS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes						
Income from:							
Donations and legacies	2	2,569	13,547	16,116	-	74,772	74,772
Charitable activities	3	2,191,706	-	2,191,706	1,332,213	-	1,332,213
Investments	4	33,986	-	33,986	26,694	-	26,694
Total income		2,228,261	13,547	2,241,808	1,358,907	74,772	1,433,679
Expenditure on:							
Raising funds	5	14,714	-	14,714	12,989	-	12,989
Charitable activities	6	1,671,950	13,547	1,685,497	1,285,450	74,881	1,360,331
Total resources expended		1,686,664	13,547	1,700,211	1,298,439	74,881	1,373,320
Net gains/(losses) on investments	10	(117,256)	-	(117,256)	78,018	-	78,018
Net movement in funds		424,341	-	424,341	138,486	(109)	138,377
Fund balances at 1 August 2019		2,430,457	-	2,430,457	2,291,971	109	2,292,080
Fund balances at 31 July 2020		2,854,798	-	2,854,798	2,430,457	-	2,430,457

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

OPEN AWARDS

BALANCE SHEET

AS AT 31 JULY 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	11	197,280		208,467	
Investments	12	1,632,557		1,633,941	
		<u>1,829,837</u>		<u>1,842,408</u>	
Current assets					
Debtors	13	119,139		177,001	
Cash at bank and in hand		<u>1,076,643</u>		<u>531,054</u>	
		1,195,782		708,055	
Creditors: amounts falling due within one year	14	<u>(166,645)</u>		<u>(120,006)</u>	
Net current assets		1,029,137		588,049	
Total assets less current liabilities		<u>2,858,974</u>		<u>2,430,457</u>	
Creditors: amounts falling due after more than one year	16	(4,176)		-	
Net assets		<u>2,854,798</u>		<u>2,430,457</u>	
Income funds					
<u>Unrestricted funds</u>					
Designated funds	19	270,250		245,250	
General unrestricted funds		2,584,548		2,067,621	
Revaluation reserve		<u>-</u>		<u>117,586</u>	
		2,854,798		2,430,457	
		<u>2,854,798</u>		<u>2,430,457</u>	

The financial statements were approved by the Trustees on 5 November 2020



Mr A P W Hunter - Chair
Trustee

Company Registration No. 05462874

OPEN AWARDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	22		633,713		117,791
Investing activities					
Purchase of tangible fixed assets		(13,198)		(7,082)	
Purchase of investments		(1,082,906)		(851,958)	
Proceeds on disposal of investments		967,034		741,682	
Interest received		33,986		26,694	
Net cash used in investing activities			(95,084)		(90,664)
Financing activities					
Payment of obligations under finance leases		6,960		-	
Net cash generated from/(used in) financing activities			6,960		-
Net increase in cash and cash equivalents			545,589		27,127
Cash and cash equivalents at beginning of year			531,054		503,927
Cash and cash equivalents at end of year			1,076,643		531,054

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

Charity information

Open Awards is a private company limited by guarantee incorporated in England and Wales. The registered office is 17 De Havilland Drive, Estuary Commerce Park, Speke, Liverpool, L24 8RN.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's memorandum of articles of association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

As part of assessing the potential impact of the ongoing COVID-19 virus situation the trustees have prepared revised financial forecasts for the charity. These forecasts indicate that the charity will continue to operate in surplus, and generate cash, over the period considered by them in their assessment of the appropriateness of adopting the going concern basis in the preparation of these financial statements. The trustees have also considered the impact of potential operational challenges posed by COVID-19, including but not restricted to, an assessment of the costs and ability to deliver services. The trustees have concluded that any operational pressures caused directly by the COVID-19 situation are unlikely to have a material impact on the charity. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

Incoming resources from charitable activities relate to the academic year or years ending in the accounting period. Centre recognition income is recognised when a centre is formally approved to offer Open Awards courses and qualifications.

Learner registration income is recognised when a learner is registered on a course. There is no separate certification income. Where a course ends in the following accounting period the cost of moderation is covered by the annual fee for that year or additional quality assurance charges are applied at that time.

Bank interest and income from listed investments are recognised as investment income in the period it relates to.

1.5 Expenditure

Resources expended are recognised when the charity becomes obliged to settle the liability arising and include irrecoverable VAT.

Each resource expended is allocated to or apportioned between the headings of charitable expenditure according to the function it relates to, namely direct charitable activities, support activities or governance.

The support costs are those costs, which are necessary to deliver a charitable activity, but do not produce or constitute the output of the charitable activity. They include the rent and running costs of the charity's premises.

Governance costs are those costs associated with the governance arrangements of the charity, which affects the general running of the charity. They normally include external audit and legal advice for trustees, along with any other costs associated with strategic, as opposed to day-to-day management, of the charity's activities.

Whenever the resource expended relates to more than one of these three functions an apportionment is made on a reasonable or justifiable basis.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings	equally over 40 years
Fixtures, fittings & equipment	5-9 years straight line
Computer equipment	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Assets under £1,000 are not capitalised. They are expensed in the year of purchase

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

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

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

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

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charitable company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

The charity operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Restricted funds
	2020 £	2020 £	2020 £	2019 £
Donations and gifts	2,569	13,547	16,116	74,772
Donations and gifts				
Department for Education - Flexible Learning Fund	-	-	-	74,772
Ufi VocTech Trust	-	13,547	13,547	-
Other	2,569	-	2,569	-
	2,569	13,547	16,116	74,772

3 Charitable activities

	2020 £	2019 £
Fees from learner registration, awards and accreditation of courses	2,191,706	1,331,674
Other income	-	539
	2,191,706	1,332,213

4 Investments

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
Income from listed investments	30,387	23,426
Interest receivable	3,599	3,268
	33,986	26,694

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

5 Raising funds

	2020	2019
	£	£
Investment management	14,714	12,989
	<u>14,714</u>	<u>12,989</u>
	<u><u>14,714</u></u>	<u><u>12,989</u></u>

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

6 Charitable activities

	2020 £	2019 £
Staff costs	1,284,253	914,206
Depreciation and impairment	24,385	16,833
Printing, postage and stationery	25,175	35,403
Telephone	18,186	16,097
Travelling	26,593	28,560
Staff expenses	10,920	7,957
Qualification development	68,741	69,874
Staff development, training and conferences	4,753	1,907
Computer costs	79,299	57,653
Ufi VocTech project	21,466	-
Subscriptions	12,802	17,170
Hire of photocopier	2,375	5,914
Training, hospitality and room hire	4,197	3,850
External verification and quality assurance	22,406	22,097
Institute for Apprenticeships	-	46,253
Flexible learning fund	-	15,744
Bursary fund	5,000	4,750
	<u>1,610,551</u>	<u>1,264,268</u>
Share of support costs (see note 7)	66,758	87,508
Share of governance costs (see note 7)	8,188	8,555
	<u>1,685,497</u>	<u>1,360,331</u>
Analysis by fund		
Unrestricted funds	1,671,950	
Restricted funds	13,547	
	<u>1,685,497</u>	
For the year ended 31 July 2019		
Unrestricted funds		1,285,450
Restricted funds		74,881
		<u>1,360,331</u>

Governance costs of £8,188 (2019: £8,555) are made up of other costs as detailed in note 7.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

7 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Office costs	66,758	-	66,758	87,508	-	87,508
Audit fees	-	8,133	8,133	-	8,423	8,423
Legal and professional	-	55	55	-	132	132
	<u>66,758</u>	<u>8,188</u>	<u>74,946</u>	<u>87,508</u>	<u>8,555</u>	<u>96,063</u>
Analysed between Charitable activities	<u>66,758</u>	<u>8,188</u>	<u>74,946</u>	<u>87,508</u>	<u>8,555</u>	<u>96,063</u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but they were reimbursed a total of £569 travelling expenses (2019- trustees were reimbursed £515).

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Academic and administrative staff	<u>39</u>	<u>28</u>

Employment costs

	2020 £	2019 £
Wages and salaries	1,125,965	794,888
Social security costs	97,127	75,664
Other pension costs	61,161	43,654
	<u>1,284,253</u>	<u>914,206</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2020 Number	2019 Number
£60,001 to £70,000	<u>1</u>	<u>1</u>

Contributions totalling £4,426 (2019: £4,214) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

10 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Revaluation of investments	(95,210)	71,718
Gain/(loss) on sale of investments	(22,046)	6,300
	<u>(117,256)</u>	<u>78,018</u>

11 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£
Cost				
At 1 August 2019	1,006,015	253,689	108,529	1,368,233
Additions	-	9,744	3,454	13,198
At 31 July 2020	<u>1,006,015</u>	<u>263,433</u>	<u>111,983</u>	<u>1,381,431</u>
Depreciation and impairment				
At 1 August 2019	841,431	216,999	101,336	1,159,766
Depreciation charged in the year	5,867	10,401	8,117	24,385
At 31 July 2020	<u>847,298</u>	<u>227,400</u>	<u>109,453</u>	<u>1,184,151</u>
Carrying amount				
At 31 July 2020	<u>158,717</u>	<u>36,033</u>	<u>2,530</u>	<u>197,280</u>
At 31 July 2019	<u>164,584</u>	<u>36,690</u>	<u>7,193</u>	<u>208,467</u>

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

12 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 1 August 2019	1,474,690	159,251	1,633,941
Additions	1,082,906	-	1,082,906
Valuation changes	(95,210)	-	(95,210)
Disposals	(896,301)	(92,779)	(989,080)
At 31 July 2020	1,566,085	66,472	1,632,557
Carrying amount			
At 31 July 2020	1,566,085	66,472	1,632,557
At 31 July 2019	1,474,690	159,251	1,633,941

Fixed asset investments revalued

Investments are included at revalued amounts, being the market value of the shares at the year end. The historical cost of the shares was £1,590,609 (2019: £1,357,104).

13 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	24,695	47,607
Other debtors	-	6,645
Prepayments and accrued income	94,444	122,749
	119,139	177,001

14 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Obligations under finance leases	15	2,784	-
Other taxation and social security		29,919	23,813
Trade creditors		35,571	39,975
Other creditors		5,991	7,972
Accruals and deferred income		92,380	48,246
		166,645	120,006

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

15 Finance lease commitments

Future minimum lease payments due under finance leases:

	2020 £	2019 £
Within one year	2,784	-
Within two and five years	4,176	-
	<u>6,960</u>	<u>-</u>

16 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Obligations under finance leases	15	<u>4,176</u>	<u>-</u>

17 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

The charge to Statement of Financial Activities in respect of defined contribution schemes was £61,161 (2019: £43,654).

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 August 2018	Income	Expenditure	Balance at 1 August 2019	Income	Expenditure	Balance at 31 July 2020
	£	£	£	£	£	£	£
Department for Education - Flexible Learning Fund	109	74,772	(74,881)	-	-	-	-
Ufi VocTech Trust	-	-	-	-	13,547	(13,547)	-
	<u>109</u>	<u>74,772</u>	<u>(74,881)</u>	<u>-</u>	<u>13,547</u>	<u>(13,547)</u>	<u>-</u>

Department for Education-Flexible Learning Fund: funding for pilot projects aimed at helping adults progress in employment or enter new occupations through re-skilling or up-skilling. The aim for Open Awards is to increase participation in access to HE Diplomas in Health and Care subjects by removing the barriers that some learners face in attending traditional classroom-based learning.

Ufi VocTech Trust: In May 2020 Open Awards was awarded funding to undertake a project to improve remote invigilation of Functional Skills to allow more training and exams to be undertaken remotely.

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

19 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 August 2018 £	Expenditure £	Transfers £	Balance at 1 August 2019 £	Transfers £	Balance at 31 July 2020 £
Bursary Fund	50,000	(4,750)	-	45,250	(5,000)	40,250
Functional Skills Fund	60,000	(60,000)	20,000	20,000	(20,000)	-
IT Infrastructure and Systems Fund	-	-	180,000	180,000	-	180,000
Assessment Development Fund	-	-	-	-	50,000	50,000
	<u>110,000</u>	<u>(64,750)</u>	<u>200,000</u>	<u>245,250</u>	<u>25,000</u>	<u>270,250</u>

Bursary Fund - This is a fund set up for the payment of bursaries to learners at recognised centres to enable, or support them with their studies.

Functional Skills Fund - This is a fund set aside to develop the charity's Functional Skills Qualification programme. Functional Skills Qualifications have been designed to help young people and adults develop practical skills in English, Mathematics and Information and Communication Technology (ICT).

IT Infrastructure and Systems Fund - This is a fund committed to the development of Open Awards IT infrastructure and systems in order to streamline processes and improve efficiencies.

Assessment Development Fund - A fund for assessment development work in Essential Digital Skills and Pharmacy end-point assessment.

20 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	12,361	17,802
Between two and five years	11,136	20,814
	<u>23,497</u>	<u>38,616</u>

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

21 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	280,875	273,363

22 Cash generated from operations

	2020 £	2019 £
Surplus for the year	424,341	138,377
Adjustments for:		
Investment income recognised in statement of financial activities	(33,986)	(26,694)
Loss/(gain) on disposal of investments	22,046	(6,300)
Fair value gains and losses on investments	95,210	(71,718)
Depreciation and impairment of tangible fixed assets	24,385	16,833
Movements in working capital:		
Decrease in debtors	57,862	73,374
Increase/(decrease) in creditors	43,855	(6,081)
Cash generated from operations	633,713	117,791

23 Analysis of changes in net funds

	At 1 August 2019 £	Cash flows £	At 31 July 2020 £
Cash at bank and in hand	531,054	545,589	1,076,643
Obligations under finance leases	-	(6,960)	(6,960)
	531,054	538,629	1,069,683