

CLIENT - OFFICE.

Charity No. 327446
Company No. 2125674

OPEN COLLEGE OF THE ARTS
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

WEDNESDAY



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OPEN COLLEGE OF THE ARTS

Charity Information

Trustees: Cathy Baxandall
Alison Churchill resigned 7th October 2010
Sheila Carlton
Peggotty Graham
Chris Jelley
Ros Morpeth
Richard Spelman resigned 15th November 2010
The Very Reverend Peter Edward Bradley
Jacqueline Marsh
Professor Patricia Cullen appointed 31st May 2011
Doreen Killick appointed 31st May 2011

Chief Executive: Gareth Dent

Secretary: Malcolm Thompson

Charity Registration Number: 327446

Company Registration Number: 2125674

Charity Office/Registered Office: Unit 1B
Redbrook Business Park
Withorpe Road
Bamsley
S75 1JN

Website: www.oca-uk.com

Auditors: Forrest Burlinson
Chartered Accountants & Registered Auditors
20 Owl Lane
Dewsbury
West Yorkshire
WF12 7RQ

Bankers. HSBC PLC
5 Market Hill
Bamsley
South Yorkshire
S70 2PY
National Irish Bank
20 Drogheda Street
Balbriggan
Co Dublin
Eire
Barclays Plc
10 Market Street
Bradford
BD1 1EG

Solicitors: Irwin Mitchell Solicitors
40 Holborn Viaduct
London

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The trustees present their report and accounts for the year ended 30 June 2011
The financial statements have been prepared in accordance with the accounting policies set out in note 1 and comply with the charity's trust deed, the Charities Act 1993 and the Statement of Recommended Practice Accounting and Reporting by Charities 2005

Structure, governance and management

The charity is a company limited by guarantee and not having a share capital is governed by its Memorandum and Articles of Association dated 23rd April 1987 The Trust is a registered charity

The directors of the company are its trustees for the purpose of charity law and throughout this report are referred to as the trustees The trustees as Charity Trustees have control of the company and its property and funds

The trustees named on the front sheet have served as detailed under Charity Information

Each member undertakes to contribute to the assets of the company in the event of the company being wound up to a limit not exceeding £1 (one pound)

The board of trustees, which can consist of up to 12 members, agree the broad strategy and areas of activity of the company in accordance with the Articles of Association and the charitable objects set out below

The board of trustees have general powers of investment under the Articles of Association

On a day to day basis the Chief Executive and the Company Secretary manage the activities of the charity To facilitate effective operations, the Chief Executive has delegated authority for operational matters including finance, employment and academic affairs

Policies and procedures adopted for the induction and training of trustees

The company recognises that it has a responsibility to provide guidance and assist new trustees in fulfilling their duties and responsibilities This is done in accordance with Charity Commission guidance New trustees are given appropriate Charity Commission publications and training seminars

Objects and policies

The object of the charity is to promote and provide education and training in the field of arts and crafts and related skills and disciplines in all countries of the world

The principal work of the charity is through high quality, tutor supported, distance learning courses This is done using specially written course manuals and associated learning materials which guide students through a programme of work

Achievements and performance

This year the OCA has continued its rapid pace of development

We have

- Secured validation of two new degrees, BA(Hons) Creative Writing and BA(Hons) Textiles
- Launched our first post graduate qualification MA in Fine Arts
- Invested in new courses in Creative Writing, Photography and Visual Communications
- Developed our tutor network with a series of training and networking days
- Increased our enrolments by 14% compared to 2009/10
- Increased the number of students submitting for formal assessment by 7% compared to 2009/10

Auditors

In accordance with section 485 of the Companies Act 2006, a resolution proposing that Forrest Burlinson be reappointed as auditors of the company will be put to the Annual General Meeting

Statement of trustees' responsibilities

The trustees are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- a) select suitable accounting policies and apply them consistently,
- b) make judgements and estimates that are reasonable and prudent,
- c) state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and;
- d) prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in operation.

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

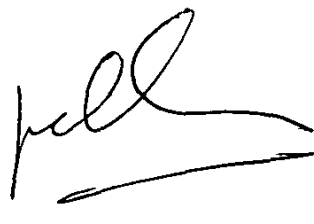

Statement of disclosure to auditors

So far as the trustees are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the trustees have taken all the necessary steps that they ought to have taken as trustees in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Approval

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

This report was approved by the trustees on 27 October 2011 and signed on their behalf by



Signed Chns Jelley (Chairman)

On behalf of the board of trustees

We have audited the financial statements of Open College of the Arts for the year ended 30 June 2011 set out on pages 5 to 10, which comprise the Statement of Financial Activities and Income and Expenditure Account, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the company'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 company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

The trustees' (who are also directors of Open College of the Arts for the purposes of company law) responsibilities 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) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the Trustees' Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

Basis of audit opinion


We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements

- give a true and fair view of the state of the charity's affairs as at 30 June 2011 and of its incoming resources and applications of resources, including its income and expenditure, in 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 applicable to small companies, and
- the information given in the Trustees' Report is consistent with the financial statements.


Simon Sheard (Senior Statutory Auditor)
for and on behalf of Forrest Burlinson
Chartered Accountants and Statutory Auditors

14 Dec 2011
20 Owl Lane
Dewsbury
WF12 7RQ

OPEN COLLEGE OF THE ARTS
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2011
AND INCOME AND EXPENDITURE ACCOUNT

Charity No 32,
Company No 212t

| | Notes | Unrestricted funds £ | Restricted funds £ | 2011 Total £ | 2010 Total £ |
|----------------------------------------------------|-------|----------------------------|--------------------------|--------------------|--------------------|
| Incoming resources | | | | | |
| Incoming resources from generated funds | | | | | |
| Grants and donations | 2 | - | - | - | 61,000 |
| Investment income | 3 | 11,498 | - | 11,498 | 866 |
| | | <u>11,498</u> | <u>-</u> | <u>11,498</u> | <u>61,866</u> |
| Incoming resources from charitable activities | | | | | |
| Course income | | 1,283,508 | - | 1,283,508 | 1,161,767 |
| Total incoming resources | | <u>1,295,006</u> | <u>-</u> | <u>1,295,006</u> | <u>1,223,633</u> |
| Resources Expended | | | | | |
| Charitable activities | | | | | |
| College operating costs | | 1,282,719 | 30,515 | 1,313,234 | 1,156,763 |
| Governance costs | | 11,536 | - | 11,536 | 8,434 |
| Total resources expended | | <u>1,294,255</u> | <u>30,515</u> | <u>1,324,770</u> | <u>1,165,197</u> |
| Net income/(expenditure) for the year | 4 | 751 | (30,515) | (29,764) | 58,436 |
| Other recognised gains/losses | | | | | |
| Net realised gains/(losses) on sale of investments | | 3,474 | - | 3,474 | - |
| Net unrealised gains/(losses) on investment assets | | (167) | - | (167) | - |
| Net movement in funds | | <u>4,058</u> | <u>(30,515)</u> | <u>(26,457)</u> | <u>58,436</u> |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 468,773 | 30,515 | 499,288 | 440,852 |
| Fund funds carried forward | | <u>472,831</u> | <u>-</u> | <u>472,831</u> | <u>499,288</u> |

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OPEN COLLEGE OF THE ARTS
BALANCE SHEET AS AT 30 JUNE 2011

Charity No 327446
 Company No 2125674

| | Notes | Total 2011 £ | Total 2010 £ |
|-------------------------------------------------------|-------|--------------------|--------------------|
| Fixed Assets | | | |
| Tangible assets | 8 | 35,700 | 24,430 |
| Investments | 9 | 111,562 | 98,855 |
| | | <u>147,262</u> | <u>123,285</u> |
| Current Assets | | | |
| Stocks | | 13,074 | 13,510 |
| Debtors and prepayments | 10 | 347,376 | 329,131 |
| Cash at bank | | 141,623 | 187,631 |
| | | <u>502,073</u> | <u>530,272</u> |
| Creditors: Amounts falling due within one year | 11 | (176,504) | (154,269) |
| Net Current Assets | | <u>325,569</u> | <u>376,003</u> |
| Net Assets | | <u>472,831</u> | <u>499,288</u> |
| FUNDS | | | |
| Restricted funds | 12 | - | 30,515 |
| Unrestricted funds | 12 | 472,831 | 468,773 |
| | | <u>472,831</u> | <u>499,288</u> |

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008) as adapted using the Statement Of Recommended Practice Accounting and Reporting by Charities (SORP 2005) issued in March 2005

The financial statements were approved by the board on 27 October 2011 and signed on their behalf by



Chris Jelley
 Trustee



Cathy Baxandall
 Trustee

1 Accounting Policies

1.1 Basis of preparation of accounts

The financial statements are prepared in accordance with Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005) issued in March 2005 and applicable UK Accounting Standards and the Companies Act 2006

The accounts have been prepared in accordance with the historical cost convention except as modified for the revaluation of investments and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.2 Company status

As the company does not trade for profit, the trustees have taken advantage of Section 474 of the Companies Act 2006 and have prepared an income and expenditure account instead of a profit and loss account

1.3 Funds structure

Unrestricted funds comprise those funds which the trustees are free to use in accordance with the charitable objects

Restricted funds comprise grant monies from the Esmée Fairburn Foundation towards the e-Delivery project

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy
The following specific policies apply to categories of income

Course income this represents net invoiced sales of goods and services
Course income dependent upon external factors is credited on receipt

Grants and Donations these are accounted for on receipt, unless otherwise specified by the donor There were no Donations received in the year

Investment Income is recognised on a receivable basis

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category and include Value Added Tax

Charitable activities comprise all costs identified as wholly or mainly attributable to achieving the charitable objects of the charity, including the costs of course production, development and support

Governance costs comprise all costs identified as wholly or mainly attributable to ensuring the public accountability of the charity and its compliance with regulation

1.6 Operating Leases

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities as incurred

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost Depreciation is provided on all tangible fixed assets, except freehold land, at rates calculated to write off the cost on a straight-line basis over their expected useful economic lives using the following rates:

| | |
|-------------------------------|-----------------------------------|
| Fixture, Fittings & Equipment | Straight Line Method over 5 years |
| Computer Equipment | Straight Line Method over 3 years |

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete or slow moving items. Cost includes all direct expenditure

2 Grants and donations

| | Unrestricted Funds £ | Restricted Funds £ | 2011 Total £ | 2010 Total £ |
|----------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Esmee Fairbairn Foundation | - | - | - | 61,000 |
| | - | - | - | 61,000 |

3 Investment income

| | Unrestricted Funds £ | Restricted Funds £ | 2011 Total £ | 2010 Total £ |
|----------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Bank and other interest received | 11,498 | - | 11,498 | 866 |

4 Net Incoming resources

| | 2011 Total £ | 2010 Total £ |
|------------------------------------------------|--------------------|--------------------|
| This is stated after charging | | |
| Auditors' fees remuneration for audit services | 5,932 | 5,580 |
| Operating lease rentals | | |
| Hire of plant and machinery | 9,595 | 12,546 |
| Other operating leases | 19,496 | 18,351 |
| Depreciation of tangible assets | 9,748 | 4,436 |
| Profit on disposal of fixed assets | 325 | - |

5 Transfers

No transfers have been made between funds in the period

6 Staff costs

| | Total £ | Total £ |
|-----------------------|------------|------------|
| Wages and salaries | 441,767 | 396,814 |
| Social Security costs | 45,712 | 38,572 |
| | 487,479 | 435,386 |

The average full-time equivalent number of employees is as follows

| | 2011 | 2010 |
|---------------------------------------------------------|------|------|
| Staff | 14 | 14 |
| Number of employees earning between £60,000 and £70,000 | - | - |
| Number of employees earning between £70,000 and £80,000 | 1 | 1 |

Volunteers

There are no hours contributed by volunteers in 2010 or 2011

7 Remuneration and Transactions with Trustees

No remuneration was paid to any trustee in the year
Expenses totalling £4,783 (2010 £1,922) were reimbursed to trustees during the year
Trustee indemnity insurance was taken for the protection of the trustees paid for by the charity at a cost of £821 (2010 £932) during the year

8 Tangible Fixed Assets

| | Leasehold Premises Improvements £ | Office Equipment and Fittings £ | Total £ |
|-----------------------|--------------------------------------------|---------------------------------------------|----------------|
| Cost | | | |
| As at 1 July 2010 | 13,272 | 137,938 | 151,210 |
| Additions | - | 21,018 | 21,018 |
| Disposals | - | - | - |
| As at 30 June 2011 | <u>13,272</u> | <u>158,956</u> | <u>172,228</u> |
| Depreciation | | | |
| As at 1 July 2010 | 13,272 | 113,508 | 126,780 |
| Charge for the year | - | 9,748 | 9,748 |
| On disposals | - | - | - |
| As at 30 June 2011 | <u>13,272</u> | <u>123,256</u> | <u>136,528</u> |
| Net book value | | | |
| As at 30 June 2010 | - | 24,430 | 24,430 |
| As at 30 June 2011 | <u>-</u> | <u>35,700</u> | <u>35,700</u> |

9 Investments

| | 2011 Total £ | 2010 Total £ |
|----------------|--------------------|--------------------|
| Fixed Interest | <u>111,562</u> | <u>98,855</u> |

All investments are UK securities, being bonds, preference shares and permanent interest bearing shares in UK banks and building societies. No single holding exceeds £26,000

10 Debtors

| | 2011 Total £ | 2010 Total £ |
|--------------------------------|--------------------|--------------------|
| Prepayments and accrued income | <u>347,376</u> | <u>329,131</u> |