

**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

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<b>Trustees</b>	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
<b>Secretary</b>	Ms E Burgess
<b>Chief Executive</b>	Ms H Akehurst
<b>Charity number</b>	1113612
<b>Company number</b>	05462874
<b>Registered office</b>	17 De Havilland Drive Estuary Commerce Park Speke Liverpool L24 8RN
<b>Auditor</b>	DSG Castle Chambers 43 Castle Street Liverpool L2 9TL
<b>Bankers</b>	National Westminster Bank
<b>Solicitors</b>	Brabners Chaffe Street
<b>Investment advisors</b>	Tilney BestInvest

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# OPEN AWARDS

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# OPEN AWARDS

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JULY 2020

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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

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### **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*

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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**

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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

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### ***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

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### **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

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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*

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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

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### ***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*

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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

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### 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

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### **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

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### 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						
<b>Income from:</b>							
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
<b>Total income</b>		<b>2,228,261</b>	<b>13,547</b>	<b>2,241,808</b>	<b>1,358,907</b>	<b>74,772</b>	<b>1,433,679</b>
<b>Expenditure on:</b>							
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
<b>Total resources expended</b>		<b>1,686,664</b>	<b>13,547</b>	<b>1,700,211</b>	<b>1,298,439</b>	<b>74,881</b>	<b>1,373,320</b>
Net gains/(losses) on investments	10	(117,256)	-	(117,256)	78,018	-	78,018
<b>Net movement in funds</b>		<b>424,341</b>	<b>-</b>	<b>424,341</b>	<b>138,486</b>	<b>(109)</b>	<b>138,377</b>
Fund balances at 1 August 2019		2,430,457	-	2,430,457	2,291,971	109	2,292,080
<b>Fund balances at 31 July 2020</b>		<b>2,854,798</b>	<b>-</b>	<b>2,854,798</b>	<b>2,430,457</b>	<b>-</b>	<b>2,430,457</b>

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 £	£
<b>Fixed assets</b>					
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>	
<b>Current assets</b>					
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	
<b>Creditors: amounts falling due within one year</b>	14	<u>(166,645)</u>		<u>(120,006)</u>	
Net current assets		1,029,137		588,049	
<b>Total assets less current liabilities</b>		<u>2,858,974</u>		<u>2,430,457</u>	
<b>Creditors: amounts falling due after more than one year</b>	16	(4,176)		-	
<b>Net assets</b>		<u>2,854,798</u>		<u>2,430,457</u>	
<b>Income funds</b>					
<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 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	22		633,713		117,791
<b>Investing activities</b>					
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	
<b>Net cash used in investing activities</b>			(95,084)		(90,664)
<b>Financing activities</b>					
Payment of obligations under finance leases		6,960		-	
<b>Net cash generated from/(used in) financing activities</b>			6,960		-
<b>Net increase in cash and cash equivalents</b>			545,589		27,127
Cash and cash equivalents at beginning of year			531,054		503,927
<b>Cash and cash equivalents at end of year</b>			1,076,643		531,054

# OPEN AWARDS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

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### 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
<b>Donations and gifts</b>				
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>
<b>Analysis by fund</b>		
Unrestricted funds	1,671,950	
Restricted funds	13,547	
	<u>1,685,497</u>	
<b>For the year ended 31 July 2019</b>		
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
	£	£	£	£
<b>Cost</b>				
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>
<b>Depreciation and impairment</b>				
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>
<b>Carrying amount</b>				
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 £
<b>Cost or valuation</b>			
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
<b>Carrying amount</b>			
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 £
<b>Amounts falling due within one year:</b>		
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

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#### 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	4,176	-
		<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)
<b>Cash generated from operations</b>	<b>633,713</b>	<b>117,791</b>

### 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