

Charity Registration No. 1086947

Company Registration No. 04117784 (England and Wales)

ABC AWARDS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

THURSDAY



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COMPANIES HOUSE

ABC AWARDS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees J P Yarham
E M Hartley
J E Lanning
H K Richardson
Skills and Education Group Limited

Secretary S N Feneley-Lamb

Charity number 1086947

Company number 04117784

**Registered office &
principle place of business** Robins Wood House
Robins Wood Road
Aspley
Nottingham
NG8 3NH

Auditor Milsted Langdon LLP
Freshford House
Redcliffe Way
Bristol
BS1 6NL

Bankers RBS
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Chorley
PR7 2SD

Solicitors Browne Jacobson LLP
Mowbray House
Castle Mead Road
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ABC AWARDS

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ABC AWARDS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees present their report and accounts for the year ended 31 August 2017.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's articles of association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The legal and administrative information included within the financial statements forms part of this report.

Objectives and activities

The sole objective of the charity is the advancement of the education and training of young people (14+) and adults (19+) primarily through the provision of nationally recognised qualifications on the Qualifications and Credit Framework (QCF).

ABC Awards (ABC) aim is to provide high quality qualifications, products and services which are relevant, fit with strategic objectives and respond to government agendas as well as industry, employer and ultimately learner needs. In order to achieve this, ABC's strategy is to enhance, expand, diversify and where appropriate rationalise its offer of provide choice and progression opportunities for learners across its specialist areas and within appropriate national frameworks.

The policies adopted in furtherance of these objects are identified by an annual strategic planning process culminating in a rolling five-year strategic plan that is agreed and monitored by the Board of Trustees. Monitoring and measurement of success is against agreed Key Performance Indicators (KPI's):

- Customer satisfaction;
- Staff satisfaction;
- Level of incoming resources;
- Level of surplus as a % of incoming resources;
- Number of centres spending in excess of £10,000 per annum.

KPI's are measured and monitored by:

- Customer and staff surveys;
- Monthly management accounts reporting on actual achievement compared with agreed budgets;
- Quarterly financial period reporting to the Board of Trustees;
- Monthly reporting to the Executive and Senior Management Team's on key customers and centre spend.

The Trustees have paid due regard to guidance issued by the Charity Commission on public benefit in deciding what activities the charity should undertake, when reviewing the aims of the charity and planning its future activities.

ABC AWARDS

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2017

Achievements and performance

ABC continues to be closely involved with the Federation of Awarding Bodies (FAB). In October 2016, the Chief Executive of ABC was appointed Chair of FAB and has used this position to champion the role of all awarding bodies and inform national policy. In addition, relationships with stakeholders and partnerships with other organisations providing complimentary services, other awarding organisations, key centres, professional bodies and employers has continued to be a key feature of this year's strategy.

The provision of regulated (accredited) vocational qualifications to individuals through recognised education institutions and training providers (centres) remains as the core focus of ABC activities. All functions across ABC and the group have contributed to the overall achievement of meeting the needs and expectations of in excess of 55,000 learners studying across more than 500 centres with over 20,000 awards made.

During the 2016 calendar year, ABC became an approved partner of the DVSA, providing the MOT sector with both Regulated (Accredited) qualifications and through investing in and developing a Non-Regulated online assessment (Non-Accredited) to support testers and the new requirements of ongoing CPD. Over 28,000 MOT testers have undertaken their Annual Assessment with ABC this year which represented 47% of the market.

Financial review

Incoming resources for the year was £2,287,331 (2016: £1,390,112) achieved on resources expended of £1,732,759 (2016: £1,519,132) which generated a year-end surplus for the charity of £554,527 (2016: £129,020 deficit). The achievement of this surplus in the year as a % of incoming resources equates to 24.2%, well above the target of 6% set by the board.

The strong performance was, in part, arising from the investment in and development of both Regulated MOT tester awards and the Non-Regulated Annual Assessment, as referred to in the Achievements and Performance section of this report. Although there are no current indications that the framework of assessment will change, Trustees are mindful that this is a new and developing market and recognise that the market is dependent on continuing DVSA policy and approval, with due regard given to this within the risk register.

Funds at the year end amounted to £696,927 (2016: £132,355), all of which is considered to be unrestricted.

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Risk management

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

ABC AWARDS

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2017

Financial review (continued)

Changing Government policy and regulatory requirements, which may impact on business approaches and financial performance, are also identified as risks, mitigated by continuing monitoring of the external environment and influences within this to identify likely and actual policy changes.

ABC remains fully compliant with all regulatory requirements for Ofqual, CCEA and Qualification Wales. Regulatory compliance is supported by a scrutiny group, consisting of both staff and trustees, which monitors and advises on regulatory requirements. Changing policy and regulatory changes are identified as risks managed through the risk register which is monitored by both the Board of Trustees and the Senior Management Team.

The directors of the controlling company, S&E Group Limited (formerly known as Skills and Education Group) will take the group forward to create a strong group structure in which to develop the ABC Awards brand, along with that of the other charities in the Group. This structure will also provide an opportunity for other organisations that share the same values, mission and vision as and when appropriate for them to do so and by agreement of the trustees.

Trustees have agreed a five-year rolling plan for ABC Awards targeting turnover growth to £3m by 2022. An increase in the number of centres spending over £10,000 per annum is also a target, increasing this from 45 in 2017 to 200 by 2022. Core services to achieve these targets will focus on:

- Qualifications
- Endorsements
- Awards
- Assessments

ABC Awards will continue to grow its Non-Regulated offering which includes MOT Annual Assessment and the Quality Licence Scheme. Alongside this, it will further utilise its assessment experience, skills and knowledge to support the development and implementation of End Point Assessment (EPA) to meet apprenticeship assessments.

ABC Award's regulated market will be further supported and developed so that by August 2022, the charity will be the "go to awarding body" by employers and learners in the following key sectors:

- Counselling;
- Education and Skills Workforce;
- Engineering and Manufacturing;
- Motor Vehicle;
- Art, Design and Creative Industries;
- Agriculture, Environment and Animal Care;
- Foundations for Life and Work.

ABC AWARDS

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2017

Structure, governance and management

ABC Awards is a charitable company limited by guarantee registered under the Companies Act 2006, registration number 04117784, charity number 1086947.

The governing document is the Memorandum and Articles of Association, originally signed in November 2000, as updated during 2009 and more recently twice in 2012. The Directors of the charitable company are Trustees for the purpose of charity law and throughout the report are collectively referred to as 'the Trustees'. Under the terms of the governing document, trustees are instructed to act in a way to promote the objects of the charity.

ABC Awards is part of a group under the S&E Group Limited (formerly Skills and Education Group) group structure known as "Skills and Education Group (SEG)". In 2016, S&E Group Limited was formed as a federation by ASDAN and the controlling charity Skills and Education Group Limited (formerly Emfec). The individual trustee boards for ASDAN, Skills and Education Group Limited and ABC Awards operated under the auspices of a 'parent board' during the 2016/17 financial year. This arrangement enabled the work of the individual charities to continue, whilst the priorities and ways of working across SEG were developed.

At the Skills and Education Group Limited/ABC Board meeting on 5 July and the ASDAN Board meeting on 6 July 2017, trustees of the individual charities had an opportunity to review and discuss the options for the future of the Skills and Education Group and the individual charities within it. They resolved that in order to best serve the needs of the individual charities with effect from 1 September 2017, ASDAN would de-couple from the Skills and Education Group and become an independent charity once more in order to focus on its plan for growth and Skills and Education Group Limited/ABC Awards would remain within the Skills and Education Group retaining the Skills and Education Group brand in order to grow its range of services within the group structure.

Strong working relationships remain, with both organisations committed to continuing to work together but through partnership agreements at executive level, rather than through formal governance arrangements.

From time-to-time, and to further business strategy and objectives, ABC may work in partnership with other charities and organisations. These arrangements are time-limited and governed by Memorandum's of Understanding, contracts and/or partnership agreements. Legal advice on the format and content of such agreements is taken when and where appropriate to do so.

The Group organisational structure has a single Group Chief Executive supported by an Executive team including a Director leading on the day to day operations of Assessment Services. Alongside this, there is a senior leadership team overseeing the strategic vision and direction of ABC, and the wider Group, particularly in relation to finance, IT and facilities, public relations and Human Resources.

Remuneration for the Chief Executive, Director or Awarding Services and Chief Operating Officer is determined by a Remuneration Committee consisting of the Chairs for each of the charities within the Group. Recommendations on pay increases are benchmarked against market conditions within the further education sector and awards that may be made within this sector. Pay awards are also assessed on affordability by the charity.

All serving Trustees are given an induction pack, a copy of the Memorandum and Articles of Association, the Governance and staffing structure, the strategic plan and financial performance of the charity. Trustees are required to sign a Terms of service declaration including their willingness to act only in the best interests of the charity.

This declaration is matched against the Conditions of Regulation issued by both Ofqual and QAA to ensure that all senior officers, including Trustees, are fit and proper persons to be engaged in the Governance activities of the organisation.

ABC AWARDS

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

J P Yarham	
E M Hartley	
J E Lanning	
H K Richardson	
Skills and Education Group Limited	
J S Allen	(Resigned 25 January 2017)
S M B Overton-Edwards	(Resigned 25 January 2017)
S Cutforth	(Resigned 5 July 2017)
N W Leigh	(Resigned 9 January 2018)
L J Tindsley	(Appointed 6 April 2017 and resigned 24 April 2018)
V A Hancock	(Appointed 6 April 2017 and resigned 24 April 2018)
M B Dale	(Resigned 24 April 2018)
A G Stott	(Resigned 24 April 2018)
L R Houtby	(Resigned 24 April 2018)

Principal Staff

P Eeles	(Chief Executive Officer)
S N Feneley-Lamb	(Chief Operating Officer)
F Grant	(Director of Awarding Services)

Trustees are recruited through a Search and Nomination Committee instigated by the Board of Trustees, with retirees and appointees confirmed at an Annual General Meeting (AGM). Trustees are briefed as to their responsibilities and accountabilities under charity and company law as well as licensed activities, and the regulators to which it is responsible, namely:

- Ofqual, the Office of Qualifications and Examinations Regulation, for Qualifications submitted to the Regulated Qualifications Framework (RQF)

ABC AWARDS

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2017

Statement of Trustees' responsibilities

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

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

In preparing these accounts, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity 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.

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.

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



J P Yarham
Chair

Dated: 25/5/18

ABC AWARDS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABC AWARDS

We have audited the financial statements of ABC Awards (the 'charitable company') for the year ended 31 August 2017, which comprise the Statement of Financial Activities, Balance Sheet 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 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 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 General Accepted Accounting Practice and;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion of 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.

ABC AWARDS

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

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; and
- 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 the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

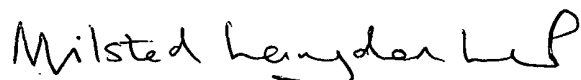
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor report.

ABC AWARDS

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

Use of our report

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



Andrew Jordan (Senior Statutory Auditor)
for and on behalf of Milsted Langdon LLP
Statutory Auditor

31 May 2018

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Freshford House
Redcliffe Way
Bristol
BS1 6NL

ABC AWARDS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £	2016 £
<u>Income from:</u>			
Charitable activities	3	2,197,838	1,389,532
Investments	4	215	398
Other income	5	89,278	182
		<hr/>	<hr/>
Total income		2,287,331	1,390,112
		<hr/>	<hr/>
<u>Expenditure on:</u>			
Charitable activities	6	1,732,759	1,519,132
		<hr/>	<hr/>
Net income/(expenditure) for the year/ Net movement in funds		554,572	(129,020)
Fund balances at 1 September 2016		132,355	261,375
		<hr/>	<hr/>
Fund balances at 31 August 2017		686,927	132,355
		<hr/> <hr/>	<hr/> <hr/>

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

All income and expenditure derive from continuing activities and is considered to be unrestricted for the current and previous financial year.

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

ABC AWARDS


BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017 £	£	(Restated) 2016 £	£
Fixed assets					
Intangible assets	11		16,849		25,274
Tangible assets	12		-		185
			<u>16,849</u>		<u>25,459</u>
Current assets					
Debtors	14	247,071		94,709	
Cash at bank and in hand		675,869		135,825	
		<u>922,940</u>		<u>230,534</u>	
Creditors: amounts falling due within one year	15	(252,862)		(123,638)	
Net current assets			670,078		106,896
Total assets less current liabilities			<u>686,927</u>		<u>132,355</u>
Income funds					
Unrestricted funds			686,927		132,355
			<u>686,927</u>		<u>132,355</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts were approved by the Trustees on 25/5/18 and signed on their behalf by:



J P Yarham
Chair

Company Registration No. 04117784

ABC AWARDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

Charity information

ABC Awards is a registered charity in England and Wales and a company limited by guarantee incorporated in England and Wales. The registered office is Robins Wood House, Robins Wood Road, Aspley, Nottingham, NG8 3NH. The liability of members is limited to £1.

1.1 Accounting convention

The accounts have been prepared in accordance with the Charities Act 2011, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The charitable company has taken advantage of the exemption in the Charities SORP (FRS 102) from the requirement to produce a cash flow statement on the grounds that it is a 100% controlled member of a charitable group and the ultimate parent company will prepare consolidated financial statements which include a cash flow statement.

1.2 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 in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

1.4 Incoming resources

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 accruals basis.

1.5 Resources expended

Resources expended are recognised when incurred and is reported gross of related income.

Expenditure on charitable activities comprises of direct expenditure including staff costs attributable to such activities. Where costs cannot be directly attributed, they are allocated to activities on a basis consistent with the use of resources as described below.

ABC AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

Governance costs are costs incurred in the governance of the Charities' assets in order to comply with constitutional and statutory requirements and are included within expenditure on charitable activities.

Support costs include the central functions and are allocated to activity cost categories on a basis consistent with the use of resources, e.g. allocating staff costs according to time spent and other costs according to usage.

1.6 Intangible fixed assets other than goodwill

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

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

Website	20% Straight Line
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1.7 Tangible fixed assets

Tangible fixed assets costing £1,000 or more are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Computer equipment	33% Straight Line
Marketing equipment	33% Straight Line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.8 Impairment of fixed assets

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

1.9 Cash and cash equivalents

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

1.10 Financial instruments

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

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

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

ABC AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.11 Employee benefits

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

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

1.12 Retirement benefits

Retirement benefits are provided to employees of the charity, in the form of payments to defined contribution retirement benefit schemes. These costs are charged as an expense as they fall due and the assets of the schemes are held separately from those of the Charity.

All employee benefits are provided by the charitable companies controlling organisation and included within the recharged costs recognised within the financial statements.

1.13 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, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the income and expenditure account.

ABC AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.14 Creditors, loans and provisions

Creditors, loans 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 discounts due.

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

1.15 Taxation

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

2 Critical accounting estimates and judgements

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

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

The following critical accounting estimates have been deemed necessary by the trustees:

Impairment of fixed assets

At each balance sheet date, the charity evaluates the value in use of tangible and intangible fixed assets against the carrying value of the book cost of these assets and a fair value adjustment is made as deemed necessary.

3 Charitable activities

	Regulated £	Non- Regulated £	Total 2017 £	Total 2016 £
Income from charitable activities	<u>1,418,814</u>	<u>779,024</u>	<u>2,197,838</u>	<u>1,389,532</u>

Income within this classification represents course and 'licencing fees, assessment income and service charge income.

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

ABC AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

4 Investments

	2017	2016
	£	£
Interest receivable	215	398

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

5 Other income

	2017	2016
	£	£
Service charge income	84,052	-
Other income	5,226	182
	89,278	182

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

ABC AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

6 Charitable activities

	Regulated £	Non- Regulated £	Total 2017 £	Total 2016 £
Staff costs	171,000	102,000	273,000	194,772
Moderator costs	104,230	-	104,230	106,796
Centre approval costs	3,546	-	3,546	4,825
Certificates	27,653	-	27,653	5,131
QLS audit	-	19,124	19,124	14,250
Centre audit	3,343	-	3,343	-
Bad debt expense	(1,521)	-	(1,521)	-
Transaction fees	-	9,090	9,090	-
	<u>308,251</u>	<u>130,214</u>	<u>438,465</u>	<u>325,774</u>
Share of support costs (see note 7)	856,788	433,601	1,290,389	1,188,115
Share of governance costs (see note 7)	2,510	1,395	3,905	5,243
	<u>1,167,549</u>	<u>565,210</u>	<u>1,732,759</u>	<u>1,519,132</u>
Analysis by fund				
Unrestricted funds	1,167,549	565,210	1,732,759	
	<u>1,167,549</u>	<u>565,210</u>	<u>1,732,759</u>	
For the year ended 31 August 2016				
Unrestricted funds	1,379,847	139,285		1,519,132
	<u>1,379,847</u>	<u>139,285</u>		<u>1,519,132</u>

ABC AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

7 Support costs

	Support costs £	Governance costs £	2017 £	2016 £	Basis of allocation
Staff costs	746,791	-	746,791	791,907	Directly attributable
Depreciation	8,610	-	8,610	11,489	Directly attributable
Premises costs	-	-	-	13,485	% of income
Marketing and business development	38,865	-	38,865	35,526	% of income
Legal, professional and insurance	4,235	-	4,235	35	% of income
Travel, subsistence and conference costs	28,670	-	28,670	31,888	% of income
Bank charges	1,936	-	1,936	1,340	% of income
Development costs	15,612	-	15,612	5,688	% of income
Commission	12,828	-	12,828	12,469	% of income
Sundry expenses	9,899	-	9,899	10,994	% of income
Parent supplied recharges	388,982	-	388,982	251,533	% of income
IT expenses	33,961	-	33,961	21,761	% of income
Audit fees	-	3,905	3,905	5,243	Governance
	<u>1,290,389</u>	<u>3,905</u>	<u>1,294,294</u>	<u>1,193,358</u>	
Analysed between					
Charitable activities	<u>1,290,389</u>	<u>3,905</u>	<u>1,294,294</u>	<u>1,193,358</u>	

8 Net movement in funds

	2017 £	2016 £
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	3,905	5,243
Depreciation of owned tangible fixed assets	185	3,065
Amortisation of intangible assets	<u>8,425</u>	<u>8,424</u>

9 Trustees and Key Management Personnel

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the current or comparative year.

None of the trustees were reimbursed for travelling expenses in current or comparative year.

ABC AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

10 Employees

Employment costs	2017 £	2016 £
Wages and salaries	856,888	835,243
Social security costs	81,652	73,373
Other pension costs	81,251	78,063
	<u>1,019,791</u>	<u>986,679</u>

The charity did not directly employ any members of staff in the current or comparative year and therefore no employees had remuneration greater than £60,000 in either year.

The above costs represent administration staff 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 notes 6 and 7.

11 Intangible fixed assets

	Website £
Cost	
At 1 September 2016 and 31 August 2017 (restated)	<u>39,690</u>
Amortisation and impairment	
At 1 September 2016 (as restated)	14,416
Amortisation charged for the year	8,425
At 31 August 2017	<u>22,841</u>
Carrying amount	
At 31 August 2017	<u>16,849</u>
At 31 August 2016 (as restated)	<u>25,274</u>

Capitalised website costs have been reclassified to intangible assets in accordance with FRS102.

There is no impact on the reported net movement in funds or net assets as previously reported.

ABC AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

12 Tangible fixed assets

	Computer equipment £	Marketing equipment £	Total £
Cost			
At 1 September 2016 (as restated)	10,331	4,644	14,975
At 31 August 2017	10,331	4,644	14,975
Depreciation and impairment			
At 1 September 2016 (as restated)	10,331	4,459	14,790
Depreciation charged in the year	-	185	185
At 31 August 2017	10,331	4,644	14,975
Carrying amount			
At 31 August (as restated)	-	185	185

Capitalised website costs have been reclassified to intangible assets in accordance with FRS102.

There is no impact on the reported net movement in funds or net assets as previously reported.

13 Financial instruments	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	219,262	82,213
Carrying amount of financial liabilities		
Measured at amortised cost	218,146	109,082

14 Debtors	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	219,262	75,164
Other debtors	-	7,049
Prepayments and accrued income	27,809	12,496
	247,071	94,709

ABC AWARDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

15 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Other taxation and social security		4,921	14,556
Deferred income	16	29,795	-
Trade creditors		54,341	48,723
Amount due to parent organisation		114,611	24,958
Other creditors		11,209	18,500
Accruals and deferred income		37,985	16,901
		<u>252,862</u>	<u>123,638</u>

16 Deferred income

	2017 £	2016 £
Arising from unused assessment vouchers	<u>29,795</u>	<u>-</u>

No deferred income was brought forward and released into the current or previous year.

Deferred income carried forward at the year end amounted to £29,795 (2016: £nil).

17 Related party transactions

A Stott, a Trustee, is also the Chair of RNN group. The charity invoiced RNN Group £380 (2016: £nil) for services. At the balance sheet date there were no amounts due from RNN Group for (2016: £nil).

Transactions between the charitable company and the controlling party are not disclosed in these financial statements because the consolidated financial statements of the group, in which this charitable company is included, are publically available.

18 Controlling party

The controlling party over the charitable company is Skills and Education Group Limited (formerly known as Emfec), a registered charitable company limited by guarantee that has a number of Trustees who are Trustees of ABC Awards. The address of the registered office of the controlling party is Robins Wood House, Robins Wood Road, Nottingham, NG8 3NH.

The smallest and largest group for which accounts are made up is S&E Group Limited (formerly known as Skills and Education Group), a registered company limited by guarantee and the ultimate controlling party. Copies of these accounts can be obtained from the registered office.