

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.

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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.

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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.

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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.

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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.

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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						
Income and endowments from:							
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
Expenditure on:							
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		<u>2,659,769</u>		<u>2,584,548</u>	
		<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>

