

**Charity registration number 1113612**

**Company registration number 05462874 (England and Wales)**

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

# OPEN AWARDS

## LEGAL AND ADMINISTRATIVE INFORMATION

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

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# OPEN AWARDS

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# OPEN AWARDS

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

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

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

### Objectives and activities

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

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

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

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

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

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

### ***Mission Statement***

Our mission is to 'Change Lives Through Learning'.

### ***Our Values***

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

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

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

**Aspiration:** We strive to be visionary and influential.

# OPEN AWARDS

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

**FOR THE YEAR ENDED 31 JULY 2024**

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### **Public Benefit**

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

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

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

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

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

### **Strategic report**

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

### **Achievements and performance**

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

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

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

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

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

# OPEN AWARDS

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

### **FOR THE YEAR ENDED 31 JULY 2024**

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

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

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

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

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

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

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

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

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

### **Fundraising Activities**

Open Awards does not undertake any fundraising activities.

### **Investment Performance**

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

# OPEN AWARDS

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

**FOR THE YEAR ENDED 31 JULY 2024**

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### **Group Financial review**

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

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

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

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

### **Unrestricted Funds**

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

### **Reserves policy**

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

In particular reserves are held for the following reasons:

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

## OPEN AWARDS

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

#### **FOR THE YEAR ENDED 31 JULY 2024**

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

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

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

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

#### ***Principal Risks and Uncertainties***

The risk management strategy developed by the Board consists of:

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

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

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

The principal risks are considered to be:

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

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

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



# OPEN AWARDS

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

**FOR THE YEAR ENDED 31 JULY 2024**

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### Plans for future periods

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

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

### Structure, governance and management

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

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

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

Mrs N Mailey (Chair)

Dr A Stott

Mr B Jordan

Dr H van Zalinge

Mrs J Armitage

Mr M Bennett

Mrs L Adam

(Appointed 20 June 2024)

Mrs C Blanchard

(Appointed 20 June 2024)

Mrs S Clark

(Appointed 20 June 2024)

Mrs J Colbourne-Davies

(Appointed 20 June 2024)

Mr B Maregere

(Appointed 20 June 2024)

Dr G Laing

(Retired 20 June 2024)

Mr A Bevin

(Retired 20 June 2024)

Ms G Mason

(Retired 20 June 2024)

Mr D Tilley

(Retired 20 June 2024)

Mr I Gordon

(Retired 20 June 2024)

## OPEN AWARDS

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

#### **FOR THE YEAR ENDED 31 JULY 2024**

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

In addition the Board of Trustees have the following committees:

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

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

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

The Bursary Committee decides the allocation of Open Awards bursaries.

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

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

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

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

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

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.

#### **Relationship with Related Parties**

Maxam Training Ltd is a wholly owned subsidiary of Open Awards

## OPEN AWARDS

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

**FOR THE YEAR ENDED 31 JULY 2024**

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#### **Auditor**

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

#### **Disclosure of information to auditor**

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

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



Mrs N Mailey (Chair)  
**Trustee**

28 November 2024

# **OPEN AWARDS**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

### ***FOR THE YEAR ENDED 31 JULY 2024***

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

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

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

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

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

# OPEN AWARDS

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OPEN AWARDS

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### Opinion

We have audited the financial statements of Open Awards (the 'parent charity') and its subsidiary (the 'Group') for the year ended 31 July 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity balance sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 July 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

### Other information

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

We have nothing to report in this regard.

# OPEN AWARDS

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

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

# OPEN AWARDS

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

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

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

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

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

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

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

### Use of our report

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



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

28 November 2024

**Chartered Accountants**  
**Statutory Auditor**

Castle Chambers  
43 Castle Street  
Liverpool  
L2 9TL

## OPEN AWARDS

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 JULY 2024**

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

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



# OPEN AWARDS

## CONSOLIDATED BALANCE SHEET

AS AT 31 JULY 2024

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

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

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

*N. J. Mailey*

Mrs N Mailey (Chair)  
**Trustee**

Company registration number 05462874 (England and Wales)

# OPEN AWARDS

## PARENT CHARITY BALANCE SHEET

AS AT 31 JULY 2024

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

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

*N. J. Mailey*

Mrs N Mailey (Chair)  
**Trustee**

Company registration number 05462874 (England and Wales)

## OPEN AWARDS

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

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

# OPEN AWARDS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JULY 2024

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#### 1 Accounting policies

##### Charity information

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

#### 1.1 Accounting convention

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

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

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

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

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

##### *Exemptions under FRS 102*

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

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

##### *Basis of consolidation*

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

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

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

#### 1.2 Going concern

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

# OPEN AWARDS

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

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### 1 Accounting policies

(Continued)

#### 1.3 Charitable funds

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

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

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

#### 1.4 Income

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

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

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

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

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

#### 1.5 Expenditure

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

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

# OPEN AWARDS

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

---

### 1 Accounting policies

(Continued)

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

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

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

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

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

#### 1.6 Intangible fixed assets - goodwill

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

#### 1.7 Intangible fixed assets other than goodwill

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

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

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

Website and database	3 years straight line
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#### 1.8 Tangible fixed assets

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

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

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

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

# OPEN AWARDS

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

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### 1 Accounting policies

(Continued)

#### 1.9 Fixed asset investments

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

#### 1.10 Impairment of fixed assets

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

#### 1.11 Cash and cash equivalents

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

#### 1.12 Financial instruments

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

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

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

##### **Basic financial assets**

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

##### **Basic financial liabilities**

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

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

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

##### **Derecognition of financial liabilities**

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

# OPEN AWARDS

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

### 1 Accounting policies (Continued)

#### 1.13 Employee benefits

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

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

#### 1.14 Retirement benefits

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

### 2 Critical accounting estimates and judgements

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

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

### 3 Income from donations and legacies

	<b>Restricted funds 2024 £</b>	<b>Restricted funds 2023 £</b>
Grants	9,721	3,000

### 4 Income from charitable activities

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



## OPEN AWARDS

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

#### 5 Income from other trading activities

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

#### 6 Income from investments

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

#### 7 Expenditure on raising funds

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

# OPEN AWARDS

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

### 8 Expenditure on charitable activities

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

# OPEN AWARDS

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

### 9 Support costs allocated to activities

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

### 10 Net movement in funds

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

### 11 Trustees

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

### 12 Employees

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

# OPEN AWARDS

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

### 12 Employees

(Continued)

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

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

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

#### Remuneration of key management personnel

The remuneration of key management personnel was as follows:

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

#### Parent charity

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

### 13 Gains and losses on investments

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

### 14 Taxation

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

## OPEN AWARDS

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

#### 15 Intangible fixed assets (Group)

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

#### 16 Intangible fixed assets (Parent charity)

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

## OPEN AWARDS

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

#### 17 Tangible fixed assets (Group)

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

#### 18 Tangible fixed assets (Parent charity)

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

## OPEN AWARDS

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

#### 19 Fixed asset investments (Group)

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

#### Fixed asset investments revalued

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

Long term savings accounts and other investments are at cost.

#### 20 Fixed asset investments (Parent charity)

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

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

## OPEN AWARDS

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

#### 20 Fixed asset investments (Parent charity)

(Continued)

##### Fixed asset investments revalued

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

Long term savings accounts and other investments are at cost.

Details of the subsidiary are included in note 33.

#### 21 Debtors (Group)

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

#### 22 Debtors (Parent charity)

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

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

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



## OPEN AWARDS

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

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

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

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

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

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

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

#### 27 Retirement benefit schemes

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

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

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

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

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

# OPEN AWARDS

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

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

(Continued)

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

### 29 Unrestricted funds (Group)

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

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

## OPEN AWARDS

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

#### 29 Unrestricted funds (Group) (Continued)

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

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

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

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

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

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

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

# OPEN AWARDS

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

### 29 Unrestricted funds (Group)

(Continued)

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

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

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

### 30 Unrestricted funds (Parent charity)

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

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

## OPEN AWARDS

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

#### 30 Unrestricted funds (Parent charity) (Continued)

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

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

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

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

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

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# OPEN AWARDS

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

### 30 Unrestricted funds (Parent charity)

(Continued)

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

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

### 31 Operating lease commitments

#### Lessee

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

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

### 32 Related party transactions

#### Group

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

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

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

#### Parent charity

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

## OPEN AWARDS

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

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#### 33 Subsidiaries

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

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

The subsidiary is included in the consolidated accounts.

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