

10 December 2013

James Ripley

BY E-MAIL ONLY: request-187225-5170999a@whatdotheyknow.com

Our Ref : F/268

Your Ref :

Office of Qualifications
and Examinations Regulation
Spring Place
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Coventry CV5 6UB

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Dear Mr Ripley

Request for Information

I refer to your recent request for information received by Ofqual on 27 November 2013 and made under the Freedom of Information Act 2000 (the Act). You requested the following information:-

*My request is to know your regulatory actions for following awarding organisation in relation to your General Conditions of Recognition A5.4.
ATHE Ltd: Cash: £10,828, Liabilities: £144,872, Net worth: -£30,888
(Source: Recent Companies House Data)*

My other Questions are:-

- 1. Number of your regulatory actions in this regard?*
- 2. How do you still recognise ATHE Ltd to develop, deliver and award qualifications? While there capacity is negative (liabilities are higher than assets).*
- 3. How can ATHE Ltd. continue to develop, deliver and award qualifications with negative Networth or no reserves under your regulations?*

Under the Act, public authorities have two duties to individuals requiring information: firstly to confirm whether or not they hold the information requested, and secondly to provide a copy of that information unless one of the exemptions under the Act applies.

I confirm that Ofqual holds some information of the type that you have requested and where this is not covered by one of the exemptions available to Ofqual under the Act this is enclosed. Your request, with Ofqual's response annotated underneath is set out below:-

1. *Number of your regulatory actions in this regard?*

Ofqual publishes all regulatory actions on its website at <http://ofqual.gov.uk/regulatory-actions/> . Because the information is reasonably accessible to you it is exempt from disclosure under Section 21 of the Act.

2. *How do you still recognise ATHE Ltd to develop, deliver and award qualifications? While there capacity is negative (liabilities are higher than assets).*

Ofqual has engaged in active monitoring of ATHE and have found no evidence to suggest that we should not continue to recognise them. The monitoring approach is in line with Ofqual's monitoring strategy that can be viewed online at <http://ofqual.gov.uk/documents/monitoring-interventions-information-for-awarding-organisations/> .

The Companies house information you refer to relates to ATHE's accounts dated September 2012 and these do indicate a negative net worth. However, outside of the context of the age of the company, growth or other activity it can be misleading to consider this alone. Ofqual would be more concerned with the ability of a recognised awarding organisation's shorter term ability to service any debt and their day to day operations. Ofqual makes use of a range of indicators including an external credit rating organisation to alert it to a number of changes or issues with an organisation and this takes into account many other factors as well as net worth.

One indicator of an awarding organisations financial viability are their certification figures which for ATHE have increased from 25 in Q3 2011 to Q2 2012 to 707 certifications in the period Q3 2012 to Q2 2013. Other indicators also suggest that ATHE are in a process of growth.

Section 7 of Ofqual's taking regulatory action policy which can be viewed online at <http://ofqual.gov.uk/documents/taking-regulatory-action/> sets out situations in which Ofqual might withdraw recognition from an awarding organisation.

3. *How can ATHE Ltd. continue to develop, deliver and award qualifications with negative Networth or no reserves under your regulations?*

The fact that an organisation has a negative net worth does not necessarily mean that it cannot continue to develop, deliver and award qualifications. Condition A5.4 of Ofqual's Conditions of Recognition, available to view online at <http://ofqual.gov.uk/documents/general-conditions-of-recognition/> , require an awarding organisation to ensure

that it has sufficient financial resources and facilities to enable it to develop, deliver and award qualifications. It does not require awarding organisations to maintain a net worth above £0.00. It also does not require awarding organisations to have a certain level of liquid assets; and the financial resources and facilities available to an awarding organisation do not need to be owned by them.

As explained at point 2 above Ofqual makes use of a range of indicators including an external credit rating organisation to alert it to a number of changes or issues with an organisation and this takes into account many other factors as well as net worth.

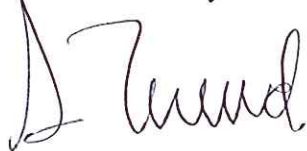
If you are unhappy with the way in which your request has been handled you have the right to request an internal review. You can request an internal review by contacting:-

Alison Townsend
Board Secretariat Manager
Ofqual
Spring Place
Coventry Business Park
Herald Avenue
Coventry, CV5 6UB
(alison.townsend@ofqual.gov.uk).

If you are dissatisfied with the outcome of the internal review, you can apply to the Information Commissioner. Complaints to the Information Commissioner should be sent to:-

FOI/EIR Complaints Resolution
Information Commissioner's Office
Wycliffe House
Water Lane
Wilmslow
Cheshire SK9 5AF

Yours sincerely



Alison Townsend
Board Secretariat Manager
Direct line 024 7671 6726