

The AoC Charitable Trust

**Trustees' report
and
financial statements
for the year ended
31 March 2023**

Registered charity numbers:
England & Wales 1040631
Scotland SC039064

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Report of the Trustees

The Trustees present their report and the audited financial statements for the year ended 31 March 2023. The financial statements and Trustees' report are prepared in accordance with the Charities Act 2011, the Charities Accounts and Reports Regulations 2008, the provisions of the trust deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. These financial statements comply with current statutory requirements and with the requirements of the Trust's governing document, which is the Trust Deed dated 1 August 1994.

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the 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) (second edition effective 1 January 2019) – (Charities SORP (FRS 102)), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The trust constitutes a public benefit entity as defined by FRS 102.

Structure, Governance & Management

Legal and Administrative Details

The Trust was registered with the Charity Commission on 1 August 1994 and is governed by its constitution.

Registered Name: Association of Colleges Charitable Trust

Charity Commission Number: 1040631

Office of the Scottish Charity Regulator: SC039064

Trustees:

Trustee	Dates
P Brophy	
S Frampton	
S Francis	
D Hughes	
K Lord	Resigned 5 July 2022
I Munro	
F Thouard	
M White (Chair)	
Secretary	Dates
J Edwards	

Report of the Trustees *(continued)*

Trustee to whom day-to-day running of the charity is delegated by the Trustees is I Munro.

Registered Office	2 - 5 Stedham Place London WC1A 1HU	Statutory Auditor	RSM UK Audit LLP 25 Farringdon St London EC4A 4AB
Bankers	Barclays 28 th Floor 1 Churchill Place Canary Wharf London E14 5HP	Internal Auditor	Scrutton Bland LLP Fitzroy House Crown Street Ipswich IP1 3LG
Solicitors	Eversheds Sutherland 1 Wood Street London EC2V 7WS		

Objectives, activities, achievements and performance

The Trust is established for the purpose of advancing the education of members of the public aged over 16 years.

The nature of the governing document is a Trust Deed.

The Trust is devoted to raising funds and overseeing their application for the benefit of post-16 education. The Trustees are appointed from the Association of Colleges' Main Board, the Association's executive officers and independent representatives. Trustees appointed from the Association's Board include the Chair, the Chief Executive and the Director of Finance; executive officers include the Trust's Director. Independent representatives are appointed for their knowledge, experience and status in the sector. All appointments require the approval of the Trustees. An informal induction process is carried out. As a minimum, the Trustees meet on a termly basis, although additional meetings are held if required.

The Trustees are satisfied that the programmes operating through the Trust have been effective, given the resources. Representatives are pleased that the Beacon Awards Programme has continued to retain and attract the support of external sponsors and that the balance for the Beacon Awards is healthy at the end of the 12-month period.

The AoC Beacon Awards were set up in 1994 to recognise and promote the interdependence of further education colleges and business, professional and voluntary sector organisations to their mutual advantage. The Student of the Year Awards came within the Trust activities in 2017 following a review of all AoC Awards and the need to ensure consistency and rigour.

Report of the Trustees *(continued)*

In the year ended 31 March 2023, twelve Beacon Awards were offered and in the same year five Student of the Year categories were offered.

The Trustees and the Director worked closely with all sponsors to ensure the awards meet their needs and a series of one to one meetings were held. All the 21/22 sponsors agreed to continue to support the awards in 22/23 including the Welsh Government.

However, some of our longstanding sponsors were struggling financially following the legacy of the covid pandemic and we agreed a reduced donation. The Trustees felt it important to maintain these important sponsors support and a full awards programme and continue to highlight and celebrate college and student success.

For the Beacon Awards 150 applications were received and following an independent two stage assessment process through the autumn of 2022 and moderation in January 2023 by the AoC Chief Assessor, ten Beacon award winners were recommended. In one award category there were no applications meeting the required threshold to be classed as a winner, however a highly commended was agreed. In another award there were no applications that were progressed to finalist stage. These decisions were ratified by the Trust Board. The winners were announced during a ceremony in London on the 27 February 2023.

Student of the Year received 101 nominations and following a rigorous judging process 16 progressed to finalist stage. These awards are managed through the Charitable Trust since 2017 with great success and celebrate the achievements of exceptional individuals from colleges across England. Colleges provide a fantastic array of opportunities for people to help them achieve their ambitions, maximise their talent and to progress in life, learning and work. This is an opportunity for the Trust to recognise outstanding students who deserve recognition and who will go on to inspire others and/or who have gone above and beyond in college, their local community or in extra-curricular activities. This year the winners were announced at the AoC Annual Conference in November 2022 and awarded their certificates and glassware at the AoC Awards Celebration in London 2023.

The AoC Gold Awards for Further Education College Alumni have been managed by the Charitable Trust since 1996. In 2020 Trustees agreed these would not be offered in 2021/22 and a proposal was written in 21/22, to be discussed by the Trustees in 22/23. Trustees remain committed to offering an award that recognises the contribution of past student achievement but feel further analysis will need to be carried out.

A review has been carried out by the Trust Manager to look at the awards offered, and this will be discussed at the summer 2023 Trust Board meeting.

Trust Awards 2022/23

The Trust intends to use current funds to make awards to winning colleges and to cover the cost of administration and management of the whole award process from inception to completion, this includes the design of awards and criteria working with sponsors, the launch and publicity, the assessment teams and assessment process, the various reports and guides to support applicants and the celebratory events,

Report of the Trustees *(continued)*

AoC Beacon Awards – The Beacon Awards remain a central aspect of AoC strategy to celebrate and promote the great work of colleges and their staff. This year the innovation demonstrated by colleges in responding to the skills and training needs of employers and government policy drivers was recognised.

Several new changes were introduced in 2020/21 and continued in 2021/22 and 2022/23. This included a development fund that enables new Beacon Awards to be created to refresh the programme and complement the longstanding and existing award categories. Changes to the assessment process are reviewed annually and improvements made especially for online applications.

Risk management policy

During the year, the Trustees have considered major risks on an ongoing basis and taken appropriate steps as deemed necessary. Consideration has been given to a material drop in sponsorship for the Beacon Awards and a contingency plan has been put in place for this. A reduction in sponsorship would result in a reduction in awards available and therefore a reserve fund is being built to cover the possibility of minimal sponsorship and the winding up of the Trust.

Financial review

During the financial year the principal funding sources were the sponsors of the Beacon Awards, as listed in note 7, together with the Association of Colleges which provides funding for the Beacon Awards and the general running of the Trust through the unrestricted fund. Total incoming resources for the year were £151,769.

The bulk of the expenditure during the year relates directly to the management, assessment, promotion of the Beacon Awards programme, with the remainder covering the expenditure associated with the Student of the Year Awards and the research and development of the awards as a whole. Total resources expended for the year were £131,392.

The financial outturn this year provided a net positive balance (surplus) of £20,377 and this has been added to reserves which on 31 March 2023 are £440,593.

Report of the Trustees *(continued)*

Structure, governance and management

The AoC Charitable Trust's Trustees shall be as follows:

- Chair (approved by AoC Board)
- AoC Chief Executive (ex officio)
- AoC President (ex officio)
- AoC Director of Finance and Chief Operating Officer (ex officio)
- Director of the AoC Charitable Trust (ex officio)
- Up to six appointed members with the necessary skills, experience and personal attributes to fulfil the role and responsibilities of being an appointed Trustee.

The maximum permitted number of Trustees shall be 11 including ex officio members.

New Trustees are recruited through a consultation process with the Trust and relevant stakeholders, led by the Chair and senior AoC staff, and their appointments must be approved by a quorate meeting of the Trust.

The term of office for appointed Trustees is four years. Trustees serve a maximum of two four-year terms, subject to re-appointment by the Trust. Their re-appointment for a second four-year term is not automatic and is formally determined by the Trust at a scheduled meeting. Trustees may only be considered for re-appointment beyond two terms in exceptional circumstances if they have special skills that would be otherwise hard to find; or if their experience on the Trust is required to balance out the relative inexperience of new Trustees, and, in any case, only if they have demonstrated excellent commitment to the Trust in terms of attendance and contribution at meetings.

Ex officio Trustees can be Trustees so long as they remain in post and comply with relevant Charity Commission regulations.

The Chair is appointed by AoC Board, and the Vice-Chair is elected by Trustees at a quorate meeting of the Trust.

The term of office for the Chair is four years, and they may be re-appointed for a second four-year term, subject to AoC Board approval. Any term of office as Trustee shall not count towards the maximum term of office of the Chair.

The term of office of the Vice-Chair match their term of office as an appointed Trustee. Their re-appointment for a second term as Vice-Chair is not automatic and is formally determined by the Trust at a scheduled meeting.

Key management personnel remuneration

The Trustees consider the Board of Trustees as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in note 3 and note 8 to the accounts.

Report of the Trustees *(continued)*

Trustees are required to disclose all relevant interests and register them with the Board of Trustees and, in accordance with the Trust's policy, withdraw from decisions where a conflict of interest arises.

The pay of the charity's director is initiated by the holding company of the trust, Association of Colleges, and as such is reviewed annually and normally increased in accordance with average earnings and performance. Salary is set and reviewed by Association of Colleges and benchmarked against salaries within the organisation to ensure it is fair and not out of line with that generally paid for similar roles.

Reserves policy

The Trustees have reviewed the financial position at year end. This review encompassed the nature of the income and expenditure. The review concluded that to allow the charity to be managed efficiently and to provide a buffer for uninterrupted services, a minimum reserve equivalent to £50,000, excluding restricted funds, should be maintained. This equates to approximately six months of general expenditure and covering costs of awards where sponsorship cannot be obtained but Trustees choose to continue them.

Free reserves are the unrestricted funds (as there are no designated funds within them). The current free reserves are in line with the target with no shortfall and look to be maintained at this level.

During the year, the charity's reserves, including restricted funds, increased from £420,216 to £440,593. As the bulk of the Trust's activities relate to restricted funds, the Trustees feel it is appropriate to maintain reserves to facilitate an orderly wind-up of each separate area of activity should the need ever arise.

Public benefit statement

Within the accounting period, 12 AoC Beacon Awards were provided, and 150 applications received. A team of independent assessors worked within a two-stage assessment process between August 2022 and February 2023. The winning colleges were ratified by the Board and were announced in February 2023. The Awards recognise outstanding teaching and learning in colleges and there is potential for all colleges in the sector to benefit from the dissemination of good practice evidenced by the winning college. 5 Student of the Year Awards were provided with 101 nominations.

This directly benefits the public since colleges can replicate the award-winning practice, thereby enhancing the quality of learning and support given to learners across the country. The Trustees have paid due regard to the Charity Commission's guidance in reviewing the Trust's aims and objectives.

Report of the Trustees *(continued)*

Statement as to Disclosure of Information to Auditors

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. The Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

Following a formal tender process, Bishop Flemming have been appointed new external auditors from September 2023. The Trustees would formally like to thank RSM UK Audit LLP for the many years of highly professional and supportive service provided.



M White
Chair
9 October 2023

Statement of Trustees' Responsibilities

The Trustees 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).

The laws applicable to charities in England & Wales and Scotland require the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 in the Charities' SORP;
- make judgments and estimates that are reasonable and prudent.
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the provisions of the trust deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. 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.

Report of the Independent Auditor to the Trustees of the AoC Charitable Trust

Opinion

We have audited the financial statements of The AoC Charitable Trust (the 'charity') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charity's affairs as at 31 March 2023 and of its incoming resources and application of resources 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 Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 and the terms of the charity's trust deed.

Basis for opinion

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under section 144 of the Charities Act 2011 and report in accordance with regulations made under those Acts.

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

Conclusions relating to going concern

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

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

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

Report of the Independent Auditor to the Trustees of the AoC Charitable Trust *(continued)*

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- proper and sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities set out on page 10 the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Report of the Independent Auditor to the Trustees of the AoC Charitable Trust *(continued)*

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charity operates in and how the charity is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

Report of the Independent Auditor to the Trustees of the AoC Charitable Trust *(continued)*

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011 and the charity's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The audit engagement team identified the risk of management override of controls and income recognition as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates. We performed tests of detail on a sample of revenue transactions and performed a review of the appropriate application of the Trust's revenue recognition accounting policy.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://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 charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Richard Lewis

Richard Lewis (Senior Statutory Auditor)

RSM UK Audit LLP

Statutory Auditor

25 Farringdon Street

London

EC4A 4AB

17 October 2023

Statement of Financial Activities

for the year ended 31 March 2023

	Note	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Income and Endowments					
Donations					
Beacon Awards admin. donations		-	118,250	118,250	107,250
Gold		-	2,000	2,000	-
Student of the Year		-	8,000	8,000	13,200
Green Skills		-	5,401	5,401	-
Creative Writing		-	639	639	-
Other voluntary income		-	-	-	25,000
Investment income					
Interest on deposits		-	17,479	17,479	846
Total income		-	151,769	151,769	146,296
Expenditure					
Costs of raising funds					
Printing, postage and couriers		-	657	675	75
Beacon Award Prospectus		-	285	285	350
Fundraising and Publicity		-	10,799	10,799	7,080
Total costs of raising funds		-	11,741	11,741	7,505
Expenditure on charitable activities					
	2				
Beacon Awards		-	107,669	107,669	73,459
Gold Awards		-	648	648	3,000
Student of the Year		-	5,294	5,294	4,112
Green Skills		-	5,401	5,401	-
Creative Writing		-	639	639	-
Research		-	-	-	6,363
		-	119,651	119,651	86,934
Total expenditure		-	131,392	131,392	94,439
Net income before transfers		-	20,377	20,377	51,857
Transfers		-	-	-	-
Net movement of funds		-	20,377	20,377	51,857
Reconciliation of funds					
	4 & 5				
Total funds brought forward		93,088	327,128	420,216	368,359
Total funds carried forward		93,088	347,505	440,593	420,216

The notes on pages 18 to 27 form part of these financial statements. The Trust has no other recognised gains or losses other than the net movement in funds for the period.

Statement of Financial Position

as at 31 March 2023

	Note	2023 £	2022 £
Current assets			
Trade debtors	10	17,750	22,630
Amounts owed by Association of Colleges	10	2,081	5,528
Cash at bank and in hand		805,559	411,666
		825,390	439,824
Current liabilities			
Creditors: Amounts falling due within 1 year:	11		
Trade creditors		550	3,858
Accruals		2,520	5,750
Deferred Income		381,727	10,000
		384,797	19,608
Net assets		440,593	420,216
Funds			
	5		
Unrestricted		93,088	93,088
Restricted		347,505	327,128
Total funds		440,593	420,216

The notes on pages 18 to 27 form part of these financial statements.

The financial statements on pages 15-27 were approved and authorised for issue by the Board of Trustees on 29 June 2023 and were signed on its behalf by:



P Brophy

Trustee

9 October 2023

The Association of Colleges has the power to amend the financial statements after issue.

Statement of Cashflows

as at 31 March 2023

	Notes	2023 £	2022 £
Operating activities			
Cash generated/(used) from operations	9	<u>376,414</u>	<u>64,425</u>
Net cash used in operating activities		376,414	64,425
Investing activities			
Interest received		<u>17,479</u>	<u>846</u>
Net cash from investing activities		17,479	846
Net increase/(decrease) in cash and cash equivalents		393,893	65,272
Cash & cash equivalents at beginning of year		<u>411,666</u>	<u>346,394</u>
Cash & cash equivalents at end of year		<u>805,559</u>	<u>411,666</u>

Notes

(Forming part of the financial statements)

1 Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Trust's financial statements.

Basis of Preparation and assessment of going concern

The financial statements have been prepared in accordance with the 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) (second edition effective 1 January 2019) – (Charities SORP (FRS 102)), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The trust constitutes a public benefit entity as defined by FRS 102.

The Trustees have received no indication from any sponsors that they will not continue their sponsorship and therefore forecasted expenditure will be covered by sponsorship for the next 12 months. The Trust also has adequate cash balances to settle liabilities as they fall due. Therefore, the Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Funds Structure

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed. There are three restricted funds in the Trust, Beacon Awards Fund, Gold Awards Fund and the Student of the Year Fund. Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects.

Further details of each fund are disclosed in note 4.

Income recognition

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. Donations from sponsors are recognised when the Trust has been notified in writing of the amount and an invoice has been raised to the donor. Where donations are made from individuals or via an auction, income is recognised when received. In the event that a donation is made in a prior financial year to that it is intended, the income is deferred and not recognised until the date the donor has requested. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Notes *(continued)*

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note 2 below.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. They are accrued once the recipient has been notified of the grant award.

Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on the ratio of income in the relevant financial year. The allocation of support and governance costs is analysed in note 2.

Costs of raising funds

The costs of generating funds consist of fees for printing and posting the Beacon Award prospectus, along with costs marketing fees for the Student of the Year Awards.

Charitable activities

Costs of charitable activities include grants made, governance costs and support costs as shown in note 2.

Taxation

The Trust was registered as a charity in 1993. Under 471-489 of CT Act 2016 and 256 of Chargeable Gains Act 1992 the Trust is not subject to taxation on its charitable activities.

Pension Scheme Arrangements

All employees of AoC Charitable Trust are contractually employed by the parent company (AoC). Therefore, the pension liability has been recorded in the accounts of the parent company.

Employees may elect to be members of the London Pensions Fund Authority (LPFA) pension fund. LPFA is a funded defined benefit scheme, whereas the Flexible Retirement Plan is a defined contribution scheme.

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, in full, to all of its financial instruments.

Notes *(continued)*

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument and are offset only when the Charity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial Assets

Trade Debtors - Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Financial Liabilities

Trade Creditors - Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Derecognition Of Financial Assets and Liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Notes (continued)

2 Charitable Activities

2023	Grants payable	Consultancy	Support costs	Project Costs	Total 2023
	£	£	£	£	£
Beacon Awards	1,773	55,561	50,335	-	107,669
Gold Awards	-	-	648	-	648
Student of the Year	1,350	1,000	2,944	-	5,294
Green Skills	-	-	-	5,401	5,401
Creative Writing	-	-	-	639	639
General	-	-	-	-	-
	3,123	56,561	53,927	6,040	119,651

2022	Grants payable	Consultancy	Support costs	Project Costs	Total 2022
	£	£	£	£	£
Beacon Awards	-	36,646	36,813	-	73,459
Gold Awards	-	3,000	-	-	3,000
Student of the Year	1,100	-	3,012	-	4,112
General	-	-	6,363	-	6,363
	1,100	39,646	46,188	-	86,934

Governance & support costs	Unrestricted	Restricted	2023
Wages and salaries	-	30,000	30,000
Meetings	-	19,387	19,387
Other travel expenses	-	2,146	2,146
Audit	-	2,000	2,000
Bank charges	-	395	395
Research	-	-	-
	-	53,927	53,927

Governance & support costs	Unrestricted	Restricted	2022
Wages and salaries	5,100	24,900	30,000
Meetings	46	12,977	13,023
Other travel expenses	240	77	317
Audit	340	1,660	2,000
Bank charges	43	211	254
Research	-	594	594
	5,769	40,419	46,188

Notes (continued)

Basis of Apportionment

Governance and support costs are apportioned based on the ratio of income of each fund for the financial year to which it relates. This recognises the amount of relevant expenditure in comparison for each fund.

3 Staff Numbers and Costs

For the year ending 31 March 2023 there were no direct staff within AoC Charitable Trust. There is a recharge of £30,000 from AoC to cover costs relating to admin, finance and management staff that work on behalf of the Trust (2022: £30,000 was paid to AoC).

No Trustees received any remuneration for their role as a Trustee. No Trustee received reimbursement for travel expenses and accommodation (2022: £nil).

4 Movement of Funds

	1 April 2022 £	Income £	Transfer	Expenditure £	31 March 2023 £
Restricted funds					
Beacon Awards admin.	288,894	134,331	-	110,088	313,137
Gold Awards	19,031	2,349	-	648	20,732
Student of the Year	19,203	9,049	-	14,616	13,636
Green Skills	-	5,401	-	5,401	-
Creative Writing	-	639	-	639	-
Total restricted funds	327,128	151,769	-	131,392	347,505
Unrestricted funds	93,088	-	-	-	93,088
Total	420,216	151,769	-	131,392	440,593

Purpose of Funds

The AoC Beacon Award sponsorship is used to cover the cost of independent assessment, administration, publications, events and PR etc. An amount is also made available to cover the cost of hosting the finalist announcements at the AoC Annual Conference and the winner's announcements and celebratory event later in the year.

The Gold Awards are currently not offered; however, the original programme was independently reviewed in 21/22 and is now under consideration as part of wider review of the overall awards programme. All recommendations will be considered by the Trustees in 2023 to decide if/how the Award should go ahead. This award was designed to raise the profile of the further education sector by rewarding former students at FE colleges who have since gone on to excel in their chosen field or profession.

Notes (continued)

The Student of the Year Awards are funded through sponsorship. They are designed to celebrate the work of colleges in supporting students of all ages and abilities and to raise the profile of the further education sector by rewarding students of FE colleges who have overcome significant personal challenges.

The unrestricted funds are those funds that the Charity has received that were not for specific purposes and as such are held as unrestricted funds.

5 Analysis of Net Assets between Funds

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances as at 31 March 2023 are represented by:			
Cash at bank and deposits	93,088	712,471	805,559
Debtors	-	17,750	17,750
Creditors	-	(550)	(550)
Net amount owed by group companies	-	2,081	2,081
Accruals	-	(2,520)	(2,520)
Deferred Income	-	(381,727)	(381,727)
Total	<u>93,088</u>	<u>347,505</u>	<u>440,593</u>

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances as at 31 March 2022 are represented by:			
Cash at bank and deposits	93,088	318,578	411,666
Debtors	-	22,630	22,630
Creditors	-	(3,858)	(3,858)
Net amount owed by group companies	-	5,528	5,528
Accruals	-	(5,750)	(5,750)
Deferred Income	-	(10,000)	(10,000)
Total	<u>93,088</u>	<u>327,128</u>	<u>420,216</u>

6 Audit Services

Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:

	2023	2022
	£	£
Audit services – statutory audit of the charity	2,000	2,000

Notes (continued)

7 List of Winning (and highly commended) Colleges for 2022-23 (Beacon Awards)

Award Name	College
The AoC Award for Widening Participation	Hopwood Hall College
The British Council Award for Internationalism	Gower College
The AoC Award for Excellence in Governance	Weston College
The Careers and Enterprise Company Award for Innovation in Careers and Enterprise	Bishop Auckland College Highly Commended
The Copyright Licensing Agency Award for Excellence in Supporting Creativity	No Winner
The City & Guilds Award for College Engagement with Employers	Preston College
The Edge Award for Excellence in Real World Learning	East Kent College Group
The Jisc Award for Effective Use of Digital Technology in Further Education	Activate Learning
The National Centre for Diversity Award for Inclusive Learning Leadership	Bedford College Group
The NOCN Group Award for Mental Health and Well Being	Nottingham College
The Nous Group Award for Education for Sustainable Development	BHASVIC (Brighton, Hove and Sussex Sixth Form College) as part of FE Sussex partnership-Greener Sussex
The RCU Award for Support for Students	Oldham College

The Awards are made to winning colleges following a rigorous two-stage application and moderation process, this includes an assessor team (virtual) visit to the finalist colleges. The team of independent assessors is managed by the Trust Manager and overseen by the Chief Assessor and Trust Director; a lead assessor for each award is appointed and supported by either an additional assessor and/or sponsor assessor. Each application is assessed by the lead assessor and team; the lead will detail their team's observations, grade the applicants at each stage and submit to the Chief Assessor. Following moderation at each stage, those being commended, becoming a finalist, or winning an Award are ratified by the Trust Board.

The assessor team is refreshed each year by inviting the previous years winning college of an award category to nominate a member of staff to join the team. The team also include a sponsor assessor.

Notes (continued)

8 Related Party Transactions

The Association of Colleges (Company number 03216271), the 'parent' company which is also the ultimate controlling party and representative body for further education and sixth form colleges in England, Wales and Northern Ireland, together with its trading subsidiaries AoC Services Ltd and AoC Sport, make up the group. The Association of Colleges (AoC) was created in 1996 as the single voice to promote the interests of incorporated further education and sixth form colleges in England and Wales. Details of the principal activities are provided in the AoC Strategic Report. AoC exists to represent and promote the interests of colleges and to provide members with professional support services. The Association of Colleges donated £40,000 to the Trust (2022: £40,000).

All employees are employed by the Association of Colleges and recharged to the respective entities. A recharge of £30,000 was made to the Trust from AoC to cover staff costs (2022: £30,000). Accommodation charges for the Trust are met by the Association. A recharge of £2,000 was made to the Trust from AoC to cover audit costs (2022: £2,000). £4,632.95 of staff expenses were charged to the Trust from AoC during the year (2022: £686). A recharge of £4,274.30 was made to the Trust from AoC to cover salary costs for Philip Parle who is working on the Green Skills project (2022: nil).

AoC Services provides assistance at the Association's annual conference for the announcement of the finalists for the Beacon Awards. The costs for this are covered by sponsorship secured by AoC Services as part of the overall annual conference programme. AoC Awards team manage the Celebratory event in the spring of each year. AoC Services events team manage the Beacon Awards best practice webinars for which a recharge of £11,000 has been taken (2022: £9,000). A recharge to AoC Services of £90 was incurred for attendance at the English & Maths conference as part of ongoing project work within the Trust (2022: nil).

No Trustees have related party transactions.

9 Reconciliation of net income to net cash generated from operations

	2023	2022
	£	£
Net income	20,377	51,857
Interest receivable	(17,479)	(846)
Increase/(decrease) in trade and other debtors	8,327	2,601
Decrease in trade and other creditors	365,189	10,814
Cash generated by operations	376,414	64,426
Cash and cash equivalents		
Cash and cash equivalents represent:-		
Cash at bank	805,559	411,666

Notes *(continued)*

10 Debtors: amounts falling due within one year

	2023	2022
	£	£
Trade debtors	17,750	22,630
Amounts owed by group	2,081	5,528
Total	<u>19,831</u>	<u>28,158</u>

11 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	550	3,858
Accruals & Deferred Income	384,247	15,750
Total	<u>384,797</u>	<u>19,608</u>

There is an increase in deferred income as the Trust has two new projects underway that will span over into 23/24, hence income has been deferred to cover expenditure incurred in 23/24.

Notes (continued)

12 Statement of financial activity 2022 breakdown

	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Income and endowments			
Donations			
Beacon Awards admin. donations	-	107,250	107,250
Student of the Year donations	-	13,200	13,200
Other voluntary income	25,000	-	25,000
Investment income			
Interest on deposits	144	702	846
Total income	25,144	121,152	146,296
Expenditure			
Costs of raising funds			
Printing, postage and couriers	-	75	75
Beacon Award Prospectus	-	350	350
Fundraising & publicity	-	7,080	7,080
Total costs of raising funds	-	7,505	7,505
Expenditure on charitable activities			
Beacon Awards	-	73,459	73,459
Gold Awards	-	3,000	3,000
Student of the Year	-	4,112	4,112
General	6,363	-	6,363
	6,363	80,571	86,934
Total expenditure	6,363	88,076	94,439
Net income before transfers	18,781	33,076	51,857
Transfers	-	-	-
Net movement of funds	18,781	33,076	51,857
Reconciliation of funds			
Total funds brought forward	74,307	294,052	368,359
Total funds carried forward	93,088	327,128	420,216