

THE OPEN SCHOOL TRUST

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1997

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THE COUNCIL OF MEMBERS:

Lord Young of Dartington (President)
Jim Knight (Chair)
Christopher Hope (Deputy Chair)
Guy Eastman ACA (appointed 17.10.96)
Lynette Gribble (Director)

Don Foster MP
Susan Froud (appointed 10.9.97)
Inder Gera (appointed 17.10.96)
Marcy Heywood (appointed 23.10.97)

COMPANY SECRETARY:

Pauline Griffin

REGISTERED OFFICE:

Park Road
Dartington Hall
Totnes
Devon
TQ9 6EQ

REGISTRATION NUMBER:

2438525 (Company limited by guarantee)

CHARITY REGISTRATION NUMBER:

328414

BANKERS:

Midland Bank Plc
Totnes
Devon

AUDITORS:

Prentis & Co
Chartered Accountants
& Registered Auditors
115c Milton Road
Cambridge
CB4 1XE



FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1997

REPORT OF THE COUNCIL MEMBERS

The Council of Members present their report and the financial statements for the year ended 31st March 1997.

COUNCIL OF MEMBERS

The members named on page 2 have served throughout the year and are also directors of the company. Appointment of members is governed by the Memorandum and Articles of the Trust. The Council of Members is authorised to appoint new members to fill vacancies through resignation or death of existing members.

INVESTMENT POWERS

The Memorandum and Articles authorises the members to make and hold investments using the general funds of the charity, but no such investments are presently held.

CONSTITUTION, OBJECTS AND POLICIES

The Charitable Trust was incorporated on 1st November 1989, and its objects are that of the promotion of education for the benefit of the public.

The members manage the day to day responsibilities of the Trust, in addition to managers and support staff. Members also meet regularly to make policy decisions and to supervise the development of the Trust.

DEVELOPMENT, ACTIVITIES AND ACHIEVEMENTS

The members consider that the performance of the trust this year has been one of expansion which has required considerable investment and financial support.

There are four main programmes:

Level Best: planning documents which enable teachers to better understand and meet the demands of the National Curriculum for pupils in the primary age range.

SoundWorks: a phonic-based early literacy programme delivered by assistants to provide 5 - 8 year olds with an effective understanding of the English writing system. Development on an associated programme, **NumberWorks** commenced during the year.

Teletutoring: tutoring children in hospital, school and at home via electronic communication.

TeleWeb: a focused electronic network enabling communication from hospital or home by children who find themselves isolated and for whatever reason are unable to attend a place of formal learning.

The Trust would not be able to proceed without the continued support of our donors, members and staff.

FINANCIAL REVIEW

Substantial donations and loans by individuals and charitable trusts were received in this period and are being used to meet the cost of production and management of various projects.

Funds available at 31st March 1997 are sufficient to permit the Trust to continue in operation and fund its projects. Given the continued support of our donors our objects should be satisfied.

FUTURE DEVELOPMENTS

The Trust has been developing various projects in particular **SoundWorks** Early Literacy Programme, the initial stages of **NumberWorks** Early Numeracy Programme, Level Best Science 1 & 2 and increasing its experience of distance learning courses using communication technologies.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1997

REPORT OF THE COUNCIL MEMBERS.....CONTINUED

THE COUNCIL OF MEMBERS

Lord Young of Dartington (President) - Founder of the Consumer Association, National Extension College and other educational and social organisations including The Open School Trust.

Jim Knight (Chairman) - Member of the British Institute of Management, fellow of the RSA and education and Management Consultant

Christopher Hope (Deputy Chairman) - Consultant in electronic and multimedia strategy.

Guy Eastman ACA (appointed 17.10.96) - Director of Granville Private Equity Limited and several other companies.

Lynette Gribble - Director of The Open School Trust.

Avrille Close (resigned 10.9.97) - Education Consultant, working with schools colleges and universities.

Douglas Close (resigned 10.9.97) - consultant specialising in quality management. OFSTED & HEFE inspector.

Derek Esp (resigned 6.5.97) - Chair of the Society of Education Consultants and OFSTED inspector.

Don Foster MP - Employment and Education Spokesman for the Liberal Democrats.

Kirsteen Tait (resigned 6.5.97) - Director of the National Association for the Education of Sick Children.

Inder Gera (appointed 17.10.96) - OFSTED Inspector.

The following Council Members have subsequently been appointed:

Susan Froud (appointed 10.9.97) - Fellow of the Institute of Chartered Management Accountants. Local Trustee.

Marcy Heywood (appointed 23.10.97) - Dyslexia tutor.

STATEMENT OF COUNCIL MEMBERS RESPONSIBILITIES

Company law requires the Council members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the surplus or deficit of the Trust for that period.

In preparing those financial statements, the Council members are required to:

- (i) Select suitable accounting policies and then apply them consistently.
- (ii) Make judgements and estimates that are reasonable and prudent.
- (iii) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue to fulfill its objects.

The Council members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Trust and to enable them to ensure that the financial statements comply with the Companies Act 1985.

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

AUDITORS

The Auditors, Prentis & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report, which has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, was approved by the Council of Members on 21st January 1998 and signed on its behalf.



 P GRIFFIN
 COMPANY SECRETARY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1997

AUDITORS REPORT TO THE COUNCIL OF MEMBERS

We have audited the financial statements on pages 3 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF THE COUNCIL OF MEMBERS AND AUDITORS

As described on page 2, the Trust's Council of Members are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards 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 Council members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Trust'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 Trust's affairs at 31st March 1997 and of its financial activities and net outgoing resources for the year then ended, and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



PRENTIS & CO

CHARTERED ACCOUNTANTS
& REGISTERED AUDITORS

115c Milton Road
Cambridge
CB4 1XE

22nd January 1998

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1997

STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Restricted Funds 1997 £	Unrestricted Funds 1997 £	Total 1997 £	Total 1996 £
INCOME AND EXPENDITURE					
INCOMING RESOURCES					
Grants	2	86242	17378	103620	136752
Deferred income		-	-	-	(32500)
Sales	3	-	89976	89976	54333
Investment income	4	-	978	978	765
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL INCOMING RESOURCES		86242	108332	194574	159350
		<hr/>	<hr/>	<hr/>	<hr/>
RESOURCES EXPENDED					
Direct charitable expenditure	5	84694	83717	168411	62809
Fundraising and publicity	6	-	18728	18728	8059
Management and administration of the Trust	7	1548	68510	70058	44637
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL RESOURCES EXPENDED		86242	170955	257197	115505
		<hr/>	<hr/>	<hr/>	<hr/>
NET (OUTGOING)/INCOMING RESOURCES FOR THE YEAR	8	-	(62623)	(62623)	43845
		<hr/>	<hr/>	<hr/>	<hr/>
Fund balance at 1.4.96		7013	52093	59106	15261
		<hr/>	<hr/>	<hr/>	<hr/>
Fund balance at 31.3.97		7013	(10530)	(3517)	59106
		<hr/>	<hr/>	<hr/>	<hr/>

STATEMENT OF RECOGNISED GAINS AND LOSSES

There were no recognised gains or losses for 1997 or 1996 other than those included in the Statement of Financial Activities.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1997

BALANCE SHEET

	Notes	1997		1996	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9		8080		13706
CURRENT ASSETS					
Debtors	10	8084		28240	
Cash at bank and in hand		47800		26390	
Stock		27847		33523	
		—		—	
		83731		88153	
CREDITORS: amounts falling due within one year	11	10328		42753	
		—		—	
Net Current Assets			73403		45400
			—		—
Total assets less current liabilities			81483		59106
CREDITORS: amounts falling due after one year	12		(85000)		-
			—		—
NET (LIABILITIES)/ASSETS			(3517)		59106
			—		—
RESERVES	13				
Restricted funds	14		7013		7013
Unrestricted funds			(10530)		52093
			—		—
			(3517)		59106
			—		—

The financial statements which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved by the Council of members on 21st January 1998 and signed on its behalf.


 G. EASTMAN
 COUNCIL MEMBER

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1997

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

(a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared under the historical cost convention and include the results of the Trust's operations, which are described in the Council of Members Report, and all of which are continuing. The Trust has prepared the financial statements in compliance with Statement of Recommended Practice on Charity Accounts.

(b) INCOME

Income represents grants received, fees, Royalties and sundry publication sales.

(c) DEPRECIATION

Depreciation is provided on all tangible fixed assets at rates calculated to write-off the costs less estimated residual value of each asset over its expected useful life as follows:

Fixtures fittings and equipment - over 3 years

(d) STOCKS AND WORK IN PROGRESS

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

(e) GRANTS RECEIVABLE

Grants received are allocated to the financial period which they are received, unless they are restricted as to the time period in which they can be used.

(f) CASH FLOW STATEMENTS

The Trust, being a company of small size within the meaning of the Companies Act 1985, has used the exemption provided by Financial Reporting Standard No: 1 under which they are not required to include a cash flow statement as part of their financial statements.

(g) VALUE ADDED TAX

Value added tax is not recoverable by the Trust, and as such is included in the relevant costs in the Statement of Financial Activities.

(h) EXPENDITURE ON MANAGEMENT AND ADMINISTRATION OF THE TRUST

Administration expenditure includes all expenditure not directly related to the charitable activity or fundraising ventures. This includes costs of renting and running office premises, staff salaries for administrative staff and audit fees.

2. GRANTS

Grants during the year represent monies received to cover the setting up and running and staffing of courses designed to improve learning. Monies received were as follows:

	£
Lord Ashdown Trust	1000
Elmgrant Trust	1000
The Economist	250
J J Charitable Trust	10000
Esme Fairbairn Trust	40194
Avenue Trust	6000
L Gribble	10738
Dartington Hall Trust	750
Others	1188
TSB carried forward	12500
Tredwell carried forward	20000
	<hr/>
	103620
	<hr/>

3. SALES

Sales represent complete distance learning courses, sold to educational establishments and individuals.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1997

NOTES TO THE FINANCIAL STATEMENTS

4.	INVESTMENT INCOME	1997 £	1996 £
	Bank interest received	978	765
		<hr/>	<hr/>
5.	DIRECT CHARITABLE EXPENDITURE	1997 £	1996 £
	Project expenditure	127918	45838
	Royalties	4115	3843
	Printing	12931	13128
	Salaries	23447	-
		<hr/>	<hr/>
		168411	62809
		<hr/>	<hr/>
6.	FUNDRAISING AND PUBLICITY COSTS	1997 £	1996 £
	Advertising and exhibitions	18728	8059
		<hr/>	<hr/>
7.	MANAGEMENT AND ADMINISTRATION	1997 £	1996 £
	Salaries	27115	5556
	Property expenses and rent	5333	1983
	Telephone	2871	3583
	Printing, stationery and advertising	13100	15313
	Conference expenses	1735	550
	Travel and entertainment	3710	1378
	Postage	3946	4492
	Books	612	602
	Sundry expenses	256	578
	Bank charges and interest	178	264
	Insurance	818	1534
	Professional fees	955	-
	Audit and accountancy	1410	1152
	Depreciation	8019	7652
		<hr/>	<hr/>
		70058	44637
		<hr/>	<hr/>
8.	NET (OUTGOING)/INCOMING RESOURCES	1997 £	1996 £
	This is stated after charging:		
	Depreciation owned assets	8019	7652
	Auditors remuneration	1410	1152
		<hr/>	<hr/>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1997

NOTES TO THE FINANCIAL STATEMENTS

9. TANGIBLE ASSETS		Fixtures/ Fittings & Equipment £	
COST			
Balance at 1.4.96			49313
Additions			2393
			<hr/>
Balance at 31.3.97			51706
			<hr/>
DEPRECIATION			
Balance at 1.4.96			35607
Charge for the year			8019
			<hr/>
Balance at 31.3.97			43626
			<hr/>
NET BOOK VALUE at 31.3.97			8080
			<hr/>
NET BOOK VALUE at 31.3.96			13706
			<hr/>
10. DEBTORS		1997	1996
- Due within one year		£	£
Trade debtors		7661	6489
Prepayments and accrued income		423	21751
		<hr/>	<hr/>
		8084	28240
		<hr/>	<hr/>
11. CREDITORS		1997	1996
- Due within one year		£	£
Trade creditors		10328	10253
Accruals and deferred income		-	32500
		<hr/>	<hr/>
		10328	42753
		<hr/>	<hr/>
12. CREDITORS		1997	1996
- Due after one year		£	£
Loans		85000	-
		<hr/>	<hr/>

The terms of the loan is that £10000 be repaid on 30th September 1999, and thereafter in half yearly instalments and the balance including any interest on 31st December 2003. Interest is chargeable on defaulted instalments at 2% above bank rate. The amount due after 5 years is £20000 repayable in instalments.

The loan is unsecured, and the lender has the option to vary the repayments and interest in the Trust's favour.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1997

NOTES TO THE FINANCIAL STATEMENTS

13. ANALYSIS BETWEEN FUNDS

	Restricted £	Unrestricted £	Total £
Tangible fixed assets	-	8080	8080
Net current assets	7013	66390	73403
Creditors due after one year	-	(85000)	(85000)
	<hr/> 7013	<hr/> (10530)	<hr/> (3517)

14. RESTRICTED FUNDS

The Open School Trust commenced trading having previously been run as a project by the Institute of Community Studies. The opening bank balance from a prior project surplus is treated as a Capital Reserve.

15. LIABILITY OF TRUST MEMBERS

In the event of the Trust being wound-up, the liability of the Members is limited to £1.

16. STAFF

	1997 £	1996 £
Total emoluments for all employees was	50562	5556
No. of employees on average during the year was	<hr/> 4	<hr/> 2

No employee's emoluments exceeded £40000.

Total emoluments paid to Trustees was £14989 in the year and £1594 was reimbursed as Trustee expenses.