

ANNUAL REPORT 2017

CONTENTS

- 1** Trustees' annual report (incorporating the director's report)
- 4** Independent auditor's report to the members
- 6** Statement of financial activities
(including income and expenditure account)
- 7** Statement of financial position
- 8** Statement of cash flows
- 9** Notes to the financial statements

TRUSTEES ANNUAL REPORT (incorporating the director's report)

YEAR ENDED 31 DECEMBER 2017

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the Charity for the year ended 31 December 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Company is constituted by Memorandum and Articles of Association as a company limited by guarantee, not having share capital and the company number is 04086997. The company obtained charitable status on 3 July 2001, and registered with the Charity Commission and the Charity's registered number is 1087337.

ABDO College is based and registered at Godmersham Park, Godmersham, Canterbury, CT4 7DT.

Appointment of trustees

The Association of British Dispensing Opticians is a member of ABDO College, whose trustees include up to ten trustees appointed by their board of directors.

The board of directors of the Association has the right to appoint up to six trustees who serve for four years after which they retire but are eligible for re-appointment for one further term of four years.

Trustee induction

New trustees are made aware of their legal obligations under charity and company law, the contents of the Memorandum and Articles of Association and all relevant undertakings with regard to the management of the charity's affairs. On appointment, new trustees also meet with senior academic staff and with executive management to obtain information and understanding of the College's operations.

Organisational structure

The board of trustees, which meets quarterly, administers the Charity. The general secretary has been appointed by the trustees to manage the day to day operations of the college within the terms of delegation approved by the trustees.

Risk management

The trustees actively review the major risks that the charity faces during regular meetings. The financial support undertakings by the Association of British Dispensing Opticians are considered sufficient to meet all known commitments and normal financial risks until the charity becomes fully self-supporting.

The trustees have also examined the other operational and business risks faced by the charity and consider they have established adequate systems and controls to mitigate all significant risks.

Investment powers and restrictions

The board of trustees has the power to employ a professional investment manager, who is entitled to carry out an investment business under the provisions of the Financial Services Act 1986 (or any statutory modification or re-enactment thereof), to exercise the power of investment subject to the policy guidelines drawn up by the board of trustees and within the powers of investment allowed by law.

Public benefit

The board of trustees has considered the Charity Commission's general guidance on public benefit and specifically its additional public benefit guidance on advancing education together with fee-charging. This has been taken into account when structuring the Charity's objectives and activities.

OBJECTIVES AND ACTIVITIES

The objectives of the Charity are to advance and promote education and research in the science and practice of optics for the public benefit and to disseminate the useful results of such research.

The primary objectives and activities for the year were directed to:

- Maintaining a highest possible level of student enrolments.
- Promoting and developing new courses.
- Improving the provision of optical education, in the UK and internationally, to the benefit both the profession of dispensing optics and the general public.
- Stimulate research projects via its degree courses.

ACHIEVEMENTS AND PERFORMANCE

The team at ABDO College is passionate about individual's personal development through recognised eyecare qualifications as well as helping practices prepare for growth through development of their team members. To this end, courses and qualifications were promoted throughout 2017 to ensure good coverage of and great engagement with the college.

The tried and tested:

The College continued to advertise its courses throughout the year by placing a full-page advert in each monthly issue of the ABDO journal, *Dispensing Optics*. The College also advertised the ophthalmic dispensing degree course in OT. The ABDO eNewsletter regularly featured courses on the ABDO College and ABDO websites. ABDO College courses prospectuses for both ABDO qualifications and WCSM qualifications were published in March. This was in hard copy (for exhibitions and conferences) and PDF (available to download from the college website and easily emailed to prospective clients). During 2017 ABDO College published four issues of its promotional newsletter, *Re:View*.

Exhibitions and conferences:

In 2017 ABDO College exhibited at a number of national and regional exhibitions and conferences, including 100% Optical at ExCel London on 4–6 February, Optrafair at the NEC Birmingham on 1–3 April, Specsavers' management seminar at Birmingham ICC, PAC national event at Birmingham ICC and the NES conference at Murrayfield. At 100% Optical, Nick Walsh presented four sessions over three days around the topic of career pathway incorporating courses from ABDO College from Level 2 up to Degree. At Optrafair, Nick Walsh and Clive Marchant joined the Clerk of the WCSM, Helen Perkins, in a panel event, again promoting career pathway and recognised qualifications. The College hosted a successful tutor meeting, alongside Optrafair.

New and expanding:

New for 2017 was the quarterly issue of the ABDO College eNewsletter featuring courses with upcoming enrolments. Courses were promoted and other useful information provided via social media channels: Facebook, LinkedIn, Instagram and Twitter. The ABDO College social media audiences maintain an upward trend. Content for social media was enhanced with the use of videos to promote

courses and qualifications (seeing much greater view rates as compared to adverts). Case studies based on personal experiences of students and employers were used to grow the reputation of ABDO College. Bringing the value of the qualifications to life like this helps individuals identify their aspirations and engage at the right level. ABDO College has also used paid Facebook adverts, which allow a much more targeted audience in terms of demographic and also gets the adverts out to a wider audience beyond those who visit the College Facebook page. New and social media will continue to be used to give enhanced coverage.

Links with SightCare group in terms of co-badged business events have also led to a closer relationship enabling ABDO College courses and qualifications to feature within the SightCare website. This will reach optometrist members and practice owners who may otherwise not have seen ABDO College messages.

Work was commenced on the ABDO Business Support Hub (to feature within the ABDO website from 2018). This will incorporate areas around team and personal development and showcases recognised qualifications offered by ABDO College with a page dedicated to the organisation.

Everything we do will continue to promote the profession and the college with passion.

Student enrolment figures

The total intake of first year students on dispensing courses in September 2017 was 193.

Enrolments for all of the College core courses (ie those listed below) increased by:

1st Year Diploma in Ophthalmic Dispensing	163
1st Year Foundation Degree in Ophthalmic Dispensing	30
2nd Year Diploma in Ophthalmic Dispensing	236
2nd Year Foundation Degree in Ophthalmic Dispensing	24
3rd Year Diploma in Ophthalmic Dispensing	210
3rd Year BSc (Hons) in Ophthalmic Dispensing	21
Contact Lens Certificate Course	57
Low Vision Honours Course	9

Examination pass rates (the percentage of students achieving a first attempt pass) **during 2017 were as follows:**

PRELIMINARY QUALIFYING EXAM

Theory		95.16%
Practical	Section A 96.72%	Section C 92.35%
	Section B 75.96%	Section D 98.36%

FINAL QUALIFYING EXAM

Theory

Advanced Ophthalmic Lenses Theory	61.88%
Standards of Practice	73.54%
Anatomy	80.60%
Refractive management	83.33%
Low vision	94.21%
Contact lenses	98.16%
Practical	Section A 92.42% Section D 97.63%
	Section B 98.10% Section E 98.58%
	Section C 89.57% Section F 76.30%

CONTACT LENSES

Theory

Anatomy, Physiology & Related Pathology	100%
National pass rate	96.90%
Visual Optics	56.41%
National pass rate	55.40%
Contact lens practice	73.68%
National pass rates	64.20%

WCSM COURSES

For 2017 student enrolments for WCSM courses were as follows:

Level 2 Optical Support	38
Level 3 Optical Support	17
Level 4 Diploma for Optical Technicians (Year 1)	18
Level 4 Diploma for Optical Technicians (Year 2)	18
Fast Track Technician Training for FBDOs	1
SCQF Level 5 Certificate in Optical Care	20
SCQF Level 7 Certificate in Optical Care	10

FINANCIAL REVIEW

Financial performance

During the year under review the College made a net income of £387,722, after charging depreciation and amortisation of £52,549. The investments recorded an unrealised gain of £26,737.

Reserves policy

The board of trustees has established a policy to maintain the reserves at a level which will support the Charity with its ongoing activities.

TRUSTEES' RESPONSIBILITIES STATEMENT

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

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

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 adequate accounting records that are sufficient to show and explain the charity's transactions and 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 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.

AUDITOR

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; *and*
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 25 July 2018 and signed on behalf of the board of trustees by:

Ms A McNamee BSc (Hons) MCOptom FBDO (Hons) FBCLA Cert Ed
TRUSTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ABDO COLLEGE OF EDUCATION

YEAR ENDED 31 DECEMBER 2017

OPINION

We have audited the financial statements of The ABDO College of Education (the 'charity') for the year ended 31 December 2017 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 31 December 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended.
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- Have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters 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 trustees' remuneration specified by law are not made; *or*
- We have not received all the information and explanations we require for our audit; *or*
- The trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Thomas Saltmer (Senior Statutory Auditor)
For and on behalf of
BURGESS HODGSON LLP
Chartered accountant & statutory auditor
Camburgh House, 27 New Dover Road
Canterbury, Kent CT1 3DN

30 July 2018

STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 DECEMBER 2017

	Note	Unrestricted funds £	Restricted funds £	Total Funds 2017 £	Total Funds 2016 £
INCOME AND ENDOWMENTS					
Donations and legacies	5	3,000	–	3,000	–
Charitable activities	6	2,509,472	–	2,509,472	2,433,657
Investment income	7	6,866	–	6,866	5,751
Other income	8	68,321	–	68,321	99,970
TOTAL INCOME		<u>2,587,659</u>	<u>–</u>	<u>2,587,659</u>	<u>2,539,378</u>
EXPENDITURE					
Expenditure on charitable activities	9/10	2,226,674	–	2,226,674	2,136,475
TOTAL EXPENDITURE		<u>2,226,674</u>	<u>–</u>	<u>2,226,674</u>	<u>2,136,475</u>
Net gains on investments	12	26,737	–	26,737	26,648
NET INCOME AND NET MOVEMENT IN FUNDS		<u>387,722</u>	<u>–</u>	<u>387,722</u>	<u>429,551</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		789,032	9,659	798,691	369,140
TOTAL FUNDS CARRIED FORWARD		<u>1,176,754</u>	<u>9,659</u>	<u>1,186,413</u>	<u>798,691</u>

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

All income and expenditure derive from continuing activities.

The notes on pages 8 to 15 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2017

	Note	2017 £	2017 £	2016 £
FIXED ASSETS				
Intangible assets	17		15,249	12,308
Tangible fixed assets	18		97,065	98,192
Investments	19		222,848	198,243
			<u>335,162</u>	<u>308,743</u>
CURRENT ASSETS				
Stocks	20	38,700		43,648
Debtors	21	329,725		226,817
Cash at bank and in hand		<u>1,298,597</u>		<u>787,226</u>
		<u>1,667,022</u>		<u>1,057,691</u>
CREDITORS: amounts falling due within one year	23	<u>815,771</u>		<u>567,743</u>
NET CURRENT ASSETS			<u>851,251</u>	<u>489,948</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,186,413</u>	<u>798,691</u>
NET ASSETS			<u>1,186,413</u>	<u>798,691</u>
FUNDS OF THE CHARITY				
Restricted funds			9,659	9,659
Unrestricted funds			1,176,754	789,032
TOTAL CHARITY FUNDS	25		<u>1,186,413</u>	<u>798,691</u>

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

These financial statements were approved by the board of trustees and authorised for issue on 25th July 2018, and are signed on behalf of the board of trustees by:

Ms A McNamee BSc (Hons) MCOptom FBDO (Hons) FBCLA Cert Ed
TRUSTEE

The notes on pages 8 to 15 form part of these financial statements.

STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income		387,722	429,551
<i>Adjustments for:</i>			
Depreciation of tangible fixed assets		33,851	38,248
Amortisation of intangible assets		18,698	15,909
Net gains on investments		(26,737)	(26,648)
Dividends, interest and rents from investments		(6,743)	(5,680)
Other interest receivable and similar income		(123)	(71)
Accrued (income)/expenses		(1,736)	67,766
<i>Changes in:</i>			
Stocks		4,948	(471)
Trade and other debtors		(102,908)	(20,595)
Trade and other creditors		(511)	3,863
Cash generated from operations		306,461	501,872
Interest received		123	71
Net cash from operating activities		306,584	501,943
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interest and rents from investments		6,743	5,680
Purchase of tangible assets		(32,724)	(38,122)
Purchase of intangible assets		(21,639)	(2,465)
Purchases of other investments		(11,740)	(25,597)
Proceeds from sale of other investments		13,872	27,314
Net cash used in investing activities		(45,488)	(33,190)
NET INCREASE IN CASH AND CASH EQUIVALENTS			
		261,096	468,753
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR			
		627,084	158,331
CASH AND CASH EQUIVALENTS AT END OF YEAR			
	22	888,180	627,084

The notes on pages 8 to 15 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

1. GENERAL INFORMATION

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Godmersham Park, Godmersham, Kent, CT4 7DT.

2. STATEMENT OF COMPLIANCE

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

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The ABDO College, a registered charity, was originally established under the auspices of The Association of British Dispensing Opticians. As part of its support for the charity the Association entered into a deed of grant on the 14th February 2016 to assist the ABDO College in meeting its debts as they fall due and in the furtherance of its charitable objectives for a period of five years.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

Legacy income is recognised when receipt is probable and entitlement is established.

Income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.

Income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Course fees are recognised in full upon commencement of the course with an accrual made to represent the direct costs incurred after the year end in connection with the provision of the course. Textbook sales are accounted for at the time of sale.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

Expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.

Expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

Other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Resources expended are recognised upon commencement of the course on an accrual basis to match the expenses connected with running the courses with the fee income received. Costs deemed to be directly attributable to the running of the college courses are allocated to direct charitable expenses including charges from The Association of British Dispensing Opticians and the irrecoverable element of VAT.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight line basis.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Website – 10 per cent straight line

Copyrights – 10 per cent straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

All fixed assets are initially recorded at cost. Depreciation is calculated to write off the cost of an asset, less its estimated residual value, over the useful economic life of the asset.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Long Leasehold Property – 7 per cent straight line

Fixtures and Fittings – 20 per cent straight line

Computer Equipment – 33 per cent straight line

Lab Equipment – 15 per cent straight line

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

The charity contributes to the personal pension plans of certain employees, subject to a maximum of 10% of the employees annual salary. Such contributions are held independently of the charities finances. The contributions made are charged to the profit and loss account as they arise.

4. LIMITED BY GUARANTEE

The charity is a company limited by guarantee and has no share capital. Each member of the College will undertake to contribute such amount as may be required (not exceeding £20) to the College's assets if it should be wound up, either whilst a member or within one year of his or her membership ceasing.

5. DONATIONS AND LEGACIES

	Unrestricted Funds	Total Funds 2017	Unrestricted Funds	Total Funds 2016
	£	£	£	£
Donations				
Donations – Unrestricted	3,000	3,000	–	–

6. CHARITABLE ACTIVITIES

	Unrestricted Funds	Total Funds 2017	Unrestricted Funds	Total Funds 2016
	£	£	£	£
Course fees and accommodation	2,381,851	2,381,851	2,310,793	2,310,793
Other income	1,779	1,779	1,387	1,387
Text books and rules	123,142	123,142	121,397	121,397
Rental income	2,700	2,700	80	80
	<u>2,509,472</u>	<u>2,509,472</u>	<u>2,433,657</u>	<u>2,433,657</u>

7. INVESTMENT INCOME

	Unrestricted Funds	Total Funds 2017	Unrestricted Funds	Total Funds 2016
	£	£	£	£
Dividends	6,743	6,743	5,680	5,680
Bank interest receivable	123	123	71	71
	<u>6,866</u>	<u>6,866</u>	<u>5,751</u>	<u>5,751</u>

8. OTHER INCOME

	Unrestricted Funds	Total Funds 2017	Unrestricted Funds	Total Funds 2016
	£	£	£	£
ABDO charges – receivable	68,321	68,321	99,970	99,970

9. EXPENDITURE ON CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds	Total Funds 2017	Unrestricted Funds	Total Funds 2016
	£	£	£	£
Charitable activity	1,810,448	1,810,448	1,800,728	1,800,728
Support costs	416,226	416,226	335,747	335,747
	<u>2,226,674</u>	<u>2,226,674</u>	<u>2,136,475</u>	<u>2,136,475</u>

10. EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly	Support costs	Total Funds 2017	Total Funds 2016
	£	£	£	£
Charitable activity	1,810,448	270,847	2,081,295	2,013,828
Governance costs	–	145,379	145,379	122,647
	<u>1,810,448</u>	<u>416,226</u>	<u>2,226,674</u>	<u>2,136,475</u>

11. ANALYSIS OF SUPPORT COSTS

	Analysis of support costs	Total 2017	Total 2016
	£	£	£
Irrecoverable VAT	50,847	50,847	53,100
ABDO charges – payable	220,000	220,000	160,000
	<u>270,847</u>	<u>270,847</u>	<u>213,100</u>

12. NET GAINS/(LOSSES) ON INVESTMENTS

	Unrestricted Funds	Total Funds 2017	Unrestricted Funds	Total Funds 2016
	£	£	£	£
Gain/(Loss) on investment assets	<u>26,737</u>	<u>26,737</u>	<u>26,648</u>	<u>26,648</u>

13. NET INCOME

Net income is stated after charging/(crediting):

	2017	2016
	£	£
Amortisation of intangible assets	18,698	15,909
Depreciation of tangible fixed assets	<u>33,851</u>	<u>38,248</u>

14. AUDITORS REMUNERATION

	2017	2016
	£	£
Fees payable for the audit of the financial statements	<u>10,075</u>	<u>8,000</u>

15. STAFF COSTS

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2017	2016
	£	£
Wages and salaries	871,278	831,850
Social security costs	56,686	57,309
Employer contributions to pension plans	<u>56,831</u>	<u>46,702</u>
	<u>984,795</u>	<u>935,861</u>

The average head count of employees during the year was 32 (2016: 29).

The average number of full-time equivalent employees during the year is analysed as follows:

	2017	2016
Number of staff	2	2
Number of direct charitable staff	<u>30</u>	<u>27</u>
	<u>32</u>	<u>29</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	2017	2016
£60,000 to £69,999	<u>1</u>	<u>1</u>

16. TRUSTEE REMUNERATION AND EXPENSES

No trustee received any remuneration during the year. Meeting expenses totalling £2,824 (2016: £3,041) were reimbursed to ten of the trustees during the year.

17. INTANGIBLE ASSETS

	Website £	Copyrights £	Total £
COST			
At 1 January 2017	64,713	25,000	89,713
Additions	21,639	–	21,639
At 31 December 2017	86,352	25,000	111,352
AMORTISATION			
At 1 January 2017	52,405	25,000	77,405
Charge for the year	18,698	–	18,698
At 31 December 2017	71,103	25,000	96,103
CARRYING AMOUNT			
At 31 December 2017	15,249	–	15,249
At 31 December 2016	12,308	–	12,308

18. TANGIBLE FIXED ASSETS

	Long leasehold property £	Fixtures & fittings £	Computer Equipment £	Lab equipment £	Total £
COST					
At 1 January 2017	149,302	97,022	101,690	271,866	619,880
Additions	–	–	10,406	22,318	32,724
At 31 December 2017	149,302	97,022	112,096	294,184	652,604
DEPRECIATION					
At 1 January 2017	111,700	78,678	92,063	239,247	521,688
Charge for the year	4,720	8,203	10,285	10,643	33,851
At 31 December 2017	116,420	86,881	102,348	249,890	555,539
CARRYING AMOUNT					
At 31 December 2017	32,882	10,141	9,748	44,294	97,065
At 31 December 2016	37,602	18,344	9,627	32,619	98,192

19. INVESTMENTS

	Cash or cash equivalents £	Other investments £	Total £
COST OR VALUATION			
At 1 January 2017	8,697	189,546	198,243
Additions	8,319	3,421	11,740
Disposals	(5,553)	(8,319)	(13,872)
Fair value movements	–	26,737	26,737
At 31 December 2017	11,463	211,385	222,848
IMPAIRMENT			
At 1 January 2017 and 31 December 2017	–	–	–
CARRYING AMOUNT			
At 31 December 2017	11,463	211,385	222,848
At 31 December 2016	8,697	189,546	198,243

All investments shown above are held at valuation.

20. STOCKS

	2017	2016
	£	£
Raw materials and consumables	38,700	43,648

21. DEBTORS

	2017	2016
	£	£
Trade debtors	310,935	211,568
Prepayments and accrued income	480	–
Other debtors	18,310	15,249
	<u>329,725</u>	<u>226,817</u>

22. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	2017	2016
	£	£
Cash at bank and in hand	1,298,597	787,226
Bank overdrafts	(410,417)	(160,142)
	<u>888,180</u>	<u>627,084</u>

23. CREDITORS:

Amounts falling due within one year

	2017	2016
	£	£
Bank loans and overdrafts	410,417	160,142
Trade creditors	20,142	31,484
Accruals and deferred income	340,510	342,246
Social security and other taxes	22,468	30,457
Other creditors	22,234	3,414
	<u>815,771</u>	<u>567,743</u>

24. PENSIONS AND OTHER POST-RETIREMENT BENEFITS

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £56,831 (2016: £46,702).

25. ANALYSIS OF CHARITABLE FUNDS

	At 1 Jan 2017	Income	Expenditure	Gains and losses	At 31 Dec 2017
	£	£	£	£	£
Unrestricted Fund	789,032	2,587,659	(2,226,674)	26,737	1,176,754
Restricted Fund	9,659	–	–	–	9,659

In 2003 the Charity received a donation of £20,000 with the requirement that this be used only for the furtherance of the Charity's Library. This is held in a restricted fund. All other funds are unrestricted.

26. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total Funds 2017	Total Funds 2016
	£	£	£	£
Intangible assets	15,249	–	15,249	12,308
Tangible fixed assets	87,406	9,659	97,065	98,192
Investments	222,848	–	222,848	198,243
Current assets	1,667,022	–	1,667,022	1,057,691
Creditors less than 1 year	(815,771)	–	(815,771)	(567,743)
Net Assets	<u>1,176,754</u>	<u>9,659</u>	<u>1,186,413</u>	<u>798,691</u>

27. OPERATING LEASE COMMITMENTS

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

	2017	2016
	£	£
Not later than 1 year	265,859	265,337
Later than 1 year and not later than 5 years	1,063,435	1,061,348
Later than 5 years	<u>2,126,871</u>	<u>2,388,033</u>
	<u>2,126,871</u>	<u>2,388,033</u>

28. RELATED PARTIES

The Association of British Dispensing Opticians is a member of The ABDO College of Education. Up to six Trustees of ABDO College are appointed by The Association of British Dispensing Opticians. Three trustees of the ABDO College of Education are directors of The Association of British Dispensing Opticians.

Charges of £68,321 (2016: £99,970) were made to The Association of British Dispensing Opticians in respect of costs incurred in the provision of administrative support services.

The Association of British Dispensing Opticians charged the ABDO College of Education £220,000 (2016: £160,000) in respect of administrative wages and general expenses.

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

Trustees

Mrs F Anderson Bsc(Hons) FBDO R SMC(Tech)

Ms K Devlin FBDO (Hons) CL

Ms G Foulkes-Taylor FBDO SMC(Tech)

Mr J Hardman FBDO R

Ms A McNamee BSc(Hons) MCOptom FBDO (Hons) FBCLA Cert Ed

Mrs G M Dynan FBDO

Mr D V E Newsome FBDO R CL SMC(Tech)

Mr C Marchant FBDO

Mr I A Wills BSc MCOptom (Appointed 6 February 2017)

Company Secretary

Sir Anthony Garrett CBE

Auditor

Burgess Hodgson LLP

Chartered accountant & statutory auditor

Camburgh House, 27 New Dover Road,
Canterbury, Kent CT1 3DN

Bankers

Barclays Bank plc

Level 27, 1 Churchill Place, London E14 5HP

Investech Wealth & Investment

2 Gresham Street, London EC2V 7QP

Solicitors

Hempsons

40 Villiers Street, London WC2N 6NJ

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name:

The ABDO College of Education

Charity registration number: 1087337

Company registration number: 04086997

Principal office and registered office:

Godmersham Park, Godmersham, Kent CT4 7DT



ABDO College
Godmersham Park
Godmersham
Canterbury
Kent CT4 7DT

tel: 01227 738 829 option 1
fax: 01227 733 900

info@abdocollege.org.uk
www.abdocollege.org.uk