

Company registration number: 03426251

Charity registration number: 1066927

# ASDAN

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2019

## **ASDAN**

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## ASDAN

### Reference and Administrative Details

<b>Trustees</b>	A J Delyth (Chair of Trustees)
	P A Scholey (Vice-Chair)
	B S Doidge (Vice-Chair)
	J M Craig
	L Peck
	P Jacobs
	C W K Smith
	J P Stapleton
	J E Price
	S D Fahey
	N Iqbal
	M Curran
	R P Boxer
	P A Trapp
<b>Secretary</b>	S D Slocombe
<b>Senior Management Team</b>	J Williams, Chief Executive Officer
	S D Slocombe, Chief Operating Officer
	J Furness, Regional Relationship Director
	M Veale, Education Director
<b>Principal Office/ Registered Office</b>	Wainbrook House
	Hudds Vale Road
	St George, Bristol
	BS5 7HY
	Website: <a href="http://www.asdan.org.uk">www.asdan.org.uk</a>
<b>Company Registration Number</b>	03426251
<b>Charity Registration Number</b>	1066927
<b>Solicitors</b>	Harper James Solicitors
	Velocity Tower, 1 St Mary's Square
	Sheffield
	S1 4LP
<b>Bankers</b>	HSBC Bank
	4th Floor, 3 Temple Quay
	Bristol
	BS1 6DZ
<b>Auditor</b>	Milsted Langdon LLP
	Chartered Accountants & Statutory Auditors
	Freshford House, Redcliffe Way
	Bristol
	BS1 6NL

## ASDAN

### Trustees' Report (including Directors' Report and Strategic Report)

The trustees (who are directors for the purposes of company law), present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019.

The reference and administrative information set out on page 1 forms part of this report. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102.

#### 1. Structure, governance and management

ASDAN is a charitable company limited by guarantee, incorporated on 28 August 1997 and registered as a charity on 17 December 1997.

The company was established under a Memorandum of Association which established the objectives and powers of the charitable company and is governed under its Articles of Association. These were first revised in March 2004. Its objectives remain defined as follows: "ASDAN's aim is the advancement of education, by providing opportunities for all learners to develop their personal and social attributes and levels of achievement through the use and attainment of ASDAN awards and qualifications and the relief of poverty, where poverty inhibits such opportunities for learners".

There were twelve changes to the board of trustees in 2018-19.

Following two periods of recruitment, eight new trustees were appointed to the ASDAN board in 2018-19. Recruitment was targeted in response to a knowledge and skills audit. Trustees now include education specialists with representation from across the sector, as well as representatives from a range of industries and with a range of commercial and charitable experience. We are delighted to have been able to recruit so successfully and to have attracted such a high calibre of trustees. Together with our existing trustees, the new appointments have ensured the board holds high level expertise appropriate to our needs, and is in the best possible position to take ASDAN forward. Board diversity has also improved as a result, leading to a wider representation of perspectives and opinions.

#### New board members (eight)

i. Brian Doidge was appointed to the board on 24 January 2019

Brian's strategic marketing experience will enhance board communications as well as informing organisational communications strategies and approaches.

ii. Jemma Stapleton was appointed to the board on 24 January 2019

Jemma brings expertise at senior level in relation to personnel, HR and employment law. In addition to her trustee role, Jemma is mentor to the Chair of Staff Forum, Adam Bishton.

iii. Jack Price was appointed to the board on 24 January 2019

Jack's expertise will support the board in strategic decision making, particularly in relation to sales and return on investment.

iv. Stephen Fahey was appointed to the board on 24 January 2019

Stephen strengthens the board's digital capabilities, supported by wider knowledge of the education sector.

## ASDAN

### Trustees' Report (including Directors' Report and Strategic Report)

#### 1. Structure, governance and management (continued)

v. Naeem Iqbal was appointed to the board on 24 January 2019

Naeem has experience working in Youth Offending Teams and is a participant on Bristol City Council's leadership development programme, Stepping Up.

vi. Marian Curran was appointed to the board on 24 January 2019

Marian's considerable experience in the post-16 sector will be important for ASDAN as we continue to develop courses that help prepare people for work and life.

vii. Rik Boxer was appointed to the board on 2 May 2019

Rik is a former strategic education leader with considerable experience in Special Educational Needs and Disability (SEND) and alternative provision. He has a track record of improving outcomes for underachieving and vulnerable groups.

viii. Pauline Trapp was appointed to the board on 2 May 2019

Pauline is a former Special Educational Needs Coordinator (SENCO) and assistant headteacher, and is currently an education consultant with a track record of innovative and inclusive leadership and strategic development in schools.

Newly appointed trustees followed an induction programme under the direction of the chair and chief executive.

#### Resignations (four):

i. Gary Williams resigned on 18 October 2018

ii. John Simpson resigned on 2 May 2019

iii. Julie Dyer resigned on 2 May 2019

iv. Dave Brockington resigned on 23 August 2019

There are now 14 board members. Our board capacity is ordinarily set at 12, but trustees resolved to increase this to allow for thorough integration of new board members whilst others complete their terms.

Asher Craig was elected for her second term in October 2018. Asher is Councillor for St George West and Deputy Mayor of Bristol, with responsibility for communities. This allows her to bring local and city-wide contexts to the board, as well as her specialisms in community development, diversity, and socio-economic development of young people and black and minority ethnic communities.

Alison Delyth was re-elected Chair at the AGM on 2 May 2019, and Peter Scholey joint Vice-Chair. Brian Doidge was elected joint Vice-Chair on 2 May.

The board meets formally four times a year and determines the strategic direction of the organisation, regularly reviews its financial position, and ensures risks are being managed effectively. The chair and vice-chairs meet with the chief executive and chief operating officer on a monthly basis.

## ASDAN

### Trustees' Report (including Directors' Report and Strategic Report)

#### 1. Structure, governance and management (continued)

In January 2019, the Performance, Audit, Risk and Compliance (PARC) committee was established. The committee will meet four times a year to offer increased scrutiny on performance and accounts, risk management and compliance with regulatory bodies. Brian Doidge was elected Chair of the PARC committee on 4 April 2019, Jack Price was elected Vice-Chair. Terms of reference are in place, and have been agreed by the board, including delegated powers.

Also in 2019, the ASDAN Creative Environment group (ACE) working group was established to consider options for our future accommodation needs. ASDAN owns its central office (Wainbrook House), accompanying buildings known as the Soaphouse, and external space. The ACE working group remit is to make best use of this asset, including ensuring office accommodation is fit for purpose. The group is chaired by Peter Scholey.

The current board is listed below, together with their attendance at full trustees' meetings during 2018-19:

Name	Number of Attendances
Alison Delyth (Chair of Trustees)	4/4
Peter Scholey (Vice-Chair and Chair, ACE working group)	4/4
Brian Doidge (Vice-Chair and Chair, PARC)	3/3
Jennifer Craig (ACE working group member)	1/4
Linda Peck	2/4
Paul Jacobs (ACE working group member)	1/4
Chris Smith (ACE working group member)	2/4
Jemma Stapleton (mentor to chair of staff forum)	3/3
Jack Price (Vice-Chair, PARC)	3/3
Stephen Fahey (PARC committee member)	1/3
Naeem Iqbal	3/3
Marian Curran (safeguarding lead)	2/3
Rik Boxer (compliance lead)	2/2
Pauline Trapp	2/2

Day-to-day management of ASDAN is delegated to the Chief Executive, Jenny Williams, Chief Operating Officer, Sandra Slocombe, and two directors who deputise for the Chief Executive where appropriate. A scheme of delegation is in place to confirm the responsibilities devolved to the Chief Executive and Chief Operating officer by the board.

Trustees regularly review their performance against the Charity Code of Governance (2017). An initial review resulted in a small number of actions for the board to consider. As a result, role descriptions have been confirmed for trustees and the chair of the board, and a code of conduct written. Trustees will be engaged in a review of board arrangements in 2019-20.

## ASDAN

### Trustees' Report (including Directors' Report and Strategic Report)

#### 2. Delivering public benefit

Our objectives remain defined as follows: “ASDAN’s aim is the advancement of education, by providing opportunities for all learners to develop their personal and social attributes and levels of achievement through the use and attainment of ASDAN awards and qualifications and the relief of poverty, where poverty inhibits such opportunities for learners.”

Our work centres on giving all learners the opportunity and tools to discover, develop and make full use of their potential. Day-to-day, we design and deliver courses and qualifications to equip young people with the knowledge, skills and attributes for learning, work and life.

Our programmes and qualifications are delivered by over 3,000 secondary schools, special schools, colleges, alternative education providers and youth organisations across the UK and in more than 30 countries and territories overseas. As an awarding body, we offer 37 qualifications in many areas of personal and skills development. These qualifications sit within the Ofqual subject sector category of “Preparation for Adult Life”. We believe there is value for every young person in developing their personal, social and work-related abilities. Our priorities currently are to support children and young people with SEND, and those facing a range of barriers to learning.

ASDAN delivers public benefits in the following ways:

- by the provision of educational programmes and qualifications that are accessible to the widest possible range of children and young people, above and beyond those otherwise available;
- by the fact that there is significant evidence, for example, from surveys of our centres including our annual customer survey and the review of our SEND provision in spring 2018, that access to ASDAN programmes and qualifications has led to the re-engagement of many learners into education, leading in turn to them progressing to further qualifications, to further or higher education, work, or independent living;
- because our programmes and qualifications recognise achievements in individual personal and social development and in a range of work-related skills, such as the ability to work with others and to improve one’s own learning. These are aspects of learning that both benefit the individuals concerned and improve their employability levels;
- by the provision of grants from surpluses generated to support centres undertaking pilot projects to trial new ASDAN courses designed to foster young people’s personal, social and work-related abilities, and the way in which small centres that find it difficult to afford fees are treated; and,
- by ASDAN striving to be an exemplary employer and to provide an outstanding working environment for its employees and outstanding customer service to its clients, thereby demonstrating to others how a charitable organisation should operate. Annual customer and staff surveys monitor progress towards this ambition.

## ASDAN

### Trustees' Report (including Directors' Report and Strategic Report)

#### 3. Business Performance

ASDAN recognised the achievements of 48,556 learners in 2018-19, 8% more learners than in 2017-18:

- 13,166 learners were awarded ASDAN qualifications, or received certificates for completion of individual unit(s) that form part of a qualification. In these latter cases, certificates recognised the work of learners who did not complete a full qualification, for example in the case of special educational needs, or change in circumstances;
- 35,390 learners achieved ASDAN programme certification, up by over 4,000 on 2017-18, and;
- 21% of learners (10,445) achieved through our international centres.

The table below updates the key measures of performance that are reviewed annually. Although we continued to see a small downturn in our qualifications business, there are also positive indicators for the future and we are confident that our longer term strategy is now in place and fit for purpose.

Significant progress has been made in renewing our digital capabilities, developing our strategic direction and sharpening focus on organisational priorities to enable growth. The development and launch of new and updated products, developed in partnership with our customers, has allowed us to connect with different areas of the market.

	August 2019	August 2018	August 2017
Number of registered centres	3,753	3,761	3,933
Good or excellent ratings for customer support	91% (July 2019)	94% (July 2018)	98% (July 2017)
Learners achieving ASDAN programmes	35,390	31,264 (New line)	-
Learners achieving ASDAN qualifications at Entry Levels 1-3	3,895	4,406 (New line)	-
Learners achieving ASDAN qualifications at Level 1	3,014	2,681	5,082
Learners achieving ASDAN qualifications at Level 2	3,799	3,492	4,162
Learners achieving ASDAN qualifications at Level 3	1,860	2,145	1,873
Sales of accredited programme books	18,272	17,880	16,480
Sales of short course books	26,964	25,260	35,786
Sales of qualifications books	4,791	5,356	6,568
Number of delegates attending seminars and workshops	1,044	1,098	1,436

#### Curriculum Programmes

The number of learners achieving recognition through our programmes offer increased this year by over 4,000. The majority of this increase was achieved by learners in China on short courses. The small UK increase in learners achieving certification was mainly through our moderated programmes. Work took place during 2018-19 to refresh a further three existing Short Course titles. New versions of Leadership, Foodwise and Expressive Arts were launched in the spring with content updates and structural changes to bring them in line with the new format for these courses.



## ASDAN

### Trustees' Report (including Directors' Report and Strategic Report)

#### 3. Business performance (continued)

Our Vocational Tasters follow a similar structure to the Short Courses format, and have seen sales increase again this year. These courses are used to provide pre-16 learners with experience in areas such as hair and beauty, and construction.

Looking ahead, our popular PSHE Short Course was updated in 2018-19 in response to changes to statutory guidelines for relationships, sex and health education which must be implemented in all state schools by September 2020. We have also developed a teacher pack which offers a fully resourced set of lesson plans that fit to the student work book and enable the delivery of a complete KS4 PSHE curriculum.

#### Provision for young people with SEND

Following a review by Richard Aird OBE into ASDAN's SEND provision commissioned in 2018, a number of developments have taken place or are taking place to enhance our programmes offer for those working at Entry levels 1-3 including:

- An updated and refreshed Lifeskills Challenge website, launched in April 2019. A number of significant changes were made to the programme to address recommendations made by our customers, including mapping the challenges to the four Preparing for Adulthood pathways, and an enhanced English and maths offer; and;
- A review of our Preparing for Adulthood programmes in partnership with the National Development Team for Inclusion (NDTI), with the updated programmes being prepared for September 2020.

#### Regulated Qualifications

In relation to our qualifications performance, there was a decline in the number of learners achieving qualifications at Entry levels 1-3 though there was an increase in certifications for the Personal Progress qualification which is awarded at Entry 1. Achievement of Employability and Personal and Social Development (PSD) qualifications declined at Entry Levels in comparison to 2017-18, but saw an increase at Levels 1 and 2. Achievement of the Certificate of Personal Effectiveness (CoPE) at Level 1 was broadly stable, though we saw a further fall in Level 2 achievements.

The number of learners achieving qualifications at Level 3 reduced in comparison to 2017-18. This was in large part due to a reduction in achievement of the Wider Key Skills at this level, which we have withdrawn from our offer. A Level 3 Extended Project Qualification (EPQ) was developed in 2017-18 and successfully piloted by four centres throughout 2018-19. Available for delivery in England, our qualification has the same specification as those offered by other awarding organisations but with a focus on work placements. The first cohort of eight learners completed and submitted their work in July 2019, with a further cohort due for submission in November 2019. The qualification was made available to all ASDAN centres from September 2019.

#### Registered centres and customer service

The number of registered centres continued to decline in 2018-19, though at a slower rate than in previous years. Specific attention has been directed to plans for centre retention; the benefits of this focus have been evident in the reduction in closed accounts last year. Work will continue to support this strategy, alongside plans to increase the number of new centres joining ASDAN.

We conducted our annual customer survey in July 2019, and received responses representing 17% of ASDAN's total active centres. Feedback continued to be extremely positive, for example:

- 91% rate the quality of service and delivery for certification as excellent or good;
- 96% were very satisfied or satisfied with the accessibility of our qualifications; and;
- 90% rate the effectiveness of our curriculum in developing and accrediting personal, social and work-related skills as excellent or good.

## ASDAN

### Trustees' Report (including Directors' Report and Strategic Report)

#### 3. Business performance (continued)

##### Registered centres and customer service (continued)

Customer satisfaction ratings remain exceptionally high, but there has been a small decrease year-on-year. In response, we will be turning our attention to strategies for customer retention in 2019-20, including continuing to celebrate the benefits of working with ASDAN, and working with in partnership with our customers to ensure our products and services continue to meet their needs. In 2018-19 we carried out a review of our pricing structure. The new structure, which took effect in September 2019, has enabled a streamlining of business processes, making it easier for customers to interact with us. Also in 2018-19, we embarked on a significant review of our digital systems that will see further improvements to our administrative systems and the overall customer experience. This work will be a business priority throughout 2019-20.

##### International

ASDAN's international presence continued to grow last year. A total of 10,445 learners based outside the UK benefited from ASDAN qualifications or programmes. There are 399 registered centres internationally (10% of total registered centres).

Work in the Middle East saw further significant growth in 2018-19. Centre registrations in the United Arab Emirates increased to 39 in 2019, reflecting the continued Ministry of Education requirement for all schools to be fully inclusive by 2021. Personal Development Programmes, Preparing for Adulthood programmes and Lifeskills Challenge training workshops are now delivered twice a year in Dubai. Personal Development Programmes and Preparing for Adulthood programmes moderation meetings are held in Dubai in April each year and 2019 saw 145 learners achieve certifications from 19 centres.

The Western Australia Department of Education added ASDAN's International Bronze, Silver and Gold Awards to their list of endorsed programs for the first time. Queensland Department of Education has re-endorsed the International Silver and Gold Awards until 2022.

Work with our Chinese partners, SEED International, continues to progress favourably with certifications to Chinese students working on domestic ASDAN programmes in China at 7,250 - double that for the same period last year. 1,611 learners achieved CoPE and AoPE Level 3 through participation in Mini MBA study tours - programmes of independent study including research trips to the UK, America, or Europe. This activity is seen as an opportunity to support international students to develop skills needed for success at university outside of China.

#### 4. Grant awarding policy

Our charitable fund provides grants to ASDAN-registered centres to help increase educational opportunity and alleviate the effects of deprivation and poverty, both in the UK and overseas. For 2018-19, our grants supported centres undertaking pilot projects to trial new ASDAN courses designed to foster young people's personal, social and work-related abilities.

The fund supported free pilots for EPQ centres and has also been used to allow centres to access training. During July 2019 we piloted a new Lifeskills Challenge workshop in four different regions of England. Each pilot workshop was allocated 15 free delegate places, funded from the Relief of Poverty fund. Feedback has been favourable, and the workshops proved to be a successful way of engaging with centres and sharing updates to the programme.

## ASDAN

### Trustees' Report (including Directors' Report and Strategic Report)

#### 5. Quality and regulation

##### Compliance and Regulation

In September 2018, Statements of Compliance were submitted to the three UK-based regulators: Ofsted, Qualifications Wales and Council for the Curriculum, Examinations and Assessment (CCEA) in Northern Ireland, together with additional information required by the Welsh and Northern Irish regulators. The statements confirmed that we were fully compliant.

##### Qualification Review and Development

ASDAN's Extended Project Qualification was submitted to Ofqual and four centres piloted the qualification. Centres were supported through the trial period through a series of training and progress meetings. Eight candidates were submitted for moderation successfully.

Feedback on the Personal Progress qualification was sought from stakeholders, with a view to updating and adding to the current qualification.

#### 6. Risk statement

The trustees remain aware of the educational and political environment in which ASDAN operates, and continue to take steps to secure the organisation and to make plans to invest reserves to grow the business and extend impact.

During 2018-19, risk management principles were further embedded into the various decision making processes. The policy statement on risk management remains live and is updated at regular intervals by management and trustees. Our risk management objectives are to:

- a) integrate risk management into the culture of the organisation;
- b) manage risk in accordance with best practice;
- c) fully document major threats and opportunities;
- d) clearly identify risk exposures;
- e) implement cost effective actions to reduce risks; and,
- f) ensure conscious and properly evaluated risk decisions

We have established a risk management structure which acts in an advisory and guiding capacity and is accessible to all employees. Responsibility for managing each risk is allocated to one of the four directors. As an awarding body, ASDAN's registers include awarding operational risks that are mapped against the regulators' Conditions of Recognition.

We have a comprehensive disaster recovery plan that fully explains how we will manage a major incident at our central office, Wainbrook House. A disaster recovery team has been identified and all members hold relevant documentation off site. A further copy of the entirety of the plan is held off the premises by the chief operating officer.

Risk management is an agenda item at board, Leadership and Management Team meetings and is formally evaluated twice yearly. The chief executive reports the top five strategic risks and any risk-rated above 50, at every board meeting, and the PARC committee scrutinises strategic and operational risk registers twice yearly on behalf of trustees. In July 2019, following scrutiny of the registers, the chair of PARC reported to the board that they were satisfied ASDAN's risk management process is robust.

## ASDAN

### Trustees' Report (including Directors' Report and Strategic Report)

#### 6. Risk statement (continued)

In 2018-19, ASDAN's top strategic risks related to brand perception and increasing revenue, staffing resourcing, and the potential impacts of implementation of improvements to administrative systems and our digital environment. Actions have been identified to mitigate these risks, including robust communication strategies and careful strategic planning, supported by cross-organisational teams including the Marketing Working Group and Leadership Team.

#### 7. How we work with our colleagues

ASDAN continues to strive to be an exemplary employer, providing the best possible working environment and a competitive reward and recognition package for our employees.

Regular face to face staff briefings, annual staff development sessions, regular staff newsletters and wellbeing updates are all in place for staff to ensure we are communicating regularly and as widely as possible. There is also an annual staff survey and an elected staff forum in place to ensure the employee voice is heard.

##### Salary, Pay and Performance:

During 2018-19 all posts in the organisation continued to be subject to job evaluation and graded into pay bands, with incremental progression through pay scales subject to satisfactory performance and competence.

The trustees continue to reinforce their commitment to pay differentials by adopting a policy that the expectation is that the salary of the highest paid employee will be no greater than six times that of the lowest paid employee, with the understanding that this ratio would exclude any bonus payments and may, in exceptional circumstances (such as the employment of an apprentice who would initially be on a low trainee wage) reach ten times.

The following policies are in place and are regularly reviewed by the Leadership Team and trustees: Equality and Diversity; Code of Conduct; Recruitment and Selection; Training; Performance; Sickness; Absenteeism; Appraisal; Harassment and Bullying; Maternity; Paternity; Redundancy; Grievance; Disciplinary; Health and Safety; IT; Whistleblowing; Drug and Alcohol; Work Life Balance; Office Closure; GDPR and Conflict of Interest. These policies are subject to ongoing review. All policies and related documents are easily accessible to staff.

Ongoing training, identified in part through the performance reviews, was undertaken during 2018-19 and included the successful completion of two apprenticeships, two internships and professional and technical training courses to ensure best practice in relation to operational management and continued compliance with external frameworks. Regular learning hours take place, and provide opportunities to share knowledge and developments across the whole organisation.

## ASDAN

### Trustees' Report (including Directors' Report and Strategic Report)

#### 8. Future plans

Our long-term goal is to transform life chances through learning by fostering the personal, social and work-related abilities of all learners in order to:

- strengthen their academic and vocational education;
- support good social, emotional and mental health;
- prepare them to access knowledge and skills at work; and,
- equip them to live well and make good use of their abilities.

We will provide good quality, value for money personal, social and work-related learning pathways for:

- 11-25 year olds, in particular:
  - Young people who have an increasingly complex range of SEND
  - Those for whom Entry and Level 1 qualifications are a high aspiration
  - Young people who need more time and / or an alternative pathway to reach Level 2
  - Those for whom a work-related route supports ambitions for progression to higher level learning

By 2025, we aim to:

- Increase the number of young people who make progress in their learning;
- Prepare young people for adulthood and independent living;
- Improve young people's work readiness;
- Improve progression to work and higher level technical education;
- Contribute to increasing the number of young people who achieve Level 2 by age 16;
- Contribute to increasing the number of young people who achieve Level 2 by age 19;
- Increase the number of young people up to age 25 who achieve at Entry, Level 1 or Level 2;
- Increase the number of young people gaining work-related qualifications to help them progress to higher technical education and work;
- Support schools and colleges to demonstrate the impact of our courses on their response to the new Ofsted framework, and pupil premium and SEND strategies;
- Amplify the social value of learning to:
  - health
  - families
  - communities

Strategic priorities over the coming year are to:

- in partnership with ASDAN partners, continue with the updating and simplification of existing courses, to ensure they remain meaningful and fit for purpose, and continue to develop innovative new products that meet the needs of our learners, supported by the development of a 3-5 year qualifications and curriculum plan;
- sharpen organisational focus on:
  - strengthening accountability
  - co-designing and co-delivering new products with teachers and partner educators
  - developing our membership services
  - developing clear dashboards to monitor performance, in such a way as to allow innovation and creativity
- create a 3-5 year financial plan to support decision making and maintain good oversight of use of ASDAN's reserves and investment policy;
- complete and roll out new digital systems to our staff and customers.

Strategic planning will balance the three priorities for ASDAN as a business, as a charity, and as an organisation with education at its heart. This will be supported by the introduction of a balanced scorecard that sets out our objectives and the measures by which we will identify success.

## ASDAN

### Trustees' Report (including Directors' Report and Strategic Report)

#### 9. Financial review

Financially the organisation remains in a healthy position. The charity had witnessed a 2.5% reduction in income compared to 2017-18, but this compares to a 4.5% reduction from 2016-17 to 2017-18. The budget set for 2018-19 had anticipated a surplus of £18k, whilst the actual surplus achieved was £17k.

This was achieved by careful monitoring of costs including staffing, consultancy, marketing, travel costs and operational IT costs.

The charity continued not to undertake fundraising activities, and accordingly no income or costs were recognised in the current or comparative year.

#### 10. Reserves policy

The trustees have set a policy reflecting our wish to commit safely as much as possible to the creation of opportunities for individuals to further their personal and social development through investment in updating and new product development and estates and digital developments, while retaining financial stability and the potential to respond to new opportunities. In line with best practice guidance, the trustees review the reserves policy every year.

Our total reserves at 31 August 2019 were £4,189,473 (2018 - £4,172,894) made up of:

- Building and other tangible assets £1,212,562 (2018 - £1,225,200)
- Fixed asset investments £2,027,782 (2018 - £1,982,882)
- Net current assets £949,129 (2018 - £964,812)

#### Designated Funds

Designated funds, details of which are given in note 22 of the financial statements, at 31 August 2019 were:

- Digital Strategy Fund £182,100 (formerly Development Fund 2018 - £121,333)
- Financial Assistance Fund £44,094 (2018 - £56,055)
- Property Development & Maintenance Fund £79,307 (formerly Property Improvement Fund 2018 - £104,734)
- Research & Development Fund £95,491 (2018 - £94,651)

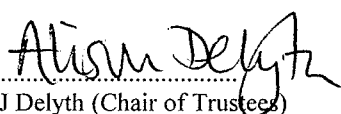
#### Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

#### Reappointment of auditor

The auditors Milsted Langdon LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

The annual report was approved by the trustees of the charity on 23/11/20 and signed on its behalf by:

  
A J Delyth (Chair of Trustees)  
Trustee

## ASDAN

### Statement of Trustees' Responsibilities

The trustees (who are also the directors of ASDAN for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

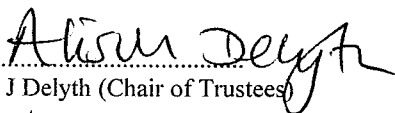
Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and 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 business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Approved by the trustees of the charity on 23/1/20 and signed on its behalf by:

  
A J Delyth (Chair of Trustees)  
Trustee

## **ASDAN**

### **Independent Auditor's Report to the Members of ASDAN**

#### **Opinion**

We have audited the financial statements of ASDAN (the 'charity') for the year ended 31 August 2019, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2019 and of its results 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



## **ASDAN**

### **Independent Auditor's Report to the Members of ASDAN**

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

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 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.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 13), the trustees 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 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 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.

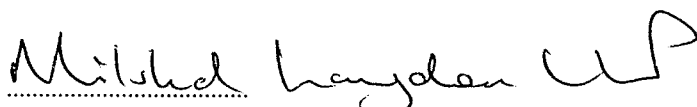
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## ASDAN

### Independent Auditor's Report to the Members of ASDAN

#### Use of our report

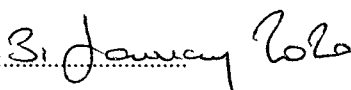
This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew J Jordan (Senior Statutory Auditor)

For and on behalf of Milsted Langdon LLP, Statutory Auditor

Freshford House  
Redcliffe Way  
Bristol  
BS1 6NL

Date:  31 January 2020

# ASDAN

## Statement of Financial Activities for the Year Ended 31 August 2019 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b>Income and Endowments from:</b>					
Charitable activities	3	2,894,409	4,608	2,899,017	2,965,221
Investment income	4	62,673	-	62,673	55,971
Other income	5	10,635	-	10,635	8,494
Total income		<u>2,967,717</u>	<u>4,608</u>	<u>2,972,325</u>	<u>3,029,686</u>
<b>Expenditure on:</b>					
Charitable activities	6	<u>(3,001,818)</u>	<u>(7,033)</u>	<u>(3,008,851)</u>	<u>(2,998,872)</u>
Total expenditure		<u>(3,001,818)</u>	<u>(7,033)</u>	<u>(3,008,851)</u>	<u>(2,998,872)</u>
Gains on investment assets		<u>53,105</u>	<u>-</u>	<u>53,105</u>	<u>30,584</u>
Net income/(expenditure)		<u>19,004</u>	<u>(2,425)</u>	<u>16,579</u>	<u>61,398</u>
Net movement in funds		19,004	(2,425)	16,579	61,398
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>4,170,469</u>	<u>2,425</u>	<u>4,172,894</u>	<u>4,111,496</u>
Total funds carried forward	19	<u><u>4,189,473</u></u>	<u><u>-</u></u>	<u><u>4,189,473</u></u>	<u><u>4,172,894</u></u>

There were no other gains or losses other than those stated above.

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2018 is shown in note 19.

# ASDAN

(Registration number: 03426251)  
Balance Sheet as at 31 August 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	11	722,562	735,200
Investment properties	12	490,000	490,000
Listed investments	12	2,027,782	1,982,882
		<u>3,240,344</u>	<u>3,208,082</u>
<b>Current assets</b>			
Stocks	13	22,314	42,669
Debtors	14	510,844	427,489
Cash at bank and in hand		1,148,720	1,125,567
		<u>1,681,878</u>	<u>1,595,725</u>
<b>Creditors: Amounts falling due within one year</b>	15	<u>(732,749)</u>	<u>(630,913)</u>
<b>Net current assets</b>		<u>949,129</u>	<u>964,812</u>
<b>Net assets</b>		<u>4,189,473</u>	<u>4,172,894</u>
<b>Funds of the charity:</b>			
<b>Restricted funds</b>		<u>-</u>	<u>2,425</u>
<b>Unrestricted income funds</b>			
General Funds		3,788,481	3,793,696
Designated Funds		<u>400,992</u>	<u>376,773</u>
Total unrestricted funds		<u>4,189,473</u>	<u>4,170,469</u>
<b>Total funds</b>	19	<u>4,189,473</u>	<u>4,172,894</u>

The financial statements on pages 17 to 37 were approved by the trustees, and authorised for issue on 23.11.20... and signed on their behalf by:

  
A J Delyth (Chair of Trustees)  
Trustee

# ASDAN

## Statement of Cash Flows for the Year Ended 31 August 2019

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash income		16,579	61,398
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation		36,104	39,412
Investment income	4	(62,673)	(55,971)
Revaluation of investments	12	(53,105)	(30,584)
		<u>(63,095)</u>	<u>14,255</u>
<b>Working capital adjustments</b>			
Decrease/(increase) in stocks	13	20,355	(972)
(Increase)/decrease in debtors	14	(83,355)	2,133
Increase in creditors	15	<u>101,836</u>	<u>49,874</u>
Net cash flows from operating activities		<u>(24,259)</u>	<u>65,290</u>
<b>Cash flows from investing activities</b>			
Interest receivable and similar income	4	62,673	55,971
Purchase of tangible fixed assets	11	(23,466)	(12,865)
Purchase of investments	12	(260,896)	(1,520,559)
Sale of investments	12	<u>269,101</u>	<u>770,559</u>
Net cash flows from investing activities		<u>47,412</u>	<u>(706,894)</u>
Net increase/(decrease) in cash and cash equivalents		23,153	(641,604)
Cash and cash equivalents at 1 September		<u>1,125,567</u>	<u>1,767,171</u>
Cash and cash equivalents at 31 August		<u><u>1,148,720</u></u>	<u><u>1,125,567</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

## ASDAN

### Notes to the Financial Statements for the Year Ended 31 August 2019

#### **1 Charity status**

The charity is limited by guarantee, incorporated in England and Wales, United Kingdom, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

Wainbrook House  
Huuds Vale Road  
St George  
Bristol  
BS5 7HY

Authorised for issue date

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

##### **Basis of preparation**

ASDAN meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value as modified for certain fixed assets as well as certain financial assets and liabilities as stated in the relevant accounting policy notes.

##### **Going concern**

The trustees have prepared financial projections, taking into consideration the current economic climate and its potential impact on the sources of income and planned expenditure.

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

## **ASDAN**

### **Notes to the Financial Statements for the Year Ended 31 August 2019**

#### **Income and endowments**

All income is included in the statement of financial activities when the charity is entitled to the income, the receipt is probable and the amount can be measured with sufficient reliability.

Monies received from training organisations are accounted for by the the charity when receivable.

Where income is received specifically for expenditure in a future accounting period, that amount is deferred.

Investment income is accounted for on an accrual basis.

#### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on a percentage of income.

All resources expended are inclusive of irrecoverable VAT.

#### ***Charitable activities***

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### **Support costs**

Support costs include central functions and have been allocated to activity cost categories based on a percentage of income.

#### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses. These have been allocated to charitable activities.

#### **Irrecoverable VAT**

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

#### **Taxation**

The charity is exempt from corporation tax to the extent that any other income or gains are applied in furtherance of the charitable objectives.

## ASDAN

### Notes to the Financial Statements for the Year Ended 31 August 2019

#### Tangible fixed assets

Freehold property is carried at fair value, derived from the current market prices for comparable real estate determined when deemed necessary by the trustees, who appoint external valuers accordingly. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised through a Revaluation reserve. Where the change in market value is assessed by the trustees to be insignificant to the carrying value, no changes are made.

Individual fixtures and fittings as well as computer equipment costing £500 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Freehold land and buildings	2% straight line
Fixtures and fittings	20% straight line
Computer equipment	20-33% straight line

#### Impairment of fixed assets

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

#### Investment properties

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined when deemed necessary by the trustees, who appoint external valuers accordingly. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised through the Statement of Financial Activities. Where the change in market value is assessed by the trustees to be insignificant to the carrying value, no changes are made.

#### Fixed asset investments

Fixed asset investments are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

#### Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell (NRV), after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).



## **ASDAN**

### **Notes to the Financial Statements for the Year Ended 31 August 2019**

#### **Trade debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid.

Financial assets are impaired when 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 flow have been affected. The impairment loss is recognised in the Statement of Financial Activities.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade creditors**

Trade creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. These are normally recognised at their settlement amount after allowing for any trade discount due.

Financial liabilities are only derecognised when, and only when, the charity's obligations are discharged, cancelled or expire.

#### **Foreign exchange**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

#### **Financial instruments**

##### ***Classification***

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

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

## ASDAN

### Notes to the Financial Statements for the Year Ended 31 August 2019

#### ***Recognition and measurement***

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

#### **Pensions and other post retirement obligations**

The charity contributes towards a defined contribution scheme for certain employees and the costs charged in the financial statements represent the contributions payable by the charity during the year. The scheme assets are separately administered from the charity.

Certain staff employed by the charity are eligible for membership with the Teachers' Pension Scheme (TPS), which is now closed to new entrants. This is a multi-employer defined benefit scheme for which insufficient information is available to enable the charity to identify its share of scheme assets and liabilities. Consequently contributions to the scheme are treated as if they were made to a defined contribution plan.

#### **Redundancy and payment in lieu of notice**

The cost of any unused holiday entitlement is recognised as an expense in the period in which the employees service is received.

Redundancy pay is recognised immediately as an expense when the charity can demonstrate its commitment to terminate the employment of an employee or to provide termination benefits in accordance with contractual arrangements. Payments are calculated in accordance with statutory redundancy guidelines published by HM Government.

#### **Operating leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

# ASDAN

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 3 Income from charitable activities

	Unrestricted funds	Restricted funds	Total 2019	Total 2018
	General £	£	£	£
External projects	37,291	4,608	41,899	141,450
Customer support	1,192,350	-	1,192,350	1,137,648
Accreditation	750,774	-	750,774	754,219
Publishing & development	653,608	-	653,608	651,149
Promotional activities	260,386	-	260,386	280,755
	<u>2,894,409</u>	<u>4,608</u>	<u>2,899,017</u>	<u>2,965,221</u>

In the preceding financial year, total income of £2,965,221 included £2,958,210 in respect of unrestricted funds with £7,011 received for restricted purposes.

### 4 Investment income

	Total 2019 £	Total 2018 £
Interest receivable and similar income	19,605	2,541
Income from rents	<u>43,068</u>	<u>53,430</u>
	<u>62,673</u>	<u>55,971</u>

All income recognised in within this classification is accounted for within unrestricted funds, for both the current and preceding financial year.

# ASDAN

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 5 Other income

	<b>Total 2019 £</b>	<b>Total 2018 £</b>
Interest on late payments	1,832	572
Gain on foreign exchange	7,012	5,519
Miscellaneous income	1,791	2,403
	<u>10,635</u>	<u>8,494</u>

All income recognised in within this classification is accounted for within unrestricted funds, for both the current and preceding financial year.

### 6 Expenditure on charitable activities

		<b>Unrestricted funds</b>		<b>Restricted funds</b>	<b>Total 2019 £</b>	<b>Total 2018 £</b>
	<b>Note</b>	<b>Designated £</b>	<b>General £</b>	<b>£</b>		
Staff costs		-	57,295	-	57,295	52,454
Printing		-	257,608	-	257,608	241,799
Travel and other costs		-	1,478	-	1,478	5,461
Training		-	2,515	-	2,515	7,093
Post, stationary and admin		-	94	-	94	698
Other direct costs		-	109,554	-	109,554	57,222
Grant funding activities		-	37,628	-	37,628	511
Allocated support costs	7	109,294	2,378,797	7,033	2,495,124	2,591,253
Governance costs	7	-	47,555	-	47,555	42,381
		<u>109,294</u>	<u>2,892,524</u>	<u>7,033</u>	<u>3,008,851</u>	<u>2,998,872</u>

In the comparative financial year, of total expenditure of £2,998,872 recognised within this classification, £2,987,996 was in respect of unrestricted funds with the residual amount of £10,876 in respect of funds received for restricted purposes.

# ASDAN

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 7 Analysis of governance and support costs

#### Charitable activities expenditure

	Unrestricted funds	Total 2019	Total 2018
	General		
	£	£	£
External projects	39,185	39,185	141,760
Customer support	740,616	740,616	725,247
Accreditation	865,728	865,728	899,039
Publishing & development	870,564	870,564	862,578
Promotional activities	455,130	455,130	369,737
Grant funding of activities	37,628	37,628	511
	<u>3,008,851</u>	<u>3,008,851</u>	<u>2,998,872</u>

All grant funding expenditure in the current and comparative year represents amount paid from the designated 'Financial Assistance fund' in order to enhance provision from students following ASDAN programmes and qualifications.

#### Support costs allocated to charitable activities

	Basis of allocation	Governance costs £	Support costs £	Total 2019 £	Total 2018 £
Staff costs	A	33,316	1,799,083	1,832,399	1,861,409
Depreciation	A	-	36,105	36,105	39,413
Travel and other costs	B	-	79,275	79,275	90,800
Training	B	-	4,233	4,233	5,213
Computer & IT costs	B	-	57,433	57,433	39,203
Communications	B	-	33,482	33,482	30,948
Premises	B	-	80,447	80,447	78,974
Legal & professional	B	149	30,315	30,464	830
Insurance	B	-	15,068	15,068	12,770
Other management & admin	B	1,673	170,649	172,322	226,106
Post, stationery & admin	B	-	104,270	104,270	99,410
Other costs	B	-	84,764	84,764	138,983
Audit and accounting	A	12,417	-	12,417	9,575
		<u>47,555</u>	<u>2,495,124</u>	<u>2,542,679</u>	<u>2,633,634</u>

#### Basis of allocation

Reference	Method of allocation
A	% of income
B	Directly attributable

# ASDAN

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 8 Net incoming resources

Net incoming resources for the year include:

	2019	2018
	£	£
Fees payable to the charitable company's auditor - Audit	10,375	9,000
Fees payable to the charitable company's auditor - Other	2,042	575
Depreciation of fixed assets	36,105	39,412
Rentals payable under operating leases	<u>136,712</u>	<u>136,712</u>

### 9 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

3 trustee(s) were reimbursed a total of £637 travelling expenses (2018 - 1 was reimbursed £96 for travelling expenses).

### 10 Staff costs

The aggregate payroll costs were as follows:

	2019	2018
	£	£
<b>Staff costs during the year were:</b>		
Wages and salaries	1,567,583	1,587,080
Social security costs	158,557	162,806
Pension costs	<u>163,554</u>	<u>163,977</u>
	<u>1,889,694</u>	<u>1,913,863</u>

During the year, no members of staff (2018 - 1) were made redundant and a total of £Nil (2018 - £21,500) was paid out as termination payments. Included within this amount was £Nil (2018 - £6,514), which represented an ex-gratia payment.

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2019	2018
	No	No
External projects & research	-	2
Customer & centre support	9	9
Accreditation	9	10
Publishing & product development	8	8
Promotional activities	7	5
Head office operating costs	<u>19</u>	<u>19</u>
	<u>52</u>	<u>53</u>

# ASDAN

## Notes to the Financial Statements for the Year Ended 31 August 2019

The number of employees whose emoluments fell within the following bands was:

	2019 No	2018 No
£60,001 - £70,000	-	1
£70,001 - £80,000	1	1
£90,001 - £100,000	<u>1</u>	<u>1</u>

During the year, remuneration to key management personnel amounted to £303,868 (2018 - £303,108). The trustees consider that key management personnel comprise of:

- Chief Executive Officer
- Chief Operating Officer
- Director of Education
- Director of Regions and Partnerships

Contributions totalling £25,483 (2018 - £36,317) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

### 11 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2018	862,608	118,580	378,737	1,359,925
Additions	<u>-</u>	<u>12,069</u>	<u>11,397</u>	<u>23,466</u>
At 31 August 2019	<u>862,608</u>	<u>130,649</u>	<u>390,134</u>	<u>1,383,391</u>
<b>Depreciation</b>				
At 1 September 2018	154,364	109,457	360,904	624,725
Charge for the year	<u>17,252</u>	<u>4,601</u>	<u>14,251</u>	<u>36,104</u>
At 31 August 2019	<u>171,616</u>	<u>114,058</u>	<u>375,155</u>	<u>660,829</u>
<b>Net book value</b>				
At 31 August 2019	<u>690,992</u>	<u>16,591</u>	<u>14,979</u>	<u>722,562</u>
At 31 August 2018	<u>708,244</u>	<u>9,123</u>	<u>17,833</u>	<u>735,200</u>

### 12 Fixed asset investments

	2019 £	2018 £
Investment properties	490,000	490,000
Listed investments	<u>2,027,782</u>	<u>1,982,882</u>
	<u>2,517,782</u>	<u>2,472,882</u>

## ASDAN

### Notes to the Financial Statements for the Year Ended 31 August 2019

#### Investment properties

	Investment properties £
<b>Cost or Valuation</b>	
At 1 September 2018 and 31 August 2019	<u>490,000</u>
<b>Net book value</b>	
At 31 August 2019 and 31 August 2018	<u><u>490,000</u></u>

The investment property is included in the balance sheet at the fair value as at 31 August 2019. The fair value was previously arrived at on the basis of a valuation carried out in May 2015 by ETP Property Consultants, who were not connected to the charity. The basis of this valuation was the market value of similar properties in the area.

The trustees do not consider any difference between fair value and previously determined market value to be material to the financial statements and accordingly no adjustment has been made.



# ASDAN

## Notes to the Financial Statements for the Year Ended 31 August 2019

### Listed investments

	Total £
<b>Cost or Valuation</b>	
At 1 September 2018	1,982,882
Revaluation	53,105
Additions	260,896
Disposals	<u>(269,101)</u>
At 31 August 2019	<u>2,027,782</u>
<b>Net book value</b>	
At 31 August 2019	<u>2,027,782</u>
At 31 August 2018	<u>1,982,882</u>

The historic cost of investments at 31 August 2019 amounted to £1,776,831 (2018 - £1,575,688).

The fair value of the investment portfolio was determined using quoted market prices. Included within the valuation of the portfolio was a cash balance of £117,471 at the year end (2018 - £239,781).

Investments held, exceeding 5% of the portfolio value at 31 August 2019, comprise of:

- Valu-trac Investment Protean Capital Elder A at 5.38% (2018 - 5.03%).

### 13 Stock

	2019 £	2018 £
Certificates and consumables	<u>22,314</u>	<u>42,669</u>

### 14 Debtors

	2019 £	2018 £
Trade debtors	413,724	283,747
Prepayments and accrued income	<u>97,120</u>	<u>143,742</u>
	<u>510,844</u>	<u>427,489</u>

Trade debtors are stated after provision for impairment of £10,000 (2018 - £17,551).

# ASDAN

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 15 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	177,185	114,587
Other taxation and social security	51,678	55,063
Other creditors	24,236	25,703
Accruals	63,132	25,315
Deferred income	<u>416,518</u>	<u>410,245</u>
	<u>732,749</u>	<u>630,913</u>
	2019 £	2018 £
Deferred income at 1 September 2018	410,245	325,942
Resources deferred in the period	332,178	404,415
Amounts released from previous periods	<u>(325,905)</u>	<u>(320,112)</u>
Deferred income at year end	<u>416,518</u>	<u>410,245</u>

Deferred income represents registration fees received in advance of courses being delivered in future financial years.

### 16 Financial instruments

#### Categorisation of financial instruments

	2019 £	2018 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	413,724	283,747
Listed investments measured at fair value	<u>2,027,782</u>	<u>1,982,882</u>
<b>Carrying amount of financial liabilities</b>		
Liabilities measured at amortised cost	<u>253,099</u>	<u>195,353</u>

## ASDAN

### Notes to the Financial Statements for the Year Ended 31 August 2019

#### 17 Pension obligations

The employees of the charity belong to two principle pension schemes: The Teachers' Pension Scheme, a multi-employer defined benefit scheme, for academic and related staff; and an independently administered defined contributory pension scheme.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year in respect of the independently administered defined contributory pension scheme.

#### Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The TPS scheme is an unfunded scheme and members contribute on a 'pay-as-you-go' basis. These contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Acts. Retirement and other pension benefits are credited with a real rate of return as determined by the Government actuary.

#### *Valuation of the Teachers' Pension Scheme*

The latest actuarial valuation of the TPS was carried out to 31 March 2016, the effective date. The key elements of the valuation and subsequent consultation were:

- Employer contribution rates will increase to 23.68% of pensionable pay from September 2019 having been previously 16.48% since taking effect in September 2015;
- An administration levy of 0.08% is included within the revised rate taking effect from September 2019;
- Notional assets (estimated future contributions together with notional investments held at the valuation date) were £196.1bn;
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date were £218.1bn;
- The scheme has a notional past service deficit of £22bn;
- An employer cost cap of 7.3% of pensionable pay will be applied to future valuations from 1 April 2019 until 31 March 2023;
- The assumed real rate of return is 2.8% in excess of prices;
- The rate of real earnings growth is assumed to be 4.2%, at 2.2% pa in excess of assumed CPI of 2%; and
- The assumed nominal rate of return is 4.45%

The next valuation of the TPS is scheduled to be based on data to 31 March 2020, whereupon the impact on scheme costs is expected to be implemented from April 2023.

The employers pension costs paid to TPS in the period amounted to £30,568 (2018 - £38,709).

# ASDAN

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 18 Operating lease commitments

#### Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2019 £	2018 £
<b>Other</b>		
Within one year	136,712	136,712
Between one and five years	259,679	396,391
	<u>396,391</u>	<u>533,103</u>

### 19 Funds

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
General	3,793,696	2,967,717	(2,892,524)	(133,513)	53,105	3,788,481
Designated	<u>376,773</u>	<u>-</u>	<u>(109,294)</u>	<u>133,513</u>	<u>-</u>	<u>400,992</u>
<b>Total unrestricted funds</b>	4,170,469	2,967,717	(3,001,818)	-	53,105	4,189,473
<b>Restricted funds</b>	<u>2,425</u>	<u>4,608</u>	<u>(7,033)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total funds</b>	<u>4,172,894</u>	<u>2,972,325</u>	<u>(3,008,851)</u>	<u>-</u>	<u>53,105</u>	<u>4,189,473</u>

# ASDAN

## Notes to the Financial Statements for the Year Ended 31 August 2019

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General	3,616,006	3,022,675	(2,857,150)	(18,419)	30,584	3,793,696
Designated	<u>489,200</u>	<u>-</u>	<u>(130,846)</u>	<u>18,419</u>	<u>-</u>	<u>376,773</u>
<b>Total unrestricted funds</b>	4,105,206	3,022,675	(2,987,996)	-	30,584	4,170,469
<b>Restricted funds</b>	<u>6,290</u>	<u>7,011</u>	<u>(10,876)</u>	<u>-</u>	<u>-</u>	<u>2,425</u>
<b>Total funds</b>	<u><u>4,111,496</u></u>	<u><u>3,029,686</u></u>	<u><u>(2,998,872)</u></u>	<u><u>-</u></u>	<u><u>30,584</u></u>	<u><u>4,172,894</u></u>

### 20 Analysis of net assets between funds

	<b>Total funds £</b>
Tangible fixed assets	722,562
Fixed asset investments	2,517,782
Current assets	1,681,878
Current liabilities	<u>(732,749)</u>
<b>Total net assets</b>	<u><u>4,189,473</u></u>

	<b>Unrestricted funds</b>			<b>Restricted funds</b>	<b>Total funds</b>
	<b>General £</b>	<b>Designated £</b>		<b>£</b>	<b>£</b>
Tangible fixed assets	735,200	-		-	735,200
Fixed asset investments	2,472,882	-		-	2,472,882
Current assets	1,216,527	376,773		2,425	1,595,725
Current liabilities	<u>(630,913)</u>	<u>-</u>		<u>-</u>	<u>(630,913)</u>
<b>Total net assets</b>	<u><u>3,793,696</u></u>	<u><u>376,773</u></u>		<u><u>2,425</u></u>	<u><u>4,172,894</u></u>

### 21 Restricted Funds

The income funds of the charity include restricted funds comprising of amounts in respect of services to be provided or grants held on trust for specific purposes:

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Balance at 31 August 2019 £
External project fund	<u>2,425</u>	<u>4,608</u>	<u>(7,033)</u>	<u>-</u>

External project funds are restricted for set conditions as set out with the contracted project partner.

## ASDAN

### Notes to the Financial Statements for the Year Ended 31 August 2019

#### 22 Designated Funds

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

	Movement in funds			
	Balance at 1 September 2018 £	Resources expended £	Transfers £	Balance at 31 August 2019 £
Digital strategy fund	121,333	(37,900)	98,667	182,100
Financial assistance fund	56,055	(16,935)	4,974	44,094
Property development & maintenance fund	104,734	(3,450)	(21,977)	79,307
Research & development fund	94,651	(51,009)	51,849	95,491
	<u>376,773</u>	<u>(109,294)</u>	<u>133,513</u>	<u>400,992</u>

#### **Digital strategy fund**

Designated to fund major development of ASDAN products and services (formerly known as the development fund).

During the year the trustees resolved to increase the designated fund, from unrestricted funds, in line with their future plans.

#### **Financial assistance fund**

Designated to enhance provision for students following ASDAN programs and qualifications.

#### **Property development & maintenance fund**

Designated to provide a fund for major repairs as & when necessary to Wainbrook House (formerly known as the property improvement fund).

#### **Research & development fund**

Designated for the development of online resources and to increase capacity in order to remain current with new technologies.

## **ASDAN**

### **Notes to the Financial Statements for the Year Ended 31 August 2019**

#### **23 Related party transactions**

The charity received aggregate income from charitable activities of £2,926 (2018 - £255) from entities connected to the Trustees through employment or similar governance roles.

None of the trustees concerned were in a position to personally benefit from the transactions, which arose under a normal business relationship.

The charity made expenditure on charitable activities of £11,287 (2018 - £7,148). Related parties were connected to trustees of the charity through employment or similar governance roles. Of these amounts, included within trade creditors at the year end was £1,300 (2018 - £Nil).

None of the trustees concerned were in a position to personally benefit from the transactions, which arose under a normal business relationship.

The charity also made approved expenditure on charitable activities of £1,050 (2018 - £Nil) in respect of consultancy services from P A Trapp, a trustee. At the year end, £1,050 (2018 - £Nil) was included within trade creditors.