

Charity registration number 1113612

Company registration number 05462874 (England and Wales)

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

OPEN AWARDS

LEGAL AND ADMINISTRATIVE INFORMATION

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

OPEN AWARDS

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OPEN AWARDS

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

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

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

Objectives and activities

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

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

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

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

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

Mission Statement

Our mission is to 'Change Lives Through Learning'.

Our Values

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

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

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

Aspiration: We strive to be visionary and influential.

OPEN AWARDS

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

Public Benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Open Awards aims and objectives; and in considering future activities.

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

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

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

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

Achievements and performance

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

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

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

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

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

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

OPEN AWARDS

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

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

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

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

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

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

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

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

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

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

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

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

Fundraising Activities

Open Awards does not undertake any fundraising activities.

OPEN AWARDS

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

Investment Performance

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

Financial review

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

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

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

Unrestricted Funds

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

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

Reserves policy

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

In particular reserves are held for the following reasons:

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

OPEN AWARDS

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

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

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

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

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

Principal Risks and Uncertainties

The risk management strategy developed by the Board consists of:

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

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

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

The principal risks are considered to be:

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

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

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

OPEN AWARDS

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

Plans for Future

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

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

Structure, governance and management

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

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

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

Mrs N J Mailey - Chair

Dr G B Laing

Mr A J Bevin

Ms G A Mason

Mr D A E C Tilley

Mr P H Taaffe

(Resigned 3 November 2022)

Mrs K Grant

(Resigned 22 June 2023)

Mr K Gordon

Mr N Small

(Resigned 24 May 2023)

Dr A Stott

Mr B J Jordan

Dr H van Zalinge

Ms J Armitage

(Appointed 22 June 2023)

Mr M Bennett

(Appointed 22 June 2023)

OPEN AWARDS

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

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

In addition the Board of Trustees have the following committees:

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

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

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

The Bursary Committee decides the allocation of Open Awards bursaries.

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

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

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

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

Employee Engagement

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

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

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

Relationship with Related Parties

Maxam Training Ltd is a wholly owned subsidiary of Open Awards

OPEN AWARDS

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

Auditor

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

Disclosure of information to auditor

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

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



Mrs N J Mailey - Chair
Trustee

2 November 2023

OPEN AWARDS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 JULY 2023

The trustees, who are also the directors of Open Awards for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

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

OPEN AWARDS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OPEN AWARDS

Opinion

We have audited the financial statements of Open Awards (the 'charitable company') for the year ended 31 July 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

OPEN AWARDS

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

OPEN AWARDS

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

Capability of the audit in detecting irregularities, including fraud

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

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

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

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

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

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

Use of our report

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



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

2 November 2023

Chartered Accountants
Statutory Auditor

Castle Chambers
43 Castle Street
Liverpool
L2 9TL

OPEN AWARDS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2023

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

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

All income and expenditure derive from continuing activities.

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

OPEN AWARDS

BALANCE SHEET

AS AT 31 JULY 2023

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

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

Nicola J Mailey

Mrs N J Mailey - Chair
Trustee

Company registration number 05462874

OPEN AWARDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2023

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

OPEN AWARDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies

Charity information

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

1.1 Accounting convention

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

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

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

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

1.2 Going concern

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

1.3 Charitable funds

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

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

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

1.4 Income

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

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

OPEN AWARDS

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

1 Accounting policies

(Continued)

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

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

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

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

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

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

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

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

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

1.6 Intangible fixed assets other than goodwill

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

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

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

Website and database

3 years straight line

OPEN AWARDS

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

1 Accounting policies

(Continued)

1.7 Tangible fixed assets

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

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

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

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

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

1.8 Fixed asset investments

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

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

1.9 Impairment of fixed assets

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

1.10 Cash and cash equivalents

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

1.11 Financial instruments

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

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

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

Basic financial assets

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

OPEN AWARDS

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

1 Accounting policies

(Continued)

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.12 Employee benefits

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

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

1.13 Retirement benefits

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

OPEN AWARDS

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

1 Accounting policies

(Continued)

1.14 Leases

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

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

2 Donations and legacies

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

3 Charitable activities

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

OPEN AWARDS

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

4 Investments

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

5 Raising funds

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

OPEN AWARDS

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

6 Charitable activities

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

OPEN AWARDS

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

7 Support costs

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

8 Trustees

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

9 Employees

The average monthly number of employees during the year was:

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

Employment costs

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

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

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

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

OPEN AWARDS

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

10 Net gains/(losses) on investments

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

11 Taxation

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

12 Intangible fixed assets

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

OPEN AWARDS

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

13 Tangible fixed assets

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

14 Fixed asset investments

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

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

OPEN AWARDS

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

14 Fixed asset investments

(Continued)

Fixed asset investments revalued

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

15 Debtors

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

16 Finance lease commitments

Future minimum lease payments due under finance leases:

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

17 Creditors: amounts falling due within one year

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

18 Creditors: amounts falling due after more than one year

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

OPEN AWARDS

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

19 Retirement benefit schemes

Defined contribution schemes

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

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

20 Restricted funds

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

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

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

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

OPEN AWARDS

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

21 Designated funds

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

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

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

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

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

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

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

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

OPEN AWARDS

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

21 Designated funds

(Continued)

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

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

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

22 Operating lease commitments

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

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

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

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

24 Subsidiaries

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

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

OPEN AWARDS

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

24 Subsidiaries

(Continued)

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

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

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

25 Cash generated from operations

2023
£

2022
£

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

26 Analysis of changes in net funds

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