

ABDO COLLEGE
ANNUAL REPORT 2018



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TRUSTEES ANNUAL REPORT (incorporating the director's report)

YEAR ENDED 31 DECEMBER 2018

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 2018.

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 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 selfsupporting.

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 feecharging. 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.

MARKETING ACTIVITIES AND COURSES PROMOTION

The team at ABDO College is passionate about 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 are promoted to ensure good coverage of and great engagement with the college.

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 and on Optician Online. Courses were also regularly featured in the ABDO eNewsletter and on the ABDO College and ABDO websites.

ABDO College courses prospectuses for both ABDO qualifications and WCSM qualifications were published in March 2018. This was both in hard copy (for exhibitions and conferences) and PDF (available to download from the college website and easily emailed to prospective clients).

During 2018 ABDO College published three issues of its promotional newsletter, *Re:View*.

EXHIBITIONS AND CONFERENCES

In 2018 ABDO College exhibited at a number of national and regional exhibitions and conferences, including 100% Optical at ExCel London, Optrafair at the NEC Birmingham, NES conference at Murrayfield. SightCare Conference in Telford and AIO Conference in Manchester also enabled courses information to be distributed to all attendees.

Nick Walsh also presented at an Irish Association of Dispensing Opticians CPD event 21st October which also enabled courses promotional information to be shared.

NEW AND EXPANDING

The ABDO College eNewsletter featuring courses with upcoming enrolments went out quarterly. A Scotland only eNewsletter (to promote the level 5 and level 7 courses specific to Scotland) was created and distributed with good 'open' rate and utilised the NES to also promote the courses to every practice in Scotland via distribution of our flyer and also link to Optometry Scotland social media activity.

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 continue to be 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 get the adverts out to a wider audience beyond those who visit the college FB page. New and social media will continue to be used to give enhanced coverage.

Continued links with SightCare group with a second co-badged business event strengthened the 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 also took place to extend this out to both NEG and AIO who now both regularly feature course information and articles in publications, at events and on websites. Other activity by Nick Walsh included two STORM webinars on Career Pathways.

The ABDO Business Support Hub incorporates areas around team and personal development and showcased the 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 2018 was 184.

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

1st Year Diploma in Ophthalmic Dispensing	146
1st Year Foundation Degree in Ophthalmic Dispensing	38
2nd Year Diploma in Ophthalmic Dispensing	225
2nd Year Foundation Degree in Ophthalmic Dispensing	23
3rd Year Diploma in Ophthalmic Dispensing	237
3rd Year BSc (Hons) in Ophthalmic Dispensing	19
Contact Lens Certificate Course	109
Low Vision Honours Course	15

EXAMINATION PASS RATES

Examination pass rates (the percentage of students achieving a first attempt pass) during 2018 were as follows:

DISPENSING

PQE Theory 73.37%

PQE Practical	Section A 97.04%	Section C1 91.12%
	Section B1 95.86%	Section C2 89.35%
	Section B2 81.07%	Section D 99.41%

FQE Theory

Advanced Ophthalmic Lenses 58.23%

Abnormal Ocular Conditions/Standards of Practice 68.27%

Anatomy 70.22%

Refractive management 69.90%

Low vision 88.36%

Contact lenses 98.84%

FQE Practical Section A1 75.54% Section B3 82.07%

Section A2 87.50% Section C 90.76%

Section A3 91.30% Section D1/2 86.41%

Section B1 78.26% Section D3/4 94.02%

Section B2 94.02% Section D5/6 97.28%

CONTACT LENS

Anatomy, Physiology & Pathology 92.00%

National pass rate 83.10%

Visual Optics 75.00%

National pass rate 57.50%

Contact lens practice 70.00%

National pass rates 43.20%

FINANCIAL REVIEW

Financial performance

During the year under review the College made a net income of £90,675, after charging depreciation and amortisation of £47,004. The investments recorded an unrealised loss of £22,208.

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.

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 10th April 2019 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 2018

OPINION

We have audited the financial statements of The ABDO College of Education (the 'charity') for the year ended 31 December 2018 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). In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2018 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.

USE OF OUR REPORT

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.

Roderick Archibald (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

15th July 2019

STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 DECEMBER 2018

	Note	Unrestricted funds £	Restricted funds £	Total Funds 2018 £	Total Funds 2017 £
INCOME AND ENDOWMENTS					
Donations and legacies	5	3,000	–	3,000	3,000
Charitable activities	6	2,516,871	–	2,516,871	2,509,472
Investment income	7	7,683	–	7,683	6,866
Other income	8	–	–	–	68,321
TOTAL INCOME		<u>2,527,554</u>	<u>–</u>	<u>2,527,554</u>	<u>2,587,659</u>
EXPENDITURE					
Expenditure on charitable activities	9/10	2,414,671	–	2,414,671	2,226,674
TOTAL EXPENDITURE		<u>2,414,671</u>	<u>–</u>	<u>2,414,671</u>	<u>2,226,674</u>
Net (losses)/gains on investments	12	(22,208)	–	(22,208)	26,737
NET INCOME AND NET MOVEMENT IN FUNDS		<u>90,675</u>	<u>–</u>	<u>90,675</u>	<u>387,722</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		1,176,754	9,659	1,186,413	798,691
TOTAL FUNDS CARRIED FORWARD		<u>1,267,429</u>	<u>9,659</u>	<u>1,277,088</u>	<u>1,186,413</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 2018

	Note	2018 £	2018 £	2017 £
FIXED ASSETS				
Intangible assets	17		80,402	15,249
Tangible fixed assets	18		149,806	97,065
Investments	19		198,561	222,848
			<u>428,769</u>	<u>335,162</u>
CURRENT ASSETS				
Stocks	20	38,700		38,700
Debtors	21	144,286		329,725
Cash at bank and in hand		1,087,605		1,298,597
		<u>1,270,591</u>		<u>1,667,022</u>
CREDITORS: amounts falling due within one year	23	<u>422,272</u>		<u>815,771</u>
NET CURRENT ASSETS			<u>848,319</u>	<u>851,251</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,277,088</u>	<u>1,186,413</u>
NET ASSETS			<u>1,277,088</u>	<u>1,186,413</u>
FUNDS OF THE CHARITY				
Restricted funds			9,659	9,659
Unrestricted funds			1,267,429	1,176,754
TOTAL CHARITY FUNDS	25		<u>1,277,088</u>	<u>1,186,413</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 10th April 2019, 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 2018

	Note	2018 £	2017 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income		90,675	387,722
<i>Adjustments for:</i>			
Depreciation of tangible fixed assets		35,462	33,851
Amortisation of intangible assets		11,542	18,698
Net (losses)/gains on investments		22,208	(26,737)
Dividends, interest and rents from investments		(6,579)	(6,743)
Other interest receivable and similar income		(1,104)	(123)
Accrued expenses/(income)		15,449	(1,736)
<i>Changes in:</i>			
Stocks		–	4,948
Trade and other debtors		185,439	(102,908)
Trade and other creditors		1,469	(511)
Cash generated from operations		354,561	306,461
Interest received		1,104	123
Net cash from operating activities		355,665	306,584
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interest and rents from investments		6,579	6,743
Purchase of tangible assets		(88,203)	(32,724)
Purchase of intangible assets		(76,695)	(21,639)
Purchases of other investments		(7,344)	(11,740)
Proceeds from sale of other investments		9,423	13,872
Net cash used in investing activities		(156,240)	(45,488)
NET INCREASE IN CASH AND CASH EQUIVALENTS			
		199,425	261,096
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR			
		888,180	627,084
CASH AND CASH EQUIVALENTS AT END OF YEAR			
	22	1,087,605	888,180

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

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% 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.

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 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 2018 £	Unrestricted Funds £	Total Funds 2017 £
Donations				
Donations – Unrestricted	3,000	3,000	3,000	3,000

6. CHARITABLE ACTIVITIES

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Course fees and accommodation	2,388,557	2,388,557	2,381,851	2,381,851
Other income	–	–	1,779	1,779
Text books and rules	119,914	119,914	123,142	123,142
Rental income	8,400	8,400	2,700	2,700
	<u>2,516,871</u>	<u>2,516,871</u>	<u>2,509,472</u>	<u>2,509,472</u>

7. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Dividends	6,579	6,579	6,743	6,743
Bank interest receivable	1,104	1,104	123	123
	<u>7,683</u>	<u>7,683</u>	<u>6,866</u>	<u>6,866</u>

8. OTHER INCOME

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
ABDO charges – receivable	–	–	68,321	68,321

9. EXPENDITURE ON CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Charitable activity	1,900,142	1,900,142	1,810,448	1,810,448
Support costs	514,529	514,529	416,226	416,226
	<u>2,414,671</u>	<u>2,414,671</u>	<u>2,226,674</u>	<u>2,226,674</u>

10. EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly £	Support costs £	Total Funds 2018 £	Total Funds 2017 £
Charitable activity	1,900,142	363,201	2,263,343	2,081,295
Governance costs	–	151,328	151,328	145,379
	<u>1,900,142</u>	<u>514,529</u>	<u>2,414,671</u>	<u>2,226,674</u>

11. ANALYSIS OF SUPPORT COSTS

	Analysis of support costs	Total 2018	Total 2017
	£	£	£
Irrecoverable VAT	83,201	83,201	50,847
ABDO charges – payable	280,000	280,000	220,000
	<u>363,201</u>	<u>363,201</u>	<u>270,847</u>

12. NET (LOSSES)/GAINS ON INVESTMENTS

	Unrestricted Funds	Total Funds 2018	Unrestricted Funds	Total Funds 2017
	£	£	£	£
Gain/(Loss) on investment assets	(22,208)	(22,208)	26,737	26,737

13. NET INCOME

Net income is stated after charging/(crediting):

	2018	2017
	£	£
Amortisation of intangible assets	11,542	18,698
Depreciation of tangible fixed assets	35,462	33,851

14. AUDITORS REMUNERATION

	2018	2017
	£	£
Fees payable for the audit of the financial statements	10,385	10,075

15. STAFF COSTS

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

	2018	2017
	£	£
Wages and salaries	926,466	871,278
Social security costs	67,896	56,686
Employer contributions to pension plans	61,556	56,831
	<u>1,055,918</u>	<u>984,795</u>

The average head count of employees during the year was 33 (2017: 32).

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

	2018	2017
Number of staff	3	2
Number of direct charitable staff	30	30
	<u>33</u>	<u>32</u>

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

	2017	2017
£60,000 to £69,999	1	1

16. TRUSTEE REMUNERATION AND EXPENSES

No trustee received any remuneration during the year. Meeting expenses totalling £1,875 (2017: £2,824) were reimbursed to ten of the trustees during the year.

17. INTANGIBLE ASSETS

	Website £	Copyrights £	Software £	Total £
COST				
At 1 January 2018	86,352	25,000	–	111,352
Additions	14,455	–	62,240	76,695
At 31 December 2018	100,807	25,000	62,240	188,047
AMORTISATION				
At 1 January 2018	71,103	25,000	–	96,103
Charge for the year	8,430	–	3,112	11,542
At 31 December 2018	79,533	25,000	3,112	107,645
CARRYING AMOUNT				
At 31 December 2018	21,274	–	59,128	80,402
At 31 December 2017	15,249	–	–	15,249

18. TANGIBLE FIXED ASSETS

	Long leasehold property £	Fixtures & fittings £	Computer Equipment £	Lab equipment £	Total £
COST					
At 1 January 2018	149,302	97,022	112,096	294,184	652,604
Additions	9,253	5,696	17,017	56,237	88,203
At 31 December 2018	158,555	102,718	129,113	350,421	740,807
DEPRECIATION					
At 1 January 2018	116,420	86,881	102,348	249,890	555,539
Charge for the year	4,735	6,894	9,986	13,847	35,462
At 31 December 2018	121,155	93,775	112,334	263,737	591,001
CARRYING AMOUNT					
At 31 December 2018	37,400	8,943	16,779	86,684	149,806
At 31 December 2017	32,882	10,141	9,748	44,294	97,065

19. INVESTMENTS

	Cash or cash equivalents £	Other investments £	Total £
COST OR VALUATION			
At 1 January 2018	11,463	211,385	222,848
Additions	7,344	–	7,344
Disposals	(2,079)	(7,344)	(9,423)
Fair value movements	–	(22,208)	(22,208)
At 31 December 2018	16,728	181,833	198,561
IMPAIRMENT			
At 1 January 2018 and 31 December 2018	–	–	–
CARRYING AMOUNT			
At 31 December 2018	16,728	181,833	198,561
At 31 December 2017	11,463	211,385	222,848

All investments shown above are held at valuation.

20. STOCKS

	2018	2017
	£	£
Raw materials and consumables	38,700	38,700

21. DEBTORS

	2018	2017
	£	£
Trade debtors	112,377	310,935
Prepayments and accrued income	15,525	480
Other debtors	16,384	18,310
	<u>144,286</u>	<u>329,725</u>

22. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	2018	2017
	£	£
Cash at bank and in hand	1,087,605	1,298,597
Bank overdrafts	–	(410,417)
	<u>1,087,605</u>	<u>888,180</u>

23. CREDITORS:

Amounts falling due within one year

	2018	2017
	£	£
Bank loans and overdrafts	–	410,417
Trade creditors	45,895	20,142
Accruals and deferred income	355,959	340,510
Social security and other taxes	20,418	22,468
Other creditors	–	22,234
	<u>422,272</u>	<u>815,771</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 £61,556 (2017: £56,831).

25. ANALYSIS OF CHARITABLE FUNDS

	At 1 Jan 2018	Income	Expenditure	Gains and losses	At 31 Dec 2018
	£	£	£	£	£
Unrestricted Fund	1,176,754	2,527,554	(2,414,671)	(22,608)	1,267,429
Restricted Fund	9,659	–	–	–	9,659

	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 2018
	£	£	£
Intangible assets	80,402	–	80,402
Tangible fixed assets	140,147	9,659	149,806
Investments	198,561	–	198,561
Current assets	1,270,591	–	1,270,591
Creditors less than 1 year	(422,272)	–	(422,272)
Net Assets	<u>1,267,429</u>	<u>9,659</u>	<u>1,277,088</u>

	Unrestricted Funds	Restricted Funds	Total Funds 2017
	£	£	£
Intangible assets	15,249	–	15,249
Tangible fixed assets	87,406	9,659	97,065
Investments	222,848	–	222,848
Current assets	1,667,022	–	1,667,022
Creditors less than 1 year	(815,771)	–	(815,771)
Net Assets	<u>1,176,754</u>	<u>9,659</u>	<u>1,186,413</u>

27. OPERATING LEASE COMMITMENTS

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

	2018	2017
	£	£
Not later than 1 year	265,859	265,859
Later than 1 year and not later than 5 years	1,063,435	1,063,435
Later than 5 years	1,861,012	2,126,871
	<u>3,190,306</u>	<u>3,456,165</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 £Nil (2017: £68,321) 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 £280,000 (2017: £220,000) in respect of administrative wages and general expenses.

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

The trustees

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

Mr P Black MBA FBDO

Ms K Devlin FBDO (Hons) CL

Ms G Foulkes-Taylor FBDO SMC(Tech)

Mr K Gutsell FBDO (Hons) SLD

Mr J Hardman FBDO R

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

Mr H Taylor FBDO

Mr M Trusty FBDO

Mrs G M Dynan FBDO

Mr I A Wills BSc MCOptom

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

Mr C Marchant FBDO

Company Secretary

Sir Anthony Garrett CBE

Auditor

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Chartered accountant & statutory auditor

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Canterbury, Kent CT1 3DN

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Investech Wealth & Investment

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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:

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