

Registered number: 04117784
Charity number: 1086947

SKILLS AND EDUCATION GROUP AWARDS
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019



SKILLS AND EDUCATION GROUP AWARDS

(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the Charity, its Trustees and advisers	1
Trustees' report	2 - 13
Independent auditor's report on the financial statements	14 - 16
Statement of financial activities	17
Balance sheet	18
Statement of cash flows	19
Notes to the financial statements	20 - 34

SKILLS AND EDUCATION GROUP AWARDS

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2019

Trustees

G Clipson MBE, Chair (from 30 April 2020) (appointed 16 October 2018)
J P Yarham, Chair (until 30 April 2020) (resigned 30 April 2020)
Skills and Education Group
E M Hartley
J B Lanning
H K Richardson (resigned 16 October 2018)
A M Traynor (appointed 22 January 2019)
D Whitmore (appointed 22 January 2019, resigned 13 September 2019)

Company registered number 04117784

Charity registered number 1086947

Registered office

Robins Wood House
Robins Wood Road
Aspley
Nottingham
NG8 3NH

Company secretary S N Feneley-Lamb

Chief executive officer P A Eeles

Independent auditor

BHP LLP
2 Rutland Park
Sheffield
South Yorkshire
S10 2PD

Bankers

Natwest
536 Valley Road
Nottingham
NG5 1FL

Solicitors

Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

SKILLS AND EDUCATION GROUP AWARDS

(A company limited by guarantee)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees (who are also Directors for the purpose of company law) present their annual report together with the audited financial statements of the Skills and Education Group Awards for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective January 2015).

Since the charity qualifies as small under section 382 of the Companies Act, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

The Charity provides a range of service in furtherance of its charitable objective to support "the advancement of skills and education to improve the lives of individuals". These services include:

- awarding and assessment services and qualification regulated by Ofqual
- awarding and assessment services and qualifications regulated by the Qualifications Approval Agency (QAA)
- end-point assessment (EPA) services
- awarding and assessment services for non-regulated skills and education programmes
- local, regional and national stakeholder engagement to inform and support policy developments and implementation.

The Charity's strategic aims adopted in support of these objectives are identified by an annual strategic planning process culminating in a five-year strategic plan agreed and monitored by the Board of Trustees and revised as necessary. Trustees have due regard to guidance issued by the Charities Commission on public benefit in deciding what activities the Charity should undertake.

Trustees agree Key Performance Indicators (KPIs) with the Executive Team, monitoring and measuring performance against these:

- customer satisfaction
- staff satisfaction
- level of turnover
- level of surplus as a % of turnover
- volume of business by key account centres.

Skills and Education Group Awards continues its support of the Federation of Awarding Bodies (FAB). The Charity's CEO was appointed Chair of FAB in 2016 and since then he has used this position to champion the role, value and benefit the awarding sectors and the organisations in it. In his capacity of Chair, the CEO engages with the government, partners and stakeholders to inform and influence policy.

SKILLS AND EDUCATION GROUP AWARDS

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

Achievements and performance delivering public benefit

A review of the leadership structure during the year led to the implementation of an Executive Management Team responsible (effective 1 July 2019) for key operational areas of the Group-wide business. Led by Assistant Directors, the achievements, performance and wider benefit of the operational areas in relation to Skills and Education Group Awards are explored below.

Access and Compliance

Following retirement of the Compliance Manager at the end of August 2019 and the planned retirement of the Head of Compliance and Regulation, in late 2019, the opportunity was taken to amalgamate Access and Compliance, creating a team responsible for the regulatory relationships with QAA, Ofqual, CCEA (Northern Ireland) and Qualification Wales. New compliance and regulation team members were recruited and in place for the start of the 2019/20 financial year.

Awarding Development and Delivery

As an End-point Assessment Organisation (EPAO), the Charity has developed a wide-range of Fashion and Textiles standards which will be used to assess apprentices at the end of their apprenticeship.

A suite of new qualifications have been developed to enable learners with few or no appropriate qualifications to gain the confidence, skills and knowledge needed for progression to Level 3. The new qualifications have been recognised as an entry route for Access to HE Diplomas (delivered by Open College Network Yorkshire and Humber Region, a subsidiary within the Skills and Education Group). This development supports the overall Group aim of "the advancement of skills and education to improve the lives of individuals" by developing a range of qualifications designed to support progression and social mobility.

Other developments during the year included qualifications to support the motor industry (with a particular focus on electric and hybrid vehicles), small animal care, media, fashion and textiles.

Seventeen of the Charity's Fashion and Textiles qualifications gained recognition from the UK Fashion and Textiles Association (ukft) Recognition Programme. This provides the assurance that the qualifications are both applicable and necessary for employers and learners.

Business Development

The role of the business development team underpinned the way in which the Charity engaged and maintained effective relationships with customers. A key account management concept was introduced to support the relationship with Centres who have a long-standing history with the Charity and who access a defined level of service and support. This concept proved to be a successful approach to achieving both retention and growth. It has also helped ensure that the range of qualifications, support and services provided by the Charity continues to meet customer needs and, importantly, continue to provide public benefit by addressing the needs of learners and helping to overcome the challenges that they have in progressing to or within employment.

The overall market share of MOT testers undertaking an MOT Annual Assessment was retained at 47% (2018/19 testing period). This was against a background of an increased number of testers and tests being undertaken; the number of testers in 2018/19 increased to 65,759 compared with 58,000 when the Annual Assessment was introduced in 2017/18. MOT Annual Assessment income for 2018/19 was £753k (£784k 2017/18).

SKILLS AND EDUCATION GROUP AWARDS

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

Achievements and performance delivering public benefit (continued)

Finance and Corporate Services

A review of the way in which management information was used resulted in a revised approach in the way that key information was presented and provided. This enabled individual teams to use data more effectively and supported business analysis and planning.

The Charity was successful in its re-accreditation of the ISO 9001 quality standard which recognises that the quality management system used across the Charity's activities is consistently able to provide products, support and services that meet customer and regulatory requirements.

In-house IT applications continued to be developed and supported to meet business growth and demand in, for example, automation, to simplify operational processes. Recognising the value of an in-house team, an additional applications developer was appointed and the decision made to appoint a technical support apprentice from September 2019.

Membership, Foundation and External Affairs

Websites and external, customer facing platforms were continually reviewed to ensure accessibility and that they remained fit for purpose. Websites for the ABC Awards, and Certa Awards brands were re-designed ensuring brand identity across all website resources.

a. Fundraising standards information

The charity does not carry out any significant fundraising activities.

Financial review

SKILLS AND EDUCATION GROUP AWARDS

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

Financial review (continued)

a. Going concern

At the time that the financial statements were prepared and audited in late 2019, the trustees took into consideration the economic climate at that time and the potential impact of this on sources of income and planned expenditure. Trustees took the view that projections, at the time of approving the accounts, that there was a reasonable expectation that the charity has adequate resources to continue its operations foreseeable future.

Clearly, the situation changed during the first quarter of 2020. The Covid-19 pandemic has had a significant impact on the world economy and, as result, trustees have re-examined the consequence of external factors on the impact of these on income, expenditure and wider business operations.

Trustees have worked closely with the Executive Leadership Team to assess the impact of Covid-19 and the ways in which any impact can be mitigated. Trustees remain confident that the charity has resilience to adapt and develop its strategy and operational business plans to meet the needs of its beneficiaries and new ways of working.

This confidence is based on:

- an agile strategic approach that is responsive to external influences
- accelerating the development and use of web based technologies to support the launch of new products and services
- access to government schemes that protect the workforce and retain the necessary skills and expertise for the longer term
- detailed analysis of income and expenditure projections underpinned by a positive cash flow

Based on this work, trustees have a continuing reasonable expectation that 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 in preparing the accounts.. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

SKILLS AND EDUCATION GROUP AWARDS

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

Financial review (continued)

b. Reserves policy

It is the policy of the Charity that unrestricted funds which have not been designated for a specific purpose should be maintained at a level necessary to provide a contingency to support day-to-day business activities in the event of reduced income and provide a strategic fund to develop and grow the Charity. Trustees also wish to build reserves to fulfil a Group-wide objective to support social mobility.

In line with best practice guidance, Trustees review the reserves policy each year and confirm that this level of reserve has been maintained.

It is the Charity's policy to work to building and maintaining reserves to:

- support the short, medium and long-term objectives of the Charitable group
- re-invest any surplus funds to support, develop and expand the delivery of high quality services
- re-invest any surplus funds to support activities that support social mobility and provide a public benefit
- maintain sufficient reserves that are readily realisable to sustain operations as and when required
- cover deficits, when arising, from general reserves
- mitigate the risks of unforeseen challenges, emergencies or other unexpected requirement for funds
- cover statutory obligations to close down and wind-up the charitable Charity's affairs in an orderly manner, if and when required.

Total funds at the end of the year which are all unrestricted were £1,264,905. Trustees consider this to meet the Charity's reserve policy by:

Reserve	Purpose	Target Amount
Contingency	<ul style="list-style-type: none">• Sustain business operations• Cover deficits• Mitigate the risks of unforeseen challenges and/or emergencies• Cover statutory obligations	£700,000
Strategic	<ul style="list-style-type: none">• Support short, medium and long-term objectives• Support growth• Invest in research and development for new products and services	£500,000
Social Mobility	<ul style="list-style-type: none">• Re-invest surplus funds to support social mobility and provide public benefit	£65,000

SKILLS AND EDUCATION GROUP AWARDS

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

Financial review (continued)

c. Financial performance and position

The Charity remains in a financially healthy position and continues to meet its agreed financial targets. The Charity achieved a surplus of £117,474 (2018: £460,504).

Total income was £1,926,537 compared with £2,450,266 for 2017/18. The decrease in income was due to a re-positioning of business activity within the Charity providing a focus on regulated provision, support and quality assurance services for Centres and providers. Activities falling outside of this were transferred to the Skills and Education Group charity during the year. This was off-set by that transfer in of awarding activity from Open College Network Yorkshire and Humber Region. This was transferred to the Charity during the year as part of a strategic process to ensure that all charities within the Group maintained a focus on their core activities.

Similarly expenditure in the year reflects costs associated with regulated and support activities only. This was £1,809,063 compared with £1,989,762 (2017/18). Primary expenditure within the Charity are salaries and associated costs.

Net assets at the year end are £1,264,905 compared with £1,147,431 for 2017/18. All funds are unrestricted.

d. Risk management

Trustees remain aware of the educational and political environment in which the Charity operates and recognises, in particular, the challenges facing providers in the further education sector.

Strategic risks are managed and monitored through a risk register. Risk registers are reviewed and updated by the Executive Management Team on a quarterly basis prior to a review by Trustees. Having assessed the strategic risks to which the Charity is exposed, Trustees are satisfied that the systems and review processes in place mitigate and manage risk.

Assistant Directors maintain an operational risk register which is reviewed on a monthly basis with the wider operational management team.

Risks within both the strategic and operational risk registers are rated on a weighted likelihood and impact scale based on Charity Commission guidance. Risk management also forms part of the ISO 9001 annual accreditation.

Structure, governance and management

Skills and Education Group Awards is registered as a charitable company limited by guarantee, incorporated on 30 November 2000.

The company was set-up under a Memorandum of Association which established the objectives and powers of the charitable company and is governed under its Articles of Association. The Articles were most recently revised in October 2018 and reflect current structural and governance requirements.

SKILLS AND EDUCATION GROUP AWARDS

(A company limited by guarantee)

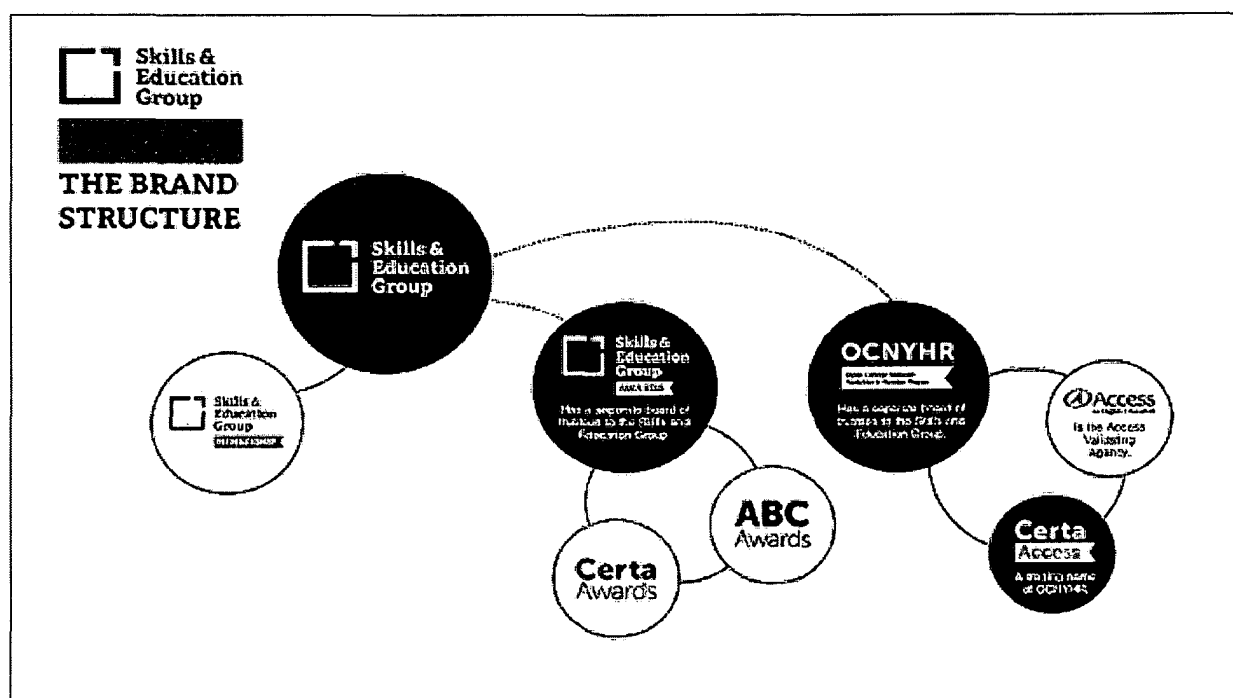
TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

Skills and Education Group Awards is a controlled charity within the wider Skills and Education Group which includes:

- Skills and Education Group, the parent charitable company, limited by guarantee:
Company Number 02640936
Charity Number 1004087
- Open College Network Yorkshire and Humber Region (trading as Certa), a charitable company limited by guarantee:
Company Number 03773914
Charity Number 1088839

The Skills and Education Group delivers its products and services through a brand structure that maintains the profile and reputation of the Charities and the delivery brands within these. The brand structure is explained in the following diagram.



SKILLS AND EDUCATION GROUP AWARDS

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

a. Methods of appointment or election of Trustees

There were four changes to the Board of Trustees during the year:

A Traynor (appointed 22 January 2019)

G Clipson MBE (appointed 16 October 2018)

D Whitmore (appointed 22 January 2019, resigned 13 September 2019)

H K Richardson (resigned 16 October 2018)

Newly appointed trustees were recruited in accordance with the Articles of Association adopted 16 October 2018 under Article 27:

"directors (trustees) shall be appointed or removed by the majority of members (from time to time) by service of written notice at the registered office of the association".

The trustees completed a skills audit in the summer of 2018 and identified the balance of skills, expertise and knowledge appropriate for the Charity and to support governance and business operations. Individuals who were deemed to have the appropriate skills required for the role of trustee were identified through recommendation. The Chair of Trustees and the Chief Executive met with potential trustees prior to their appointment being put to the full Board for approval. All newly appointed trustees complete a skills audit to ensure that this balance remains appropriate.

b. Policies adopted for the induction and training of Trustees

Newly appointed trustees receive an induction under the direction of the Chief Executive. This includes an introductory visit to Robins Wood House where they have the opportunity to meet with key staff to gain a detailed understanding of the group and the charities within it.

Trustees complete a declaration of interest record on appointment. Declarations are noted on Register which is reviewed and updated on an annual basis.

SKILLS AND EDUCATION GROUP AWARDS

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

The Board of Trustees meets four times a year. Trustees:

- support the CEO and Executive Management Team determine the strategic direction of the charity and review annual strategic plans, business plans and Key Performance Indicators,
- receive and review quarterly management accounts to monitor and challenge performance
- review and monitor the strategic risk register to ensure that the appropriate controls are in place to mitigate risks
- ensure that appropriate governance review mechanisms are in place, that performance is reviewed and that Charity Commission guidance is followed.

A Chairs' and CEO Group was established in 2018 and enable the Chairs to have a collective and strategic oversight of the Group and its subsidiaries. The group meets prior to quarterly Board of Trustees' meetings and provides a structure for the Chairs of the three Charities within the Group to meet with the CEO. The Chairs' and CEO Group reviews and monitors:

- the performance of the CEO
- financial performance across all Charities within the Group
- performance against strategic and business plans for all Charities within the Group.

Additionally, the group and the CEO:

- identify opportunities for growth and the approach that may be taken to progress these
- determine longer-term strategic direction to help shape plans and proposals for all Trustees to consider.

Financial advice and support is provided by a Trustee on the Skills and Education Group Board who is a financial controller at a large General College of Further Education. The Trustee meets with the Chief Operating Officer and Assistant Director Finance and Corporate Services prior to Board of Trustee meetings. Action on behalf of the wider Trustee group, financial information and management accounts are looked at in detail and further analysis requested as appropriate. In the last year, the Trustee has represented Trustees on a panel appointing new external auditors and during subsequent pre and post audit review meetings.

Day-to-day management of the Charity is delegated to the CEO, Paul Eeles who is supported by the Chief Operating Officer (COO), Simon Feneley-Lamb. The CEO and CO form the Executive Team with the COO having direct responsibility for Finance, IT, premises, bids/tenders and project activity. The COO is the Company Secretary for the purpose of Company Law.

Day-to-day business operations are overseen by five Assistant Directors who, together with the CEO and COO, form the Executive Management Team (EMT). Assistant Directors are responsible for the following functions:

- Awarding Development and Delivery
- Business Development
- Compliance, Regulation and Access
- Finance and Corporate Services
- Membership, Foundation and External Affairs.

SKILLS AND EDUCATION GROUP AWARDS

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

The EMT meets twice a month, with the first meeting of each month focused on financial performance. Other discussion items include:

- strategic issues, new opportunities and overall business performance
- financial performance and budgets
- human resources, resources and succession planning
- compliance and regulation, including Ofqual, QAA, Charities Commission and the Information Commissioners Officer.

Operational managers meet on a monthly basis at a management group meeting chaired by the Chief Operating Officer. The purpose of this meeting is to ensure that operational managers, i.e. those below Assistant Director level, are kept informed of:

- financial performance
- progress towards strategic and operational objectives
- updates on new developments and opportunities.

The meeting also provides an opportunity for operational managers to exchange and share information, ideas and provide each other with peer support.

d. Pay policy for key management personnel

Remuneration for the Executive Team is determined by a Remuneration Group made up of the Chair of Trustees for each charitable company within the Group structure. Recommendations on pay increases are benchmarked against market conditions within the further education sector and awards that may be made within the sector. Pay awards are also assessed on affordability.

Annual cost of living pay awards for all other staff are subject to recommendation and approval of the Board of Trustees.

SKILLS AND EDUCATION GROUP AWARDS

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

Plans for future periods

Trustees have approved strategic and business plans that will support a year of development (2019/20) leading to the introduction of new products, support and services. Key development activities taking place during the year include:

- **Membership Hub** - an online Hub that will bring all the features and benefits of membership in one place. Members will be able to access events, resources and engage with other members through a membership directory. Individuals will also be able to create a personal profile and highlight areas of interest and expertise. A new events booking system will also be introduced.
- **Skills and Education Group Foundation** - the Foundation will champion social mobility in the further education and skills sector, highlighting the role that that providers play in transforming people's lives. The Foundation aims to:
 - become a voice for and raise the profile of social mobility
 - engage in project-based activity and research relating to further education
 - provide grants to help learner support.
- **End-Point Assessment** – the continuing drive to increase participation in apprenticeships creates opportunities for the Charity to support the skills development of young people and adults and help progress their career aspirations. Clearly meeting the Charity's charitable objective of the "advancement of skills and education to improve the lives of individuals", further development of the Charity's role as an End-point Assessment organisation will also support the social mobility of apprenticeships.

New End-point Assessment opportunities that meet the strategic and business aims and objectives of the Charity and, in particular its subsidiary charity Skills and Education Group Awards, will be researched, developed and introduced during the year.

- **Qualification Development** - Trustees have agreed, as part of the strategic planning process, to invest in the development of the qualifications to ensure that this continue to be fit-for-purpose and meet the needs of employers, centres/providers and learners.

New qualification development will align to current and emerging economic and social needs. For example, in 2019 the skills shortage across the automotive sector (IMI State of the Sector Report) was recognised and led to the development of a Level 3 competence award for the Service and Repair of Electric and Hybrid Vehicles. This response not only started to address the identified skills gaps due to technological advancement, but also responded to the social commentary on climate change and the need to reduce the use of fossil fuels and derivatives.

Taking this example forward, Charity will continue to identify and respond to emerging needs through the development of products, support and services.

- **Quality Licence Scheme** - the Charity's Quality Licence Scheme (QLS) recognises a provider's commitment to high-quality courses in the non-regulated market. Recognition is given by the evaluation of quality processes and endorsement of them.

QLS was introduced in 2014 and has grown in popularity and success. It has been refined over the years, but in 2020/21 will undergo development to further position it within the non-regulated market.

SKILLS AND EDUCATION GROUP AWARDS

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. 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 then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 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.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Approved by order of the members of the board of Trustees and signed on their behalf by:



G Clipson MBE
(Chair of Trustees)

Date: 16 June 2020

SKILLS AND EDUCATION GROUP AWARDS

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SKILLS AND EDUCATION GROUP AWARDS

Opinion

We have audited the financial statements of Skills and Education Group Awards (the 'charity') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 director's 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 charitable company'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.

SKILLS AND EDUCATION GROUP AWARDS

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SKILLS AND EDUCATION GROUP AWARDS (CONTINUED)

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.

Opinions 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 (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the directors' 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 directors' report.

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

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

SKILLS AND EDUCATION GROUP AWARDS

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SKILLS AND EDUCATION GROUP AWARDS (CONTINUED)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the charitable 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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's report.

Use of our report

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

Jane Marshall (Senior statutory auditor)

for and on behalf of

BHP LLP

2 Rutland Park

Sheffield

South Yorkshire

S10 2PD

Date: 19 June 2020

SKILLS AND EDUCATION GROUP AWARDS
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:				
Charitable activities	4	1,908,081	1,908,081	2,444,954
Investments	5	3,176	3,176	1,472
Other income	6	15,280	15,280	3,840
Total income		1,926,537	1,926,537	2,450,266
Expenditure on:				
Charitable activities	7	1,809,063	1,809,063	1,989,762
Total expenditure		1,809,063	1,809,063	1,989,762
Net movement in funds		117,474	117,474	460,504
Reconciliation of funds:				
Total funds brought forward		1,147,431	1,147,431	686,927
Net movement in funds		117,474	117,474	460,504
Total funds carried forward		1,264,905	1,264,905	1,147,431

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 20 to 34 form part of these financial statements.

SKILLS AND EDUCATION GROUP AWARDS
(A company limited by guarantee)
REGISTERED NUMBER: 04117784

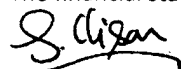
BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	11	48,026	41,399
		<u>48,026</u>	<u>41,399</u>
Current assets			
Stocks	12	10,706	-
Debtors	13	175,989	89,104
Cash at bank and in hand		1,230,867	1,132,050
		<u>1,417,562</u>	<u>1,221,154</u>
Creditors: amounts falling due within one year	14	(200,683)	(115,122)
Net current assets		<u>1,216,879</u>	<u>1,106,032</u>
Total assets less current liabilities		<u>1,264,905</u>	<u>1,147,431</u>
Total net assets		<u>1,264,905</u>	<u>1,147,431</u>
Charity funds			
Unrestricted funds	16	1,264,905	1,147,431
Total funds		<u>1,264,905</u>	<u>1,147,431</u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



G Clipson MBE
 (Chair of Trustees)

Date: 16 June 2020

SKILLS AND EDUCATION GROUP AWARDS
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	2019 £	2018 £
Cash flows from operating activities		
Net cash used in operating activities	115,825	487,684
Cash flows from investing activities		
Interest income	3,522	1,472
Purchase of intangible assets	(20,530)	(32,975)
Net cash used in investing activities	(17,008)	(31,503)
Change in cash and cash equivalents in the year	98,817	456,181
Cash and cash equivalents at the beginning of the year	1,132,050	675,869
Cash and cash equivalents at the end of the year	<u>1,230,867</u>	<u>1,132,050</u>

The notes on pages 20 to 34 form part of these financial statements

SKILLS AND EDUCATION GROUP AWARDS

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1. General information

The Charity is a company limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Its aim is the advancement of the education and training of young people and adults primarily through the provision of nationally recognised qualifications.

2. Accounting policies

2.1 *Basis of preparation of financial statements*

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (as amended by Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Skills and Education Group Awards 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.

The financial statements have been prepared in £ sterling which is the functional currency of the charity, rounded to the nearest £1.

2.2 *Going concern*

The Trustees have prepared financial projections to 31 August 2021, taking into consideration the current COVID-19 pandemic and its potential impact on the sources of income and planned expenditure.

Based on these projections, at the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Consequently, the Trustees continue to adopt the going concern basis of accounting.

Further details can be found in the Trustees Annual Report.

2.3 *Income*

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

SKILLS AND EDUCATION GROUP AWARDS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.6 Intangible assets and amortisation

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Website	-	% 20% straight line
---------	---	---------------------

2.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

SKILLS AND EDUCATION GROUP AWARDS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

2.8 Debtors

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

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation.

2.11 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

SKILLS AND EDUCATION GROUP AWARDS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

4. Income from charitable activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Accredited	1,719,925	1,719,925	1,494,429
Non-Accredited	188,156	188,156	950,525
	<u>1,908,081</u>	<u>1,908,081</u>	<u>2,444,954</u>

Income within this classification represent course and licensing fees and assessment income.

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

5. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Interest receivable and similar income	<u>3,176</u>	<u>3,176</u>	<u>1,472</u>

In 2018 all investment income was to unrestricted funds.

6. Other incoming resources

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Other income	<u>15,280</u>	<u>15,280</u>	<u>3,840</u>

In 2018 all other income was to unrestricted funds.

SKILLS AND EDUCATION GROUP AWARDS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

7. Analysis of expenditure on charitable activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Accredited	1,462,176	1,462,176	1,249,335
Non-Accredited	346,887	346,887	740,427
Total 2019	1,809,063	1,809,063	1,989,762

In 2018 all expenditure on charitable activities was from unrestricted funds.

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Accredited	378,484	1,083,692	1,462,176	1,249,335
Non-Accredited	91,982	254,905	346,887	740,427
Total 2019	470,466	1,338,597	1,809,063	1,989,762
Total 2018	435,531	1,554,231	1,989,762	

SKILLS AND EDUCATION GROUP AWARDS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Accredited 2019 £	Non- Accredited 2019 £	Total funds 2019 £	Total funds 2018 £
Staff costs	204,490	70,365	274,855	283,224
Moderator costs	140,350	-	140,350	113,923
Centre approval costs	2,819	-	2,819	5,196
Certificates	17,811	-	17,811	2,864
QLS audit	-	21,617	21,617	18,350
Centre audit	13,014	-	13,014	5,002
Bad debt expense	-	-	-	(928)
Finance charges	-	-	-	7,900
	378,484	91,982	470,466	435,531

SKILLS AND EDUCATION GROUP AWARDS**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

8. Analysis of expenditure by activities (continued)**Analysis of support costs**

	Accredited 2019 £	Non- Accredited 2019 £	Total funds 2019 £	Total funds 2018 £
Staff costs	699,913	96,414	796,327	1,001,800
Depreciation	12,532	1,371	13,903	8,425
Business stationery	2,213	242	2,455	4,557
Marketing and business development	9,960	1,090	11,050	43,550
Legal, professional and insurance	4,074	446	4,520	5,978
Travel, subsistence and conference costs	38,451	4,209	42,660	37,039
Bank charges	2,361	(212)	2,149	2,138
Development costs	19,384	2,122	21,506	4,510
Commission	-	387	387	3,437
Sundry expenses	15,830	1,732	17,562	13,450
Parent supplied recharges	188,231	137,857	326,088	334,371
IT expenses	38,575	4,220	42,795	37,326
Accommodation	-	-	-	2,171
Irrecoverable VAT	30,577	3,347	33,924	16,522
Donations	15,345	1,680	17,025	34,457
Audit fees	6,246	-	6,246	4,500
	1,083,692	254,905	1,338,597	1,554,231

Support costs have been allocated on the basis of income split between accredited and non-accredited.

SKILLS AND EDUCATION GROUP AWARDS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

9. Staff costs

The below staff costs were recharged from the parent charity:

	2019 £	2018 £
Wages and salaries	899,300	1,080,110
Social security costs	86,050	104,889
Pension costs	85,832	100,025
	<u>1,071,182</u>	<u>1,285,024</u>

The above costs represent staff, including key management personnel, working on behalf of the Charity but paid through the parent controlling organisation. These costs represent a mixture of direct and support costs which are analysed separately within the relevant notes.

The Charity did not directly employ any members of staff in the current or comparative year and therefore no employee received remuneration amounting to more than £60,000 in either year.

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2018 - £NIL).

During the year ended 31 August 2019, travel expenses totalling £302 were reimbursed or paid directly to 3 Trustees (2018 - £195 to 1 Trustee).

SKILLS AND EDUCATION GROUP AWARDS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

11. Intangible assets

	Website £
Cost	
At 1 September 2018	72,665
Additions	20,530
At 31 August 2019	<u>93,195</u>
Amortisation	
At 1 September 2018	31,266
Charge for the year	13,903
At 31 August 2019	<u>45,169</u>
Net book value	
At 31 August 2019	<u>48,026</u>
At 31 August 2018	<u>41,399</u>

12. Stocks

	2019 £	2018 £
Finished goods and goods for resale	<u>10,706</u>	<u>-</u>

SKILLS AND EDUCATION GROUP AWARDS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

13. Debtors

	2019 £	2018 £
<i>Due within one year</i>		
Trade debtors	94,423	65,801
Amounts owed by group undertakings	36,837	-
Other debtors	999	1,123
Prepayments and accrued income	43,730	22,180
	<u>175,989</u>	<u>89,104</u>

14. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	26,181	1,100
Amounts owed to group undertakings	107,012	36,831
Other taxation and social security	2,195	2,166
Other creditors	680	91
Accruals and deferred income	64,615	74,934
	<u>200,683</u>	<u>115,122</u>
	2019 £	2018 £
Deferred income at 1 September 2018	55,402	29,795
Resources deferred during the year	23,042	55,402
Amounts released from previous periods	(55,402)	(29,795)
<i>Deferred income at 31 August 2019</i>	<u>23,042</u>	<u>55,402</u>

Deferred income represents monies received in advance for learner registrations on accredited and non-accredited courses.

SKILLS AND EDUCATION GROUP AWARDS**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

15. Financial instruments

	2019 £	2018 £
<i>Financial assets</i>		
Financial assets measured at fair value through income and expenditure	1,230,867	1,132,050
Financial assets that are debt instruments measured at amortised cost	140,520	66,924
	<u>1,371,387</u>	<u>1,198,974</u>
	2019 £	2018 £
<i>Financial liabilities</i>		
Financial liabilities measured at amortised cost	(175,446)	(57,554)

SKILLS AND EDUCATION GROUP AWARDS**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

16. Statement of funds**Statement of funds - current year**

	Balance at 1 September 2018 £	Income £	Expenditure £	Balance at 31 August 2019 £
<i>Unrestricted funds</i>				
General funds	<u>1,147,431</u>	<u>1,926,537</u>	<u>(1,809,063)</u>	<u>1,264,905</u>

Statement of funds - prior year

	Balance at 1 September 2017 £	Income £	Expenditure £	Balance at 31 August 2018 £
<i>Unrestricted funds</i>				
General funds	<u>686,927</u>	<u>2,450,266</u>	<u>(1,989,762)</u>	<u>1,147,431</u>

SKILLS AND EDUCATION GROUP AWARDS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

17. Summary of funds

Summary of funds - current year

	Balance at 1 September 2018 £	Income £	Expenditure £	Balance at 31 August 2019 £
General funds	<u>1,147,431</u>	<u>1,926,537</u>	<u>(1,809,063)</u>	<u>1,264,905</u>

Summary of funds - prior year

	Balance at 1 September 2017 £	Income £	Expenditure £	Balance at 31 August 2018 £
General funds	<u>686,927</u>	<u>2,450,266</u>	<u>(1,989,762)</u>	<u>1,147,431</u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Total funds 2019 £
Intangible fixed assets	48,026	48,026
Current assets	1,417,562	1,417,562
Creditors due within one year	(200,683)	(200,683)
Total	<u>1,264,905</u>	<u>1,264,905</u>

SKILLS AND EDUCATION GROUP AWARDS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Total funds 2018 £
Intangible fixed assets	41,399	41,399
Current assets	1,221,154	1,221,154
Creditors due within one year	(115,122)	(115,122)
Total	1,147,431	1,147,431

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	117,474	460,504
Adjustments for:		
Amortisation charges	13,903	8,425
Interest income	(3,522)	(1,472)
Decrease/(increase) in stocks	(10,706)	-
Decrease/(increase) in debtors	(86,885)	157,967
Increase/(decrease) in creditors	85,561	(137,740)
Net cash provided by operating activities	115,825	487,684

20. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	1,230,867	1,132,050
Total cash and cash equivalents	1,230,867	1,132,050

SKILLS AND EDUCATION GROUP AWARDS

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

21. Related party transactions

During the year the charity was recharged wages and other costs from its parent Skills and Education Group, totalling £2,079,852, and made payments to its parent totalling £2,009,671. At the year end an amount of £107,012 (2018: £36,831) was owed to Skills and Education Group.

Open College Network Yorkshire and Humber Region, a subsidiary of the parent company Skills and Education Group, was recharged wages costs of £32,022 and payments were made to this charity of £4,815. At the year end a balance of £36,837 was owed by Open College Network Yorkshire and Humber Region to the charity.

22. Post balance sheet events

As part of their assessment of the going concern basis of preparation, the Board have considered the impact of the COVID-19 pandemic on the charity's income and operating cost base. See going concern accounting policy. It is the view of the Board that the events which have significantly impacted the charity are the direct result of Government and international policy in response to the pandemic (for example restrictions on travel, trade and personal interactions) and such policy only arose after the balance sheet date. The Board therefore consider the impact of the COVID-19 on the charity to be a non-adjusting post-balance sheet event.

23. Controlling party

The charity is managed and controlled by its immediate and ultimate parent Skills and Education Group, which is a registered charity (number 1004087) and a company limited by guarantee incorporated in England and Wales (company number 02640936).

The most senior parent entity producing publicly available consolidated financial statements is Skills and Education Group. These financial statements are available upon request from Skills and Education Group, Robins Wood House, Robins Wood Road, Aspley, Nottingham, Nottinghamshire, NG8 3NH.