

ANNUAL REPORT

0

1

6

CONTENTS

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

TRUSTEES ANNUAL REPORT (incorporating the director's report)

YEAR ENDED 31 DECEMBER 2016

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 2016.

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 the 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 six trustees appointed by their board of directors.

The trustees who have served during the year are listed on page 16. 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 have 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 have 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

Promotion of courses and other marketing activities

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*. Courses were also regularly featured in the ABDO eNewsletter and on the ABDO College and ABDO websites. In addition, courses were promoted and other useful information provided via social media channels: Facebook, LinkedIn and Twitter.

In 2016 ABDO College exhibited at a number of national and regional exhibitions and conferences, including 100% Optical at ExCel London on 6–8 February and Optrafair at the NEC Birmingham on 9–11 April.

The College hosted a successful tutor meeting, alongside Optrafair, on 11 April.

A new 2016/17 ABDO College courses prospectus was published in July.

ABDO College formed an agreement with Primary Health Net. This resulted in a dedicated ABDO College page, banners and inclusion in suppliers guide on the Primary Health Net website (designed for anyone and everyone interested in all aspects of eyecare and eyewear) and Opchat News (an e-magazine directed to the professional aspects of the optical sector).

In July the College produced an infographic to commemorate its 15th anniversary.

During 2016 ABDO College published four issues of its promotional newsletter, *Re: View*.

Foundation Degree presentation evening

In September the College hosted its annual Foundation Degree presentation evening in Godmersham, which enabled successful students to receive their certificates awarded by Canterbury Christ Church University.

Student enrolment figures

The total intake of first year students on dispensing courses in September 2016 was 207, this was an increase of 29.4% when compared with 2015.

Enrolments for all of the College's core courses (ie those listed below) increased by 11.1% from 704 in 2015 to 782 in 2016.

For 2016 academic year student enrolments were as follows:

1st Year Diploma in Ophthalmic Dispensing	169
1st Year Foundation Degree in Ophthalmic Dispensing	38
2nd Year Diploma in Ophthalmic Dispensing	218
2nd Year Foundation Degree in Ophthalmic Dispensing	22
3rd Year Diploma in Ophthalmic Dispensing	242
3rd Year BSc (Hons) in Ophthalmic Dispensing	24
Contact Lens Certificate Course	51
Contact Lens Honours Course	9
Low Vision Honours Course	9

Examination pass rates (the percentage of students achieving a first attempt pass) **during 2016 were as follows:**

OPHTHALMIC DISPENSING

YEAR 1

Theory	86.62%
Practical	80.27% full passes (Section A 92.96%, Section B 81.69%, Section C 83.80%, Section D 97.89%)

YEAR 2

Advanced Ophthalmic Lenses Theory	90.12%
Professional Conduct Theory	94.09%
Communication	100%

YEAR 3

Low Vision Theory	94.87%
Refractive Management Theory	86.22%
Contact Lens Theory	100%
Practical	93.56% average all sections (Section A 95.45%, Section B 98.30%, Section C 94.32%, Section D 98.86%, Section E 96.02%, Section F 78.41%)

CONTACT LENSES

Anatomy, Physiology & Related Pathology	94.87%
Visual Optics	71.79% (National pass rate 60.87%)
Contact Lens Practice	56.41% (National pass rate 47.89%)

Examination results for ABDO College students, for all ophthalmic dispensing and contact lens examinations, continue to be higher than the national pass rates.

WCSM courses

2016 was the first full year that ABDO College handled the day-to-day running and administration of the WCSM (Worshipful Company of Spectacle Makers) courses for optical technicians and optical retail staff, which lead to the WCSM's nationally accredited qualifications.

For 2016 student enrolments for WCSM courses were as follows:

Level 2 Optical Support	72
Level 3 Optical Support	22
Level 4 Diploma for Optical Technicians (Year 1)	9
Level 4 Diploma for Optical Technicians (Year 2)	11
Fast Track Technician Training for FBDOs	4
SCQF Level 5 Certificate in Optical Care	14
SCQF Level 7 Certificate in Optical Care	4

FINANCIAL REVIEW

Financial performance

During the year under review the College made a net income of £429,000 after charging depreciation and amortisation of £54,157. The investments recorded an unrealised gain of £26,648.

Reserves policy

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

The Charity is currently rebuilding its reserves following the negative impact suffered by the deterioration in the economy.

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 20 July 2017 and signed on behalf of the board of trustees by:

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

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

YEAR ENDED 31 DECEMBER 2016

We have audited the financial statements of the ABDO College of Education for the year ended 31 December 2016 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based

on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; *and*
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where 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; and
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

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

STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 DECEMBER 2016

	Note	Unrestricted funds £	Restricted funds £	Total Funds 2016 £	Total Funds 2015 £
INCOME AND ENDOWMENTS					
Donations and legacies	5	–	–	–	6,000
Charitable activities	6	2,433,657	–	2,433,657	2,242,685
Investment income	7	5,751	–	5,751	6,973
Other income	8	99,970	–	99,970	98,000
TOTAL INCOME		<u>2,539,378</u>	<u>–</u>	<u>2,539,378</u>	<u>2,353,658</u>
EXPENDITURE					
Expenditure on charitable activities	9/10	2,136,475	–	2,136,475	2,024,402
TOTAL EXPENDITURE		<u>2,136,475</u>	<u>–</u>	<u>2,136,475</u>	<u>2,024,402</u>
Net gains/(losses) on investments	12	26,648	–	26,648	2,840
NET INCOME AND NET MOVEMENT IN FUNDS		<u>429,551</u>	<u>–</u>	<u>429,551</u>	<u>326,416</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		359,481	9,659	369,140	42,724
TOTAL FUNDS CARRIED FORWARD		<u>789,032</u>	<u>9,659</u>	<u>798,691</u>	<u>369,140</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 2016

	Note	2016 £	2016 £	2015 £
FIXED ASSETS				
Intangible assets	17		12,308	25,752
Tangible assets	18		98,192	98,318
Investments	19		198,243	173,312
			<u>308,743</u>	<u>297,382</u>
CURRENT ASSETS				
Stocks		43,648		43,177
Debtors	21	226,817		206,222
Cash at bank and in hand		787,226		158,331
		<u>1,057,691</u>		<u>407,730</u>
CREDITORS: amounts falling due within one year	23	<u>567,743</u>		<u>335,972</u>
NET CURRENT ASSETS			<u>489,948</u>	<u>71,758</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>798,691</u>	<u>369,140</u>
NET ASSETS			<u>798,691</u>	<u>369,140</u>
FUNDS OF THE CHARITY				
Restricted funds			9,659	9,659
Unrestricted funds			789,032	359,481
TOTAL CHARITY FUNDS	25		<u>798,691</u>	<u>369,140</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 20 July 2017, and are signed on behalf of the board of trustees by:

Ms A McNamee BSc(Hons) MCOptom FBDO (Hons) CL 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 2016

	2016	2015
Note	£	£
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	429,551	326,416
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	38,248	33,445
Amortisation of intangible assets	15,909	17,796
Net gains/(losses) on investments	26,648	2,840
Dividends, interest and rents from investments	(5,680)	(6,472)
Other interest receivable and similar income	(71)	(501)
Interest payable and similar charges	198,816	214,240
Loss on disposal of heritage assets	24,500	25,000
Accrued expenses/(income)	67,766	(127,013)
<i>Changes in:</i>		
Stocks	(471)	7,507
Trade and other debtors	(20,595)	185,201
Trade and other creditors	3,863	(85,992)
Cash generated from operations	725,188	592,467
Interest paid	(198,816)	(214,240)
Interest received	71	501
Net cash from operating activities	<u>526,443</u>	<u>378,728</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends, interest and rents from investments	5,680	6,472
Purchase of tangible assets	(38,122)	(48,331)
Proceeds from sale of heritage assets	(24,500)	(25,000)
Purchase of intangible assets	(2,465)	(29,719)
Purchases of other investments	(25,597)	(40,604)
Proceeds from sale of other investments	27,314	37,675
Net cash used in investing activities	<u>(57,690)</u>	<u>(99,507)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans from group undertakings	–	(125,880)
Net cash used in financing activities	<u>–</u>	<u>(125,880)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	468,753	153,341
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	158,331	4,990
CASH AND CASH EQUIVALENTS AT END OF YEAR	22 <u>627,084</u>	<u>158,331</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

1. GENERAL INFORMATION

The Charity is 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 Charities Act 2011.

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 of Education, 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 ABDO College in meeting its debts as they fall due and in the furtherance of its charitable objectives for a period of five years.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 29.

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.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the statement of financial activities.

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% straight line

Copyrights – 10% 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% straight line

Fixtures and Fittings – 20% straight line

Computer Equipment – 33% straight line

Lab Equipment – 15% 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.

3. ACCOUNTING POLICIES (continued)

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.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

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 per cent 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 2016 £	Unrestricted Funds £	Total Funds 2015 £
Donations				
Donations – Unrestricted	–	–	6,000	6,000

6. CHARITABLE ACTIVITIES

	Unrestricted Funds £	Total Funds 2016 £	Unrestricted Funds £	Total Funds 2015 £
Course fees and accommodation	2,310,793	2,310,793	2,113,549	2,113,549
Other income	1,387	1,387	1,370	1,370
Text books and rules	121,397	121,397	123,436	123,436
Rental income	80	80	4,330	4,330
	<u>2,433,657</u>	<u>2,433,657</u>	<u>2,242,685</u>	<u>2,242,685</u>

7. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2016 £	Unrestricted Funds £	Total Funds 2015 £
Dividends	5,680	5,680	6,472	6,472
Bank interest receivable	71	71	139	139
Investment interest receivable	–	–	362	362
	<u>5,751</u>	<u>5,751</u>	<u>6,973</u>	<u>6,973</u>

8. OTHER INCOME

	Unrestricted Funds £	Total Funds 2016 £	Unrestricted Funds £	Total Funds 2015 £
ABDO charges - receivable	99,970	99,970	98,000	98,000

9. EXPENDITURE ON CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Total Funds 2016 £	Unrestricted Funds £	Total Funds 2015 £
Charitable activity	1,800,728	1,800,728	1,704,639	1,704,639
Support costs	335,747	335,747	319,763	319,763
	<u>2,136,475</u>	<u>2,136,475</u>	<u>2,024,402</u>	<u>2,024,402</u>

10. EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly £	Support costs £	Total Funds 2016 £	Total Funds 2015 £
Charitable activity	1,800,728	213,100	2,013,828	1,898,251
Governance costs	–	122,647	122,647	126,151
	<u>1,800,728</u>	<u>335,747</u>	<u>2,136,475</u>	<u>2,024,402</u>

11. ANALYSIS OF SUPPORT COSTS

	Charitable activity	Total 2016	Total 2015
	£	£	£
Irrecoverable VAT	53,100	53,100	48,612
ABDO charges – payable	160,000	160,000	145,000
	<u>213,000</u>	<u>213,000</u>	<u>193,612</u>

12. NET GAINS/(LOSSES) ON INVESTMENTS

	Unrestricted Funds	Total Funds 2016	Unrestricted Funds	Total Funds 2015
	£	£	£	£
Gain / (Loss) on investment assets	26,648	26,648	(2,840)	(2,840)

13. NET INCOME

Net income is stated after charging/(crediting):

	2016	2015
	£	£
Amortisation of intangible assets	15,909	17,796
Depreciation of tangible fixed assets	38,248	33,445
Loss on disposal of heritage assets	24,500	25,000
Foreign exchange differences	<u>3,500</u>	<u>250</u>

14. AUDITORS REMUNERATION

	2016	2015
	£	£
Fees payable for the audit of the financial statements	<u>8,000</u>	<u>7,650</u>

15. STAFF COSTS

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

	2016	2015
	£	£
Wages and salaries	831,850	745,698
Social security costs	57,309	56,086
Employer contributions to pension plans	46,702	45,676
	<u>935,861</u>	<u>847,460</u>

The average head count of employees during the year was 20 (2015: Nil). The average number of full-time equivalent employees during the year is analysed as follows:

	2016	2015
Number of staff – type 4	2	2
Number of direct charitable staff	18	18
	<u>20</u>	<u>20</u>

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

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

16. TRUSTEE AND EXPENSES

No trustee received any remuneration during the year. Meeting expenses totalling £3,041 (2015: £3,357) were reimbursed to eight of the trustees during the year.

17. INTANGIBLE ASSETS

	Website £	Copyright £	Total £
COST			
At 1 January 2016	62,248	25,000	87,248
Additions	2,465	–	2,465
At 31 December 2016	64,713	25,000	89,713
AMORTISATION			
At 1 January 2016	36,496	25,000	61,496
Charge for the year	15,909	–	15,909
At 31 December 2016	52,405	25,000	77,405
CARRYING AMOUNT			
At 31 December 2016	12,308	–	12,308
At 31 December 2015	25,752	–	25,752

18. TANGIBLE FIXED ASSETS

	Land and buildings £	Fixtures & fittings £	Equipment £	Lab equipment £	Total £
COST					
At 1 January 2016	149,302	91,471	93,268	247,717	581,758
Additions	–	5,551	8,422	24,149	38,122
At 31 December 2016	149,302	97,022	101,690	271,866	619,880
DEPRECIATION					
At 1 January 2016	106,466	68,321	76,733	231,920	483,440
Charge for the year	5,234	10,357	15,330	7,327	38,248
At 31 December 2016	111,700	78,678	92,063	239,247	521,688
CARRYING AMOUNT					
At 31 December 2016	37,602	18,344	9,627	32,619	98,192
At 31 December 2015	42,836	23,150	16,535	15,797	98,318

19. INVESTMENTS

	Cash or cash equivalents £	Other investments £	Total £
COST OR VALUATION			
At 1 January 2016	10,544	162,768	173,312
Additions	12,736	12,861	25,597
Disposals	(14,583)	(12,732)	(27,315)
Fair value movements	–	26,649	26,649
At 31 December 2016	8,697	189,546	198,243
IMPAIRMENT			
At 1 January 2016 and 31 December 2016	–	–	–
CARRYING AMOUNT			
At 31 December 2016	8,697	189,546	198,243
At 31 December 2015	10,544	162,768	173,312

All investments shown above are held at valuation.

20. STOCKS

	2016	2015
	£	£
Raw materials and consumables	43,648	43,177

21. DEBTORS

	2016	2015
	£	£
Trade debtors	211,568	111,350
Amounts owed by group undertakings and undertakings in which the charity has a participating interest	–	86,468
Other debtors	15,249	8,404
	<u>226,817</u>	<u>206,222</u>

22. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	2016	2015
	£	£
Cash at bank and in hand	787,226	158,331
Bank overdrafts	(160,142)	–
	<u>627,084</u>	<u>158,331</u>

23. CREDITORS:

Amounts falling due within one year

	2016	2015
	£	£
Bank loans and overdrafts	160,142	–
Trade creditors	31,484	35,341
Social security and other taxes	30,457	22,737
Other creditors	345,660	277,894
	<u>567,743</u>	<u>335,972</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 £46,702 (2015: £45,676).

25. ANALYSIS OF CHARITABLE FUNDS

	At 1 Jan 2016	Incoming resources	Outgoing resources	Gains and losses	At 31 Dec 2016
	£	£	£	£	£
Unrestricted Fund	359,481	2,539,378	(2,136,475)	26,648	789,032
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 2016
	£	£	£
Intangible assets	12,308	–	12,308
Tangible fixed assets	88,533	9,659	98,192
Investments	198,243	–	198,243
Current assets	1,057,691	–	1,057,691
Creditors less than 1 year	(567,743)	–	(567,743)
	<u>789,032</u>	<u>9,659</u>	<u>798,691</u>

27. OPERATING LEASE COMMITMENTS

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

	2016	2015
	£	£
Later than 5 years	<u>239,747</u>	<u>239,747</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 of Education 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 £99,970 (2015: £98,000) 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 £160,000 (2015: £145,000) in respect of administrative wages and general expenses.

The Association of British Dispensing Opticians donated £nil (2015: £6,000) to the ABDO College of Education.

As at 31 December 2016 the ABDO College of Education was owed £Nil (2015: £86,468) by the Association of British Dispensing Opticians.

29. TRANSITION TO FRS 102

These are the first financial statements that comply with FRS 102. The charity transitioned to FRS 102 on 1 January 2015. No transitional adjustments were required in the retained funds or income or expenditure for the year.

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

Trustees

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

Mr P Black MBA FBDO FEAOO
(Resigned 30 September 2016)

Ms K Devlin FBDO (Hons) CL

Mrs G Dynan FBDO
(Appointed 30 September 2016)

Ms G Foulkes-Taylor FBDO SMC(Tech)

Mr K Gutsell FBDO (Hons) SLD
(Resigned 21 July 2016)

Mr J Hardman FBDO R

Mrs A McNamee BSc(Hons) MCOptom FBDO (Hons) CL FBCLA Cert Ed

Mr D Newsome FBDO R CL SMC(Tech)
(Appointed 30 September 2016)

Mr H Taylor FBDO
(Resigned 27 January 2016)

Mr M Trusty FBDO
(Resigned 30 September 2016)

Company Secretary

Sir Anthony Garrett CBE *Hon*FBDO

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 number: 1087337

Company registration number: 04086997

Registered office:
Godmersham Park, Godmersham
Canterbury, Kent CT4 7DT

Regulated by the
General Optical Council
www.optical.org

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