

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 2018

ASDAN

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Reference and Administrative Details

Trustees	<p>A J Delyth (Chair of trustees)</p> <p>J F Simpson (Vice-Chair)</p> <p>P A Scholey (Vice-Chair)</p> <p>D P Brockington</p> <p>J M Craig</p> <p>J A Dyer</p> <p>L Peck</p> <p>P Jacobs (appointed 28 January 2018)</p> <p>C W K Smith (appointed 26 April 2018)</p> <p>M M Grant (resigned 25 January 2018)</p> <p>N Donnelly (resigned 17 May 2018)</p> <p>G T Williams (resigned 18 October 2018)</p>
Chief Executive Officer	J Williams
Company Secretary	S D Slocombe
Principal Office / Registered Office	<p>Wainbrook House</p> <p>Hudds Vale Road</p> <p>St George</p> <p>Bristol</p> <p>BS5 7HY</p> <p>Website: www.asdan.org.uk</p>
Company Registration Number	03426251
Charity Registration Number	1066927
Auditor	<p>Milsted Langden LLP</p> <p>Chartered Accountants & Statutory Auditors</p> <p>Freshford House</p> <p>Rodcliffe Way</p> <p>Bristol</p> <p>BS1 6NL</p>
Bankers	<p>HSBC Bank</p> <p>79 Regent Street</p> <p>Kingswood</p> <p>Bristol</p> <p>BS15 2LH</p>
Solicitors	<p>Fussell Wright</p> <p>59 Queen Charlotte Street</p> <p>Bristol</p> <p>BS1 4HL</p>

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

The trustees (who are also directors for the purpose of company law) present their report and audited financial statements for the year ended 31 August 2018.

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

The organisation 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."

ASDAN's board of trustees continues to be drawn largely from the educational world, given the charity's work in providing opportunities for recognising and rewarding educational achievement in a range of contexts. However, in 2018 the trustees carried out skills, knowledge and diversity audits to identify gaps in the board profile. Vacant trustee roles were advertised externally with a focus on improving board diversity, and attracting professionals from the commercial and charity sectors to complement existing education expertise. The recruitment and selection process was still underway as of January 2019, but once complete, the signs are that it will see a broader range of perspectives represented in board membership. It is anticipated that new trustees will be formally appointed in the Spring of 2019.

There were five changes to the board of trustees since the comparative financial statements were approved:

- Paul Jacobs was appointed to the board on 25 January 2018
- Chris Smith was appointed to the board on 26 April 2018
- Martin Grant resigned on 25 January 2018
- Nick Donnelly resigned on 17 May 2018
- Gary Williams resigned on 18 October 2018

Paul Jacobs has extensive experience in the world of education, having previously served as Service Director, Education and Skills at Bristol City Council. Chris Smith brings an employer perspective to the board, as well as a successful track record in strategic business management.

The current board is listed below, together with their attendance at full trustees' meetings out of a possible total:

Alison Delyth (Chair) 4/4

Former Director of Children's Services

John Simpson (Vice-Chair) 3/4

Former Chief Executive of Tribal Education and Chief Education Officer

Peter Scholey (Vice-Chair) 4/4

Former secondary school Headteacher, Local Authority Officer and Education Consultant

Dave Brockington 2/4

Former Head of Faculty in higher and further education, and a co-founder of ASDAN

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

1. Structure, governance and management (continued)

Asher Craig	3/4
Bristol City Councillor, St George West and Deputy Mayor	
Julie Dyer	2/4
Former Executive Headteacher of Three Ways Special School	
Linda Peck	2/4
Ofsted Inspector and Senior Local Authority Improvement Advisor	
Gary Williams	4/4
Former FE College Principal, LSC Strategic Director and Director of Tribal Education	
Paul Jacobs	1/3
Education Consultant, former Service Director, Education and Skills for Bristol City Council	
Chris Smith	1/2
Managing Director of Marshfield Bakery	

Peter Scholey was elected joint Vice-Chair on 25 January 2018 and his appointment was confirmed at the AGM. Alison Delyth was re-elected Chair at the AGM on 26 April, and John Simpson re-elected for a third term as joint Vice-Chair on the same date. John previously held the position of chair and has considerable expertise in strategic education management, financial oversight and governance.

Newly appointed trustees were inducted under the direction of the Chair and Chief Executive Officer (CEO). Induction includes introductory visits to Wainbrook House and the opportunity to meet with key staff. Each trustee is encouraged to take on a special area of interest to help them gain a better understanding of the organisation and to utilise their particular strengths.

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 CEO on a monthly basis.

Day-to-day management of ASDAN is delegated to the CEO, Jenny Williams, and three directors who deputise for the CEO when appropriate. A scheme of delegation is in place to confirm the responsibilities devolved to the CEO and Chief Operating Officer (COO) by the board.

Trustees regularly review their performance against the Charity Code of Governance (2017).

2. The nature of our business

As an organisation focused on supporting the next generation, we have recognised the need to adapt our offer, innovate and deliver courses that are fit for the future and better serve the contemporary needs of learners and educators.

We are, therefore, embarking on a new chapter in ASDAN's story, with a refreshed vision, values and educational principles.

ASDAN's Vision:

Our vision is to transform life chances through learning by enabling all learners to discover, develop and make full use of their abilities. We do this by working with partner educators to foster the personal, social and work-related abilities of learners.

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

~~2. The nature of our business (continued)~~

We believe that all learners should have the opportunity to discover, develop and make use of their abilities. This is the way to raise aspirations, address inequality and improve social mobility.

Learning is the process by which learners and educators convert potential into actual ability.

We believe the development of personal, social and work-related abilities is vital for learners of all abilities because:

- strengthening these abilities supports academic and vocational education;
- they are particularly effective in re-engaging young people;
- they are important for accessing knowledge and skills at work;
- they are especially important for entry level work; and
- they equip learners to live well and make use of their abilities.

We want all learners, in particular those who face barriers to learning to benefit from ASDAN's curriculum programmes and qualifications.

By educators we mean all those who have a role in working with children and young people as learners in a range of contexts, for example, teachers, trainers, assessors, coaches, mentors, peers, supervisors, leaders, managers, family members and carers.

ASDAN's Values:

Our values are the key beliefs and principles that people within ASDAN and our customers and partners consider important. They define the way we work.

ASDAN is:

Ethical

- We are proud to be a charitable organisation – we approach our work with integrity and aim to do the right things in the right ways for the right reasons.
- We have ambitious plans for growth, but will only grow at a pace that guarantees our quality.
- We strive to make effective use of technology in socially responsible ways.

Diverse

- We seek to achieve diversity in our outlook, our people and our courses.
- We are committed to ensuring equality of access and opportunity for learners, educators, our staff and trustees.

Real

- We work closely with educators, learners, employers and community organisations to keep our courses real and relevant.
- We understand the challenges of teaching and the courage it requires and aim to support educators in practical ways.

Collaborative

- We work with all those who share our vision to help learners make full use of their abilities.
- We aim to be good partners – locally, nationally and internationally.

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

2. The nature of our business (continued)

Innovative

- We are future focused – committed to helping children and young people prepare for their adult lives.
- We have a restless curiosity about effective pedagogy and assessment.

ASDAN's Educational Principles:

Our educational principles underpin our approach to fostering the personal, social and work-related abilities of young learners.

Our starting point is to recognise that many learners experience barriers to learning. Our courses are designed to address those by:

Building belief

Our courses support children, young people and educators develop the confidence, self-esteem and resilience to enjoy and (sometimes) endure learning and to believe in themselves and the value of their learning.

Engaging and motivating

We are dedicated to active, relevant and accessible learning; to developing curious, alert and daring learners.

Promoting progress and achievement

We motivate and engage learners through making their progress visible and celebrating genuine achievements, early and often.

Inspiring creativity

We want children, young people and educators to be creative in their learning lives and ambitious for the roles they play at home, at work, and in their communities.

Releasing potential

At our best, we equip children, young people and educators to make full use of their talents and abilities as a force for good in the world.

3. How our activities delivered public benefit: a review of our achievements and performance

Delivering Public Benefit:

We believe 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;
- by the fact that there is evidence that engagement with ASDAN programmes and qualifications raises aspirations for learners at all levels, which encourages more young people to consider applying for higher education;

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

~~3. How our activities delivered public benefit: a review of our achievements and performance~~ (continued)

- because our programmes and qualifications recognise achievements in individual personal and social development and in a range of 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.

What We Do:

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.

ASDAN programmes and qualifications are delivered by over 3000 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 45 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. In 2017/18:

- 14,050 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;
- 31,264 learners achieved ASDAN programme certification; and,
- 706 of ASDAN registered centres in England self-identified as a special school - 68.3% of state-funded and non-maintained special schools in England

Based on data from the January 2018 school census, covering ages 4-18, 1,276,215 pupils in England are either on SEND support, or have an Education Health and Care plan (EHCP) – around 14.6% of the total pupil population. We estimate that of those aged 13 to 19, we are currently benefiting fewer than 10% through our courses. We therefore have significant scope to extend the reach and benefit of our work, and this lies at the heart of our Plan for Growth.

Updates to Educational Courses and Resources:

We have introduced new categories for 2017/18 to manage performance.

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

~~3. How our activities delivered public benefit: a review of our achievements and performance~~ (continued)

ASDAN Originals

In 2017/18, a total of 18,362 achieved qualifications or certifications in this category:

- Number of learners achieving qualifications, or related certification: 5,033
- Number of learners achieving programme certification: 13,329

An updated *CoPE Levels 1 and 2* student book was launched at the SSAT conference in November 2017 and made available to centres from January 2018. The new student book features a modern design, clearer introduction and updated challenge content. The updates address feedback from centres in the customer survey and cover topics such as social media, radicalisation, British values, mental health and wellbeing.

Feedback regarding the CoPE student book from the 2018 customer survey:

- some of the CoPE challenges have been really useful in preparing students for life after school; and,
- the CoPE L1 and L2 courses are great because they come with achievable targets within the module book.

A new Gardening Short Course was launched in March 2018. Over 540 students benefitted from this programme, drawn from 157 centres.

ASDAN Engage

In 2017/18, a total of 9,605 learners achieved qualifications or certification in this category:

- Number of learners achieving qualifications or related certification: 4,794
- Number of learners achieving programme certification: 4,811

Our *Preparing for Adulthood* programmes are designed for learners with moderate, severe, complex, profound or multiple learning difficulties, working below National Curriculum Level 1. These programmes provide a real-life context to promote the development of personal, social, independent, ICT and work-related skills. Our *Focus* programmes provide a vehicle to recognise the learning of adults working at the same level.

In 2018, we commissioned an external review of ASDAN's SEND provision in the context of the current education landscape, informed by stakeholders and customers. The review's recommendations are a key focus for the business in 2018/19.

ASDAN Life

Last year, 2,139 learners engaged in the *Lift Off* programme across 48 centres.

Updates were made to the *Lift Off* student books and tutor resource pack. These changes were prompted by feedback from centres using the materials as part of the Whole Education pilot, where it seemed that a delivery model spanning both primary and secondary schools was not suitable in all cases. As a result of this, a new student book for secondary-only delivery models was launched and the existing book labelled as being for primary to secondary delivery models. The introduction in both student books was simplified to make it easier for learners to follow. The introduction to the tutor resource pack was simplified through the use of diagrams and flowcharts; a separate delivery models infographic was also produced to help promote the flexibility of *Lift Off*.

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

~~3. How our activities delivered public benefit: a review of our achievements and performance~~ (continued)

ASDAN Achieve

A new suite of programmes – *Accelerating Progress* – was developed to support learners in the new, tougher GCSE specifications and boost attainment in key Progress 8 subjects. English and mathematics were launched at the SSAT conference in November 2017 and made available to centres in December 2017. The programmes feature an e-portfolio with online resources for learners and a tutor support manual. The content for all of these programmes was written by practising subject-specialists.

In 2017/18:

- 187 registrations were purchased for learners to engage with *Accelerating Progress English* across 10 centres. An additional 14 centres bought the tutor manual; and
- 73 registrations were purchased for learners to engage with *Accelerating Progress Maths* across 11 centres. An additional 11 centres bought the tutor manual.

The pilot of the English course has provided useful early evidence of impact with 66% of students who responded to a pupil survey believed it helped them to practice and improve their skills in reading and writing on non-fiction texts. One student quoted that the programme: “*was fun and has helped me with my English work*”. Maths teachers trialling *Accelerating Progress* stated they could see that the interleaving of the programme with the current GCSE curriculum would have a positive impact on pupil progress. This feedback will be used to inform developments to the courses in 2018/19.

ASDAN Work

We were mindful that there were very few opportunities for learners to evidence their work-related abilities as part of their 16-19 study programme. Stakeholder engagement with 16-19 providers indicated that there was an appetite for a qualification that evidenced the impact of the work placement as part of their 16-19 programme of study. Having reviewed existing provision ASDAN believed that the Level 3 *Extended Project Qualification (EPQ)* was an appropriate vehicle to evidence this work placement and with the creation of specific support materials for work placements submitted to offer the qualification in England.

Early versions of a number of supporting materials were produced for a training session in July with potential pilot centres. A pilot of ASDAN's *EPQ* materials will commence in September 2018 with 5 centres and around 50 learners.

ASDAN Innovation

Customised Accreditation is a bespoke arrangement in which ASDAN will accredit and certificate a programme written by an external organisation. In 2017/18, 6,932 learners benefitted from certification through a programme endorsed through *Customised Accreditation*. New agreements included recognition of courses that addressed diverse areas such as cooking and food hygiene, PSHE, mental health and volunteering.

In November 2017, ASDAN again took part in the Lord Mayor's Show in London. Our float provided an opportunity for 40 young people to participate in the parade. More than 1,000 ASDAN certificates were distributed to volunteers to celebrate participants' learning and achievement.

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

~~3. How our activities delivered public benefit: a review of our achievements and performance~~ (continued)

ASDAN International

A total of 6,839 learners based outside the UK benefited from ASDAN qualifications or programmes last year.

- Number of learners achieving qualifications or related certification: 647
- Number of learners achieving programme certification: 6,192

Work in the Middle East saw significant growth in 2017/18. Centre registrations in the UAE have increased from 20 to 32 in 2018, reflecting continued interest in response to the UAE 2021 Vision for Inclusion. Invitations to deliver in-country training in 2018 enabled ASDAN to engage with 138 teachers from 21 different schools. With 77 Dubai International schools offering a UK or IB curriculum, further growth in the region is envisaged.

The Western Australia Department of Education have endorsed our *Preparing for Adulthood* and *Short Course* programmes for a further 6 years. Queensland Department of Education is in the process of carrying out a similar exercise, with the outcome expected in autumn 2018.

ASDAN's Chinese partners, SEED International operating as ASDAN China, worked with 32,000 students in 2017/18 across around 130 schools. 600 students across 92 schools benefitted from the mini-MBA programme – a course designed to support students seeking university education outside China to develop the skills necessary for successful study overseas.

In support of all of ASDAN's work, we provide a wide range of staff development training workshops, an on-line bank of resources, local and regional support networks, one-to-one on-site training and coaching and telephone/web based advice and support.

Quality and Regulation

Compliance and Regulation:

Statements of Compliance were submitted to the three UK-based regulators in September 2017 together with the additional information required by Qualifications Wales and CCEA (Northern Ireland). The Statements confirmed that we were not fully compliant based on the self-assessment of the 2016/17 year. Following our self-assessment, we put in place an action plan to address areas in which we considered we were not fully compliant during 2017/18. We received confirmation from the regulators that they were satisfied with the actions we had taken and therefore we were fully compliant by March 2018.

An audit visit was also undertaken by CCEA in March 2018 confirming that ASDAN was compliant against specific conditions.

As a result of our review of compliance for 2017/18, we have submitted statements of compliance to the regulators for this period.

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

~~3. How our activities delivered public benefit: a review of our achievements and performance~~ (continued)

Promotional Activity and Marketing:

ASDAN used a wide range of digital and print communications channels and tools in 2017/2018. Thanks to support from the agency Ambitious PR between October 2017 and June 2018, ASDAN enhanced the impact of its marketing and communications activity, including improvements to our email communications; social media, particularly our reach on LinkedIn; use of video promotion and overall strategy.

ASDAN engaged in a range of events, important in raising ASDAN's profile among senior leaders and educators. Of note:

- Westminster Education Forum: In March 2018, the CEO spoke at a seminar in Westminster. The seminar was on assessing the impact of A-Level reform; she discussed the importance of providing a well-rounded education for all learners post-16. This event was significant in re-introducing ASDAN's voice into national debate.
- SSAT national conference: ASDAN exhibited at the SSAT national conference in Manchester in December 2017, and secured speaking opportunities with delegates through a 'speed dating' session with business managers, and a ten minute presentation to around 50 delegates on Lift Off.
- Internationally: The opportunity to speak at the Dubai Inclusion Network meeting in February, and to meet Sheikh Nahayan in Abu Dhabi, has further increased ASDAN's profile in the UAE.

Other significant promotional activity included:

Website update

ASDAN launched an updated website in October 2017, which enabled customers to navigate the site more easily. Increased functionality was added to enable customers to more easily access relevant information. The update also ensured the website was optimised for use on mobile phones and tablet devices as part of ongoing maintenance.

Social media

More effective use of LinkedIn to reach senior leaders was one of ASDAN's marketing success stories in 2017-2018. Between January 2018 and August 2018, the number of followers gained per month on LinkedIn tripled, taking the total to 1,628. The number of clicks on our posts went from 42 in January to reach a peak of 393 in May, representing a considerable improvement in reach.

Our performance on Twitter also continues to generate increasing interest. Our number of followers rose by almost 300 in 2017-2018, taking the total number to just under 3,800.

Media coverage and promotion via partners

In addition to regular mentions of ASDAN in local media, ASDAN secured coverage in widely read educational trade media:

- A feature written by the education director on the benefits of the Lift Off programme on pupil transition appeared in SecEd: <http://www.sec-ed.co.uk/best-practice/key-transition-skills/>.
- A letter written by the chief executive on *Lift Off* and the benefits of smooth transitions was published in the Times Education Supplement (May 2018).

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

3. ~~How our activities delivered public benefit: a review of our achievements and performance~~ (continued)

A further two articles were published on the SSAT website: SSAT is a high profile national membership organisation, and the articles will promote our courses to our target audience.

4. Research & Development Activity

In 2017/18, Trustees agreed investment of just over £100,000 from ASDAN's reserves to support Research and Development (R&D) activity to support the Plan for Growth for two years. As a result:

- two new *Accelerating Progress* courses were developed related to the new English and maths specifications, and released in autumn 2017;
- specialist content for modules of the *Future Focus* programme related to topics such as living independently, social media, personal wellbeing was developed. This material will be used to develop teaching and learning resources for our updated *PSD Courses*; and
- a new *Extended Project Qualification (EPQ)* was written and is currently in the pilot stage.

External expertise supported the development of the *EPQ* as well as strengthening ASDAN's compliance and quality assurance systems. Third party expertise also supported a business development process that took place throughout summer 2018 and has informed ASDAN's business plan and targets for 2018/19, and ahead to 2022.

5. Business Performance

2017/18 was a year in which ASDAN invested to be fit for the future. Significant progress on renewing the charity's vision, values and educational principles, developing a new strategic direction and aligning organisational structures and processes in support of this has been achieved. Although we experienced a downturn on most of the established business measures in 2017/18, we are confident that our longer term strategy is now in place and fit for purpose

	August 2016	August 2017	August 2018
Number of registered centres	4,129	3,933	3,761
Good or excellent ratings for customer support	98.5% (May 2016)	98% (July 2017)	94% (July 2018)
Learners achieving ASDAN programmes	New line	New line	31,264
Learners achieving ASDAN qualifications at entry levels 1-3	New line	New line	4,406
Learners achieving ASDAN qualifications at level 1	7,075	5,082	2,681
Learners achieving ASDAN qualifications at level 2	6,537	4,162	3,492
Learners achieving ASDAN qualifications at level 3	3,900	1,873	2,145
Sales of qualifications books	7,881	6,568	5,356
Sales of award books	17,981	16,480	17,880
Sales of Short Course books	35,235	35,786	25,260
Number of delegates attending seminars and workshops	1,572	1,436	1,098

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

5. Business Performance (continued)

We conducted our annual customer survey in July 2018, and received responses representing 12% of ASDAN's total active centres – a notable increase on the previous year's 5%. Responses continued to be extremely positive, for example:

- 99% of respondents rate their overall experience of attending a training workshop as excellent or good;
- 95% rate the quality of service and delivery for certification as excellent or good; and
- 93% rate the effectiveness of ASDAN curriculum in developing and accrediting personal, social and work-related skills as excellent or good.

6. Future plans: our strategic aims and objectives

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.

In the medium term, our goal by 2022 is to become the leading provider for courses to support children and young people facing barriers to learning, including those resulting from:

- 1) Special educational needs:
 - Cognition and learning
 - Social, emotional and mental health
 - Sensory and/or physical;
 - Communication and interaction
- 2) Lack of confidence, self-esteem and motivation for learning
- 3) Financial disadvantage;
- 4) Low aspiration and / or limited opportunities for social mobility;
- 5) Being, or having been in care;
- 6) Having caring responsibilities, and
- 7) Racism and/ or English being an additional language

By 2022, ASDAN will have:

- Enhanced the life chances of 200,000 children and young people in the UK;
- Supported 15,000 educators in the UK flourish as part of strong, values-led educational communities; and
- Raised the status and value of work-related pathways for children, young people and their families.

We will also have:

- Grown our income from £3.029 million/annum in 2017/18 to £4 million/annum;
- Invested up to £400,000 in developments to support the social mobility of children and young people; and
- Kept our staff costs at or below 62% of turnover.

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

7. 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 build up reserves to mitigate business risk.

During 2017/18, 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. The risk management objectives of ASDAN 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 organisational 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 disaster at 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 Team and Management Team meetings and is formally re-evaluated twice yearly, identifying new risks and re-ranking existing risks where appropriate. The chief executive reports top strategic risks at quarterly board meetings.

In 2017/18, the registers were scrutinised by a nominated trustee, and recommendations were taken forward to consolidate and clarify risks, and their ratings. In the future, this work will be delegated to a new Performance, Audit, Risk and Compliance committee (PARC). Membership of this committee will include at least four trustees, the CEO, Chief Operating Officer (COO), Finance Manager and head of qualifications and quality.

ASDAN's top strategic risks relate to brand perception and marketing. For 2018/19, a key priority for the organisation is to begin re-establishing ASDAN as the market leader for products for those experiencing barriers to learning. A marketing working group has been established, a refreshed focus on relationship management with customers has been put in place, and new category management infrastructures have been introduced to provide greater oversight of ASDAN products and performance. These categories will be introduced to customers as ASDAN sub-brands over the coming year.

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

8. Grants awarding policy

Our charitable financial assistance 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 ASDAN's grants are supporting centres undertaking pilot projects to trial new ASDAN courses designed to foster young people's personal, social and work-related abilities.

Some examples of the pilot projects include:

- working with students at Ark Helenswood Academy, East Sussex. In summer 2018, 70 year 9 students worked through the ASDAN *Accelerating Progress* in English course in extra English lessons for the duration of the term; and
- working with students in Post 16 centres from across the Bristol and South Gloucestershire area to pilot the *EPQ*.

9. How we work with our staff

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. A recent staff survey revealed 85% of staff agree or strongly agree that ASDAN pays a fair wage compared to other employers.

Quarterly face to face staff briefings, bi-monthly staff newsletters and monthly wellbeing newsletters are issued to staff to ensure we are communicating regularly and as widely as possible. In 2017/18, we introduced a range of wellbeing initiatives including extended lunch breaks to enable staff to participate in activities such as gardening, exercise, and arts and crafts. Training was delivered to all staff on wellbeing in the workplace and up to date information on where to access help is available. This work is facilitated by two wellbeing leads.

The ASDAN annual staff survey is a Key Performance Indicator in measuring and evaluating the organisations effectiveness in this area. The 2018 survey results were again extremely positive, and reveal 97% have a good understanding of ASDAN's vision and values. The main priority for staff is to be positively challenged by their work whilst the main concern is their continued job security.

Trustees have continued to support an active staff forum. This year, the forum played a key role in a consultation process around revised staff contracts, pension arrangements and performance management processes. Established links exist between the chair of staff forum, chief operating officer and a nominated trustee, ensuring staff voice is heard by ASDAN's leaders.

There were 7 new appointments in 2017/18: Business Administration Apprentice, Compliance Manager, Regional Relationship Co-ordinator, Junior Application Developer, ICT Network Support Officer, Head of Curriculum Development, PHP Developer.

There were 9 leavers in 2017/18: Lead Web Developer, Regional Support and Relationship Manager, Deputy Regional Support and Relationship Manager, Regional Support Coordinator, ICT Support Assistant, Financial Compliance and Accounts Manager, Web Developer, Business Admin Apprentice x 2.

There were two internal promotions: Compliance and Regulation Manager (fixed term) promoted to Qualifications Manager (permanent), Finance Apprentice to Finance Admin Assistant.

At September 2018 there were 53 employees.

ASDAN

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

9. How we work with our staff (continued)

Salary, Pay and Performance, Attendance

During the 2017/18 period, all posts in the organisation continued to be subject to job evaluation and graded into pay bands, with incremental progression through the pay scale subject to satisfactory performance and competence. Appraisals have continued to occur on an annual basis, with a 6 month interim review, to manage performance, set targets and identify training or development requirements.

The Trustees continue to reinforce their commitment to fair pay differentials by adopting a policy 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.

A cost of living increase of 1% was awarded to all employees earning under £55k.

215.5 days were lost to ill health absence. There was one episode of long-term sick (four weeks or more) totalling 54 days. Two employees experienced ongoing health issues that resulted in 26 days' and 38 days' absence, 64 days in total. When these days are deducted, the number of days lost was 97.5 days, an average of 2.17 days per person.

Policies, training and employment contracts

In 2017, following the separation of ASDAN from the Skills and Education Group (SEG), all employees were issued with a new ASDAN contract. All staff are now employed on the basis of one concise, consistent and up to date set of terms and conditions. No employees were disadvantaged by this exercise, and all queries were resolved constructively.

A comprehensive set of policies are in place and are regularly reviewed by directors and trustees, including whistleblowing, health and safety, and performance. In 2018 we revised our new safeguarding policy, and a new GDPR policy was implemented prior to new legislation taking effect in May 2018. Training was delivered to all staff including outlining new breach procedures.

All ASDAN policies and related documents are easily accessible to staff through shared drives and on the staff extranet. All staff are provided with a staff handbook containing a list of policies and information and guidance related to working at central and regional offices, ASDAN vision and values, business objectives, the staff forum, customer service, organisational and team structures, and communications.

On-going training, identified in part through the annual appraisals, was undertaken during 2017/18 and included the continuation of professional and technical training courses to ensure best practice in relation to operational practice and continued compliance with external frameworks. ASDAN employed a business administration apprentice, and supported three work experience students. A programme of learning hours was launched to facilitate the sharing of skills and expertise across the organisation covering such topics as sales, learning technologies and coaching and mentoring.

10. Financial review

Financially the organisation remains in a healthy position. However the business has witnessed a 4.6% reduction in income compared to 2016/17. Nonetheless, the budget set for 2017/18 had anticipated a surplus of £13k whilst the actual surplus achieved was £61k.

The difference between the budgeted and actual surplus was due to savings in staffing and consultancy, and the decision to defer sales and marketing training into 2018/19.

ASDAN

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

11. 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 the attainment of ASDAN awards, while retaining financial stability and the potential to respond to new opportunities. In line with best practice guidance, the trustees review their reserves policy each year.

The trustees consider that in the unlikely event of the closure of the charity, a total of £1.5m of the August 2018 reserves would be necessary to continue to operate whilst settling all obligations and liabilities over a minimum period of twelve months.

Our total reserves at 31 August 2018 were £4,172,894 made up of:

Building and other tangible assets	£1,225,200
Fixed asset investments	£1,982,882
Net current assets	£964,812

Designated funds

Designated funds, details of which are given in note 24 of the financial statements, at 31 August 2018 were:

Development Fund	£121,333
Financial Assistance Fund	£56,055
Property Improvement Fund	£104,734
Research and Development Fund	£94,651

12. Investment policy and performance

A total of £13,133 is held in a business and charity deposit account earning 0.2% interest within the year.

In May 2014 we invested £1 million in a managed fund utilising ethical screening. In November 2017 we invested a further £750,000 into this fund. At the end of August 2018 this has yielded £232,882 over 4 years and 3 months.

Auditor

Milsted Langdon LLP were appointed as the charitable companies auditors during the year and have expressed their willingness to continue in that capacity.

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.

This report has been prepared in accordance with the provisions available to companies subject to the small companies regime under the Companies Act 2006.

Approved by the trustees of the charity on 29/11/2019 and signed on its behalf by:


A J Delyth
Chair of trustees

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 laws and regulations.

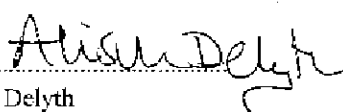
Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources 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 24/11/2021 and signed on its behalf by:


A J Delyth
Chair of trustees

ASDAN

Independent Auditor's Report to the Members of ASDAN

Opinion

We have audited the financial statements of ASDAN for the year ended 31 August 2018, 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).

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 (continued)

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 charitable 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 and sufficient accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and 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 17), the trustees (who are also directors of the company for the purposes 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 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. This description forms part of our auditor 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.

Milsted Langdon LLP

Andrew J Jordan (Senior Statutory Auditor)

For and on behalf of Milsted Langdon LLP, Statutory Auditor

Freshford House
Redcliffe Way
Bristol
BS1 6NL

Date: *31/1/2019*

ASDAN

Statement of Financial Activities for the Year Ended 31 August 2018 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Income and Endowments from:					
Charitable activities	3	2,958,210	7,011	2,965,221	3,079,057
Investment income	4	55,971	-	55,971	53,650
Other income	5	8,494	-	8,494	42,829
Total income		3,022,675	7,011	3,029,686	3,175,536
Expenditure on:					
Charitable activities	6	(2,987,996)	(10,876)	(2,998,872)	(3,075,271)
Total expenditure		(2,987,996)	(10,876)	(2,998,872)	(3,075,271)
Gains on investment assets		30,584	-	30,584	108,425
Net income/(expenditure)		65,263	(3,865)	61,398	208,690
Net movement in funds		65,263	(3,865)	61,398	208,690
Reconciliation of funds					
Total funds brought forward		4,105,206	6,290	4,111,496	3,902,806
Total funds carried forward	20	4,170,469	2,425	4,172,894	4,111,496

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.

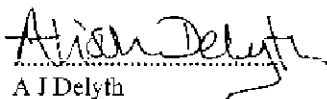
The funds breakdown for 2018 and 2017 is shown in note 20.

ASDAN

(Registration number: 03426251)
Balance Sheet as at 31 August 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	11	735,200	761,747
Investment properties	12	490,000	490,000
Investments	12	<u>1,982,882</u>	<u>1,202,298</u>
		3,208,082	2,454,045
Current assets			
Stocks	13	42,669	41,697
Debtors	14	427,489	429,622
Cash at bank and in hand		<u>1,125,567</u>	<u>1,767,171</u>
		1,595,725	2,238,490
Creditors: Amounts falling due within one year	15	<u>(630,913)</u>	<u>(581,039)</u>
Net current assets		<u>964,812</u>	<u>1,657,451</u>
Net assets		<u>4,172,894</u>	<u>4,111,496</u>
Funds of the charity:			
Restricted funds	20, 23	2,425	6,290
Unrestricted funds			
General	20	3,793,696	3,616,006
Designated	20, 24	<u>376,773</u>	<u>489,200</u>
Total unrestricted funds		<u>4,170,469</u>	<u>4,105,206</u>
Total funds	20	<u>4,172,894</u>	<u>4,111,496</u>

The financial statements on pages 21 to 39 were approved by the trustees, and authorised for issue on 24.11.2018, and signed on their behalf by:


A J Delyth
Chair of trustees

ASDAN

Statement of Cash Flows for the Year Ended 31 August 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Total cash generated from operations	22	119,855	191,665
Cash flows from investing activities			
Interest receivable		1,406	1,937
Purchase of tangible fixed assets		(12,865)	(12,829)
Purchase of listed investments		(836,139)	(231,525)
Proceeds on disposal of listed investments		86,139	233,086
Net cash flows used in investing activities		(761,459)	(9,331)
Net (decrease)/increase in cash and cash equivalents		(641,604)	182,334
Cash and cash equivalents at 1 September		1,767,171	1,584,837
Cash and cash equivalents at 31 August		1,125,567	1,767,171

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 2018

1 Charity status

The charity is a charitable company limited by guarantee, incorporated in England and Wales 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
Hudds Vale Road
St George
Bristol
BS5 7HY

These financial statements were authorised for issue by the board on 22 January 2019.

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 and basis of preparation

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). They also comply with the Companies Act 2006.

ASDAN meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise 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.

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 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.

ASDAN

Notes to the Financial Statements for the Year Ended 31 August 2018

2 Accounting policies (continued)

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' meetings and reimbursed expenses.

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.

Tangible fixed assets

Individual fixed assets 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

ASDAN

Notes to the Financial Statements for the Year Ended 31 August 2018

2 Accounting policies (continued)

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. 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, after due regard for obsolete and slow-moving stocks. Cost is determined using the first-in, first-out (FIFO).

Net realisable value (NRV) is the estimated selling price less all estimated costs of completion.

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

Creditors, loan and provisions 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. Creditors, loans and provisions 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.

ASDAN

Notes to the Financial Statements for the Year Ended 31 August 2018

2 Accounting policies (continued)

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' 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.

Further details are given of the funds designated by the trustees, as well as those held for restricted purposes, in notes 23 and 24.

Financial instruments

Classification

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

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

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 the Statement of Financial Activities, 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 balance sheet 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.

Investments

Investments in property, non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded, or their fair value is reliably measurable) are measured at fair value through the Statement of Financial Activities. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Pension and other post retirement obligations

The charitable company operates a defined contribution scheme for employees and the costs charged in the financial statements represent the contributions payable by the charitable company during the year.

ASDAN

Notes to the Financial Statements for the Year Ended 31 August 2018

2 Accounting policies (continued)

Pension and other post retirement obligations (continued)

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 charitable company 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.

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.

Redundancy and payment in lieu of notice

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.

3 Income from charitable activities

	Unrestricted £	Restricted £	Total 2018 £	Total 2017 £
External projects	134,439	7,011	141,450	176,317
Customer support	1,137,648	-	1,137,648	1,142,255
Accreditation	754,219	-	754,219	811,820
Publishing & development	651,149	-	651,149	670,363
Promotional activities	280,755	-	280,755	278,302
	<u>2,958,210</u>	<u>7,011</u>	<u>2,965,221</u>	<u>3,079,057</u>

In the comparative financial year, of total income of £3,079,057 recognised within this classification, £3,044,843 was in respect of unrestricted funds with the residual amount of £34,214 in respect of funds received for restricted purposes.

4 Investment income

	2018 £	2017 £
Interest receivable & similar income	2,541	5,487
Rental income	<u>53,430</u>	<u>48,163</u>
	<u>55,971</u>	<u>53,650</u>

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

ASDAN

Notes to the Financial Statements for the Year Ended 31 August 2018

5 Other income

	2018	2017
	£	£
Interest on late payments	572	214
Gain on foreign exchange	5,519	6,782
Miscellaneous income	2,403	35,833
	<u>8,494</u>	<u>42,829</u>

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

6 Expenditure on charitable activities

	Note	Unrestricted	Restricted	Total	Total
		£	£	2018	2017
				£	£
Staff costs		52,454	-	52,454	55,452
Printing		241,799	-	241,799	338,492
Travel & other costs		5,461	-	5,461	-
Training		7,093	-	7,093	2,792
Post, stationery and admin		698	-	698	165
Other direct costs		57,222	-	57,222	57,487
Management and admin		-	-	-	55,000
Grant funding activities		511	-	511	37,866
Share of support costs	7	2,580,377	10,876	2,591,253	2,528,014
Share of governance costs	7	42,381	-	42,381	39,062
		<u>2,987,996</u>	<u>10,876</u>	<u>2,998,872</u>	<u>3,075,271</u>

In the comparative financial year, of total expenditure of £3,075,271 recognised within this classification, £3,047,347 was in respect of unrestricted funds with the residual amount of £27,924 in respect of funds for restricted purposes.

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Notes to the Financial Statements for the Year Ended 31 August 2018

7 Analysis of support and governance

Charitable activities expenditure

	Unrestricted	Restricted	Total 2018	Total 2017
	£	£	£	£
External projects	130,884	10,876	141,760	168,967
Customer support	725,247	-	725,247	679,084
Accreditation	899,039	-	899,039	929,066
Publishing & development	862,578	-	862,578	896,927
Promotional activities	369,737	-	369,737	363,361
Grant funding of activities	511	-	511	37,866
	<u>2,987,996</u>	<u>10,876</u>	<u>2,998,872</u>	<u>3,075,271</u>

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

Support costs allocated to charitable activities

	Basis of allocation	Governance costs £	Support costs £	Total 2018 £	Total 2017 £
Staff costs	A	31,544	1,829,865	1,861,409	1,810,977
Depreciation	A	-	39,413	39,413	37,307
Travel and other costs	B	-	90,800	90,800	98,125
Training	B	-	5,213	5,213	2,172
Computer & IT costs	B	-	39,203	39,203	16,617
Communications	B	-	30,948	30,948	33,559
Premises	B	-	78,974	78,974	71,025
Legal & professional	B	456	374	830	6,034
Insurance	B	-	12,770	12,770	11,220
Other management & admin	B	806	225,300	226,106	245,446
Post, stationery & admin	B	-	99,410	99,410	103,706
Other costs	B	-	138,983	138,983	121,893
Audit and accounting	A	<u>9,575</u>	<u>-</u>	<u>9,575</u>	<u>8,995</u>
		<u>42,381</u>	<u>2,591,253</u>	<u>2,633,634</u>	<u>2,567,076</u>

Reference	Method of allocation
A	Directly attributable
B	% of income

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Notes to the Financial Statements for the Year Ended 31 August 2018

8 Net incoming resources

Net incoming resources for the year include:

	2018	2017
	£	£
Fees payable to the charitable company's auditor – Audit	9,000	8,995
Fees payable to the charitable company's auditor – Other	575	-
Depreciation of fixed assets	39,412	37,307
Rentals paid under operating lease	136,712	13,746

9 Trustees remuneration and expenses

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

One trustee was reimbursed a total of £96 travelling expenses (2017 – 2 were reimbursed £948 for travelling expenses). No trustee was paid for services as a consultant during the year (2017 – £4,365).

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Notes to the Financial Statements for the Year Ended 31 August 2018

10 Staff costs

The aggregate payroll costs were as follows:

	2018 £	2017 £
Staff costs during the year were:		
Wages and salaries	1,587,080	1,542,544
Social security costs	162,806	162,854
Other pension costs	163,977	161,033
	<u>1,913,863</u>	<u>1,866,431</u>

During the year one member of staff was made redundant and a total of £21,500 (2017 - £nil) was paid out as termination payments. Included within this amount was £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:

	2018 No	2017 No
External projects & research	2	2
Customer & centre support	9	8
Accreditation	10	13
Publishing & product development	8	8
Promotional activities	5	-
Head office operating costs	19	20
	<u>53</u>	<u>51</u>

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

	2018 No	2017 No
£60,001 - £70,000	4	2
£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 £303,108 (2017 - £259,902). 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 £36,317 (2017 - £25,189 restated) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

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Notes to the Financial Statements for the Year Ended 31 August 2018

11 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2017	862,608	117,544	366,908	1,347,060
Additions		1,036	11,829	12,865
At 31 August 2018	862,608	118,580	378,737	1,359,925
Depreciation				
At 1 September 2017	137,112	105,689	342,512	585,313
Charge for the year	17,252	3,768	18,392	39,412
At 31 August 2018	154,364	109,457	360,904	624,725
Net book value				
At 31 August 2018	708,244	9,123	17,833	735,200
At 31 August 2017	725,496	11,855	24,396	761,747

12 Fixed asset investments

	2018 £	2017 £
Investment properties	490,000	490,000
Listed investments	1,982,882	1,202,298
	<u>2,472,882</u>	<u>1,692,298</u>

ASDAN

Notes to the Financial Statements for the Year Ended 31 August 2018

12 Fixed asset investments (continued)

Investment properties

	Investment properties £
Valuation	
At 1 September 2017	490,000
At 31 August 2018	<u>490,000</u>
Net book value	
At 31 August 2018	<u>490,000</u>
At 31 August 2017	<u>490,000</u>

The investment property has been valued by the trustees at 31 August 2018 based on similar properties on a open market basis.

Listed investments

	Total £
Cost or Valuation	
At 1 September 2017	1,202,298
Additions	1,520,559
Disposals	(770,559)
Revaluation	<u>30,584</u>
At 31 August 2018	<u>1,982,882</u>
Net book value	
At 31 August 2018	<u>1,982,882</u>
At 31 August 2017	<u>1,202,298</u>

The historic cost of investments at 31 August 2018 amounted to £1,575,088.

Included within the valuation of the portfolio was a cash balance of £239,781 at the year end (2017 - £74,203).

Investments held, exceeding 5% of the portfolio value at 31 August 2018, comprise of:

Valu-trac Investment Protean Capital Elder A	5.03%
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Notes to the Financial Statements for the Year Ended 31 August 2018

13 Stock

	2018	2017
	£	£
Certificates & consumables	42,669	41,697

14 Debtors

	2018	2017
	£	£
Trade debtors	283,747	324,670
Prepayments and accrued income	143,742	104,952
	<u>427,489</u>	<u>429,622</u>

15 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	114,587	133,039
Other taxation and social security	55,063	52,152
Other creditors	25,703	44,210
Accruals	25,315	25,696
Deferred income (note 16)	410,245	325,942
	<u>630,913</u>	<u>581,039</u>

16 Deferred income

	31 August 2018
	£
Deferred income at 1 September 2017	325,942
Resources deferred in the period	404,415
Amounts released from previous periods	(320,112)
Deferred income at 31 August 2018	<u>410,245</u>

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

17 Financial instruments

	2018	2017
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	283,747	324,670
Listed instruments measured at fair value	<u>1,982,882</u>	<u>1,202,298</u>
Carrying amount of financial liabilities		
Liabilities measured at amortised cost	<u>114,587</u>	<u>133,039</u>

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Notes to the Financial Statements for the Year Ended 31 August 2018

18 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.

Teachers' Pension Scheme

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

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 enacted laws in place at any given time. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out to 31 March 2012 and was published in June 2014. The key elements of the valuation and subsequent consultation are:

- Employer contribution rates are set at 16.48% of pensionable pay which took effect in September 2015 (previously 14.1%).
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191.5bn, and notional assets (estimated future contributions together with notional investments held at the valuation date) of £176.6bn giving a notional past service deficit of £14.9bn;
- An employer cost cap of 10.9% of pensionable pay will be applied to future valuations; and
- The assumed real rate of return is 3% in excess of prices and 0.25% in excess of earnings. The rate of real earnings group is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The next valuation of the TPS will be as of March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employers pension costs paid to TPS in the period amounted to £38,709 (2017: £41,528 restated). The trustees took the decision to restate the comparative employer contributions to TPS, after it was identified that the disclosure previously included employee contributions.

19 Operating leases commitments

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

	2018	2017
	£	£
Within one year	136,712	136,712
Between two and five years	396,391	533,103
	<u>533,103</u>	<u>669,815</u>

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Notes to the Financial Statements for the Year Ended 31 August 2018

20 Funds

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £
Unrestricted funds					
General	3,616,006	3,022,675	(2,857,150)	(18,419)	30,584
Designated	489,200	-	(130,846)	18,419	-
Total unrestricted funds	4,105,206	3,022,675	(2,987,996)	-	30,584
Restricted funds	6,290	7,011	(10,876)	-	-
Total funds	4,111,496	3,029,686	(2,998,872)	-	30,584

	Balance at 31 August 2018 £
Unrestricted funds	
General	3,793,696
Designated	376,773
Total unrestricted funds	4,170,469
Restricted funds	2,425
Total funds	4,172,894

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £
Unrestricted funds					
General	3,491,205	3,141,322	(3,009,481)	(115,465)	108,425
Designated	395,417	-	(37,866)	131,649	-
Total unrestricted funds	3,886,622	3,141,322	(3,047,347)	16,184	108,425
Restricted funds	16,184	34,214	(27,924)	(16,184)	-
Total funds	3,902,806	3,175,536	(3,075,271)	-	108,425

	Balance at 31 August 2017 £
Unrestricted funds	
General	3,616,006
Designated	489,200
Total unrestricted funds	4,105,206
Restricted funds	6,290
Total funds	4,111,496

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Notes to the Financial Statements for the Year Ended 31 August 2018

21 Analysis of net assets between funds

	Unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	735,200	-	-	735,200
Investments	2,472,882	-	-	2,472,882
Current assets	1,216,527	376,773	2,425	1,595,725
Current liabilities	(630,913)	-	-	(630,913)
Total net assets	3,793,696	376,773	2,425	4,172,894

22 Cashflow from operating activities

Reconciliation of surplus for the year to cash generated from operations

	2018 £	2017 £
Cash generated from operations		
Surplus for the year	61,398	208,690
Adjustments for:		
Interest receivable	(1,406)	(1,937)
Depreciation	39,412	37,307
Fair value gain on investment revaluation	(30,584)	(109,986)
Changes in working capital:		
(Increase)/decrease in stock	(972)	42,634
Decrease/(increase) in debtors	2,133	(9,014)
Increase in creditors	49,874	23,971
Total cash generated from operations	119,855	191,665

23 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 2017 £	Movement in funds		Transfers £	Balance at 31 August 2018 £
		Incoming resources £	Resources expended £		
External project fund	6,290	7,011	(10,876)	-	2,425

External project income 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 2018

24 Designated Funds

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

	Balance at 1 September 2017 £	Movement in funds Incoming resources £	Resources expended £	Transfers £	Balance at 31 August 2018 £
Development fund	121,333	-	-	-	121,333
Financial Assistance fund	66,683	-	(29,047)	18,419	56,055
Property Improvement fund	104,734	-	-	-	104,734
Research & Development fund	196,450	-	(101,799)	-	94,651
	489,200	-	(130,846)	18,419	376,773

Development fund

Designated to fund major development of ASDAN products and services.

Financial Assistance fund

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

Property Improvement fund

Designated to provide a fund for major repairs as & when necessary to Wainbrook House.

Research & Development fund

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

25 Related party transactions

During the year the charity made the following related party transactions:

Bristol City Council

(A Craig, a Trustee, is also Councillor of Bristol City Council).

The charity incurred expenses with Bristol City Council of £7,148 (2017 - £8,216) for services during the year.

Three Ways School

(J Dyer, a Trustee, is also the Headteacher of Three Ways School).

The charity invoiced Three Ways School £619 (2017 - £774) for services during the year.

Curriculum Foundation

(L Peck, a Trustee, is also a Director and CEO of Curriculum Foundation).

The charity invoiced Curriculum Foundation £73 (2017 - £Nil) for services during the year.

Gower College

(G Williams, a Trustee, is also a Governor of Gower College).

The charity invoiced Gower College £3,148 (2017 - £2,783) for services during the year. At the balance sheet date, the amount due from Gower College was £311 (2017 - £Nil).

Immanuel Christian School

(G Williams, a Trustee, is also a Director of Immanuel Christian School).

The charity invoiced Immanuel Christian School £440 (2017 - £Nil) for services during the year.