

Charity No 327446
Company No 2125674

OPEN COLLEGE OF THE ARTS
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

FRIDAY



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COMPANIES HOUSE

OPEN COLLEGE OF THE ARTS

Charity Information

Trustees	Cathy Baxandall Peggotty Graham Chris Jelley The Very Reverend Peter Edward Bradley Jacqueline Marsh Professor Patricia Cullen David Wilshaw Helen Dingle Sheila Carlton Ros Morpeth Doreen Killick	appointed 27 th October 2011 appointed 21 st November 2011 resigned 27 th October 2011 resigned 27 th October 2011 resigned 24 th May 2012
Chief Executive	Gareth Dent	
Secretary	Malcolm Thompson	
Charity Registration Number	327446	
Company Registration Number	2125674	
Charity Office/Registered Office	Unit 1B Redbrook Business Park Wilthorpe Road Barnsley S75 1JN	
Website	www.oqa-uk.com	
Auditors	Forrest Burlinson Chartered Accountants & Registered Auditors 20 Owl Lane Dewsbury West Yorkshire WF12 7RQ	
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ Barclays Plc 10 Market Street Bradford BD1 1EG	National Irish Bank 20 Drogheda Street Balbriggan Co Dublin Eire
Solicitors	Irwin Mitchell Solicitors 40 Holborn Viaduct London EC1N 2PZ	

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The trustees present their report and accounts for the 14 months ended 31 August 2012
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 2011 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 to focus its efforts on improving the quality of the student experience and widening the student choice

We have

- Revalidated our undergraduate programmes with the University for the Creative Arts
- Developed and validated a BA(Hons) Visual Communications programme
- Invested in tutor development
- Extended in range and scope our study visit programme
- Supported the creation of an OCA Student Association

As a result enrolments and academic credits awarded have grown significantly

Future Plans

The charity remains committed to widening access and improving the quality of provision and will

- Work with tutors to support their professional development and recognition by the Higher Education Academy
- Invest extensively in the resources available to students and the online learning environment
- Introduce pre-degree courses to provide a wider range of opportunities to access our programmes

Financial review

The 2011/12 year resulted in a surplus of £328,170 (2011 £26,457 deficit) on the General Fund before transfers to designated reserves for the Learner Support Scheme (£25,695) and the Accreditation Contingency Fund (£15,000)

It is pleasing that so many students have chosen to study with us in the past year leading to these results. Given the uncertainty following the withdrawal of central government funding for undergraduate studies in the arts, this level of reserves is appropriate if we are to continue to develop the student experience.

Risk management

The trustees actively assess the major risks to which the charity is exposed through regular meetings and believe that maintaining reserves at current levels, combined with regular reviews of controls over key financial systems, will provide sufficient resources in the event of adverse conditions.

Reserves policy

As at 31 August 2012, the charity had unrestricted reserves of £794,912.

The trustees have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets ('the free reserves') held by the charity should be at least 3 months of the resources expended, which equates to £333,480 in general funds. At this level the trustees feel that they can continue current activities of the charity in the event of a significant drop in funding. In the event of such an occurrence, it would obviously be necessary to consider how the funding would be replaced or activities changed. At present, the free reserves not committed or invested in tangible fixed assets, which amount to £767,646, more than meet this target but are not considered to be excessive.

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 22 November 2012 and signed on their behalf by


Signed Chris Jelley (Chairman)

On behalf of the board of trustees

We have audited the financial statements of Open College of the Arts for the 14 months ended 31 August 2012, which comprise the Statement of Financial Activities and Income and Expenditure Account, the Balance Sheet and the related notes

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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 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 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 trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement (set out on pages 2 and 3), the trustees (who are also the directors of the charitable company 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 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 charitable company'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' Annual Report to identify material inconsistencies with the audited financial statements. 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 company's affairs as at 31 August 2012 and of its incoming resources and applications of resources, including its income and expenditure, in the period 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the Annual 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, 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 exemption in preparing the directors' report (Annual Trustees' Report)

We have nothing to report in respect of the above matters on which we are required to report by exception.



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

30/05/2013

20 Owl Lane
Dewsbury
WF12 7RQ

OPEN COLLEGE OF THE ARTS
STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31 AUGUST 2012
AND INCOME AND EXPENDITURE ACCOUNT

Charity No 327446
Company No 2125674

		2012	2011
		14 months	12 months
		Total	Total
	Notes	£	£
Incoming resources			
Incoming resources from generated funds			
Grants and donations	2	100	-
Investment income	3	9,333	11,498
		<u>9,433</u>	<u>11,498</u>
Incoming resources from charitable activities			
Course income		1,889,668	1,283,508
Total incoming resources		<u>1,899,101</u>	<u>1,295,006</u>
Resources Expended			
Charitable activities			
College operating costs		1,553,021	1,313,234
Governance costs		9,306	11,536
Total resources expended		<u>1,562,327</u>	<u>1,324,770</u>
Net income/(expenditure)	4	336,774	(29,764)
for the year			
Other recognised gains/losses			
Net realised gains/(losses) on sale of investments		(2,821)	3,474
Net unrealised gains/(losses) on investment assets		(11,872)	(167)
Net movement in funds		<u>322,081</u>	<u>(26,457)</u>
Reconciliation of funds			
Total funds brought forward		472,831	499,288
Fund funds carried forward		<u>794,912</u>	<u>472,831</u>

	Notes	Total 2012 £	Total 2011 £
Fixed Assets			
Tangible assets	7	27,266	35,700
Investments	8	104,630	111,562
		<u>131,896</u>	<u>147,262</u>
Current Assets			
Stocks		10,779	13,074
Debtors and prepayments	9	188,862	347,376
Cash at bank		635,543	141,623
		<u>835,184</u>	<u>502,073</u>
Creditors Amounts falling due within one year	10	(172,168)	(176,504)
Net Current Assets		<u>663,016</u>	<u>325,569</u>
Net Assets		<u><u>794,912</u></u>	<u><u>472,831</u></u>
FUNDS			
Unrestricted funds	11	794,912	472,831
		<u><u>794,912</u></u>	<u><u>472,831</u></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)

The financial statements were approved by the board on 22 November 2012 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as modified by the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005)

The accounts have been prepared in accordance with the Companies Act 2006 and 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)

Change of accounting period

These financial statements have been prepared for a 14 month period to 31 August 2012, the trustees being of the opinion that an accounting date of 31 August better matches the circumstances of the college

1.2 Company status

The company is a company limited by guarantee, having no share capital and being a registered charity

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

There were no restricted funds for the period to 31 August 2012 and the year to 30 June 2011

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 is the invoiced sales of goods and services to students

Grants and donations are included when the charity is entitled to receipt which may be subject to conditions and contingencies

Income from investments 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 includes Value Added Tax which the charity cannot recover

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	Reducing Balance Method at 20% per annum
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 £	2012 14 months Total £	2011 12 months Total £
Donations	100	-	100	-
	<u>100</u>	<u>-</u>	<u>100</u>	<u>-</u>

3 Investment income

	Unrestricted Funds £	Restricted Funds £	2012 14 months Total £	2011 12 months Total £
Bank and other interest received	9,333	-	9,333	11,498

4 Net incoming resources

	2012 14 months Total £	2011 12 months Total £
This is stated after charging		
Auditors' fees remuneration for audit services	6,250	5,932
Hire of plant and machinery	8,132	9,595
Other operating leases	24,733	19,496
Differences on foreign exchange (cash euro account)	1,795	(1,382)
Depreciation of tangible assets	13,387	9,748
Profit on disposal of fixed assets	350	325

5 Staff costs

	2012 14 months Total £	2011 12 months Total £
Wages and salaries	561,048	441,767
Social Security costs	<u>55,522</u>	<u>45,712</u>
	<u>616,570</u>	<u>487,479</u>

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

	2012	2011
Staff	<u>15</u>	<u>14</u>
Number of employees earning between £70,000 and £80,000	1	1

Volunteers

There were no hours contributed by volunteers in 2011 or 2012

6 Trustees Remuneration and Expenses

No remuneration was paid to any trustee in the year

Expenses totalling £1,173 (2011 £4,783) were reimbursed to trustees as detailed in note 13

7 Tangible Fixed Assets

	Office Equipment and Fittings £	Total £
Cost		
As at 1 July 2011	51,130	51,130
Additions	4,953	4,953
Disposals	-	-
As at 31 August 2012	<u>56,083</u>	<u>56,083</u>
Depreciation		
As at 1 July 2011	15,430	15,430
Charge for the year	13,387	13,387
On disposals	-	-
As at 31 August 2012	<u>28,817</u>	<u>28,817</u>
Net book value		
As at 30 June 2011	<u>35,700</u>	<u>35,700</u>
As at 31 August 2012	<u>27,266</u>	<u>27,266</u>

8	Investments	2012 Total £	2011 Total £				
	Fixed Interest	<u>104,630</u>	<u>111,562</u>				
	All investments are UK securities, being bonds, preference shares and permanent interest bearing shares No single holding exceeds £30,000						
9	Debtors	2012 Total £	2011 Total £				
	Prepayments and accrued income	<u>188,862</u>	<u>347,376</u>				
10	Creditors	2012 Total £	2011 Total £				
	Trade creditors	15,913	42,681				
	Taxation and social security	13,646	18,193				
	Accruals	142,609	115,630				
		<u>172,168</u>	<u>176,504</u>				
11	Analysis of Funds						
		as at 1 Jul 2011	Incoming resources	Resources expended	Other Gains	Transfers	as at 31 Aug 2012
		£	£	£	£	£	£
	Designated Funds						
	Learner Support Scheme	-	-	(6,089)	-	25,695	19,606
	Accreditation Fund	-	-	-	-	15,000	15,000
		-	-	(6,089)	-	40,695	34,606
	General Fund	472,831	1,899,101	(1,556,238)	(14,693)	(40,695)	760,306
	Unrestricted funds	472,831	1,899,101	(1,562,327)	(14,693)	-	794,912
	Total Funds	472,831	1,899,101	(1,562,327)	(14,693)	-	794,912

Learner Support Scheme

This is a designated bursary fund to support equality of opportunity and open access to courses for those facing financial or other hardship

Accreditation Fund

This is a designated contingency fund against the future costs of maintaining degree accreditation

General Fund

The General Fund is used for the running of the college

Restricted Funds

The charity held no restricted funds as at 31 August 2012 and 30 June 2011

12 Analysis of Net Assets Between Funds

	General Fund £	Accreditation Fund £	Learner Support Scheme £	Total £
Tangible fixed assets	27,266	-	-	27,266
Investments	104,630	-	-	104,630
Current assets	800,578	15,000	19,606	835,184
Creditors falling due within one year	(172,168)	-	-	(172,168)
	<u>760,306</u>	<u>15,000</u>	<u>19,606</u>	<u>794,912</u>

13 Related Party Transactions and Transactions with Trustees

£1,173 was reimbursed for directly incurred travel expenses to 7 trustees
Trustee indemnity insurance was taken for the protection of the trustees paid for by the charity at a cost of £1,088 (2011 £821) during the period

14 Commitments

As at 31 August 2012 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Office equipment	
	2012 £	2011 £	2012 £	2011 £
Leases expiring between 2 and 5 years	21,240	20,880	9,595	9,595