

**OPEN SCHOOL TRUST**  
**COUNCIL MEMBERS' ANNUAL REPORT AND ACCOUNTS**  
**YEAR ENDED 30TH JUNE 2014**  
**COMPANY REG. NO. 2438525**  
**CHARITY NO. 328414**

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OPEN SCHOOL TRUST

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2014

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2014

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS

REGISTRATION NUMBER: 2438525 (Company limited by guarantee)

CHARITY NUMBER: 328414

COUNCIL MEMBERS: J.A. Dodds (Chairperson)  
G. Rumble (Vice Chairperson)  
S.E. Carlton  
P. Lavender  
R. Morpeth  
R. Dorrance  
C. Calloway

CHIEF EXECUTIVE OFFICER: R. Morpeth

REGISTERED OFFICE 115c Milton Road  
Cambridge  
CB4 1XE

OPERATIONAL ADDRESS: The Michael Young Centre  
Purbeck Road  
Cambridge  
CB2 8HN

AUDITORS: Prentis & Co LLP  
Chartered Accountants & Statutory Auditors  
115c Milton Road  
Cambridge  
CB4 1XE

BANKERS: National Westminster Bank  
Kings Parade Branch  
10 Benet Street  
Cambridge  
CB2 3PU

SOLICITORS: King & Co  
238 High Street  
Cottenham  
Cambridge  
CB4 8RZ

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2014

## COUNCIL MEMBERS' ANNUAL REPORT

The Open School Trust (registered charity 328414) was incorporated in November 1989 with an object to promote education for the benefit of the public. The Open School Trust was dormant from 2003 to 2011 and was revived to take the National Extension College (NEC) out of the administration of the Learning and Skills Network. The Open School Trust took over the assets and the liabilities of the NEC on 16<sup>th</sup> December 2011 and has been running the college as a going concern. The Open School Trust continues to use the trading name National Extension College (NEC). The financial statements cover the 12 months of trading to 30<sup>th</sup> June 2014.

The Council Members, who are also directors of the charity for the purposes of the Companies Act, present their Council Members' Annual Report and the audited financial statements for the year ended 30<sup>th</sup> June 2014. The Council Members have adopted the provisions of the Statement of Recommended Practice (SORP), "Accounting and Reporting Charities", issued in March 2005 in preparing the Council Members' Annual Report and financial statements of the charity.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity is constituted as a company limited by guarantee, and is therefore governed by a Memorandum and Articles of Association. All directors of the company are also council members of the charity, there are no other members and all council members named on page 1 served during the year. Council members have the power to appoint additional members as it considers fit to do so.

Council Members guide overall policy through regular meetings of the council. Day to day running of the charity is dealt with through an executive board leading various departments responsible for specific functions. The executive board work to clearly laid down delegated powers of authority. Experts and tutors are engaged when required to provide the support and development of services.

Council Members are responsible for the management of the risks faced by the charity. Risks are identified and assessed and controls established throughout the year. However, significant new ventures, for example new capital projects or new products, are subject to a risk analysis by the council members before they are approved. Council members make a distinction between those initiatives which are subject to normal commercial practices and those which are subject to Government policy. In both cases, Open School Trust conforms to the legislative framework.

The Members of Council's investment powers are governed by the Trust Deed which permits Open School Trust to invest the monies of the Trust not immediately required for its purposes in such ways as the Trust shall in its absolute discretion think fit.

The Trust maintains a Register of Interests and trustees and senior executive managers are required to declare annually, and whenever they may arise, any interest which may be perceived as being likely to interfere with the exercise of independent judgement.

There is a formal policy for the training of new trustees. This consists of a background information pack, briefing sessions with the Chair and Chief Executive Officer and attendance at trustee training events if requested or required, bearing in mind their experience and particular skills that may be available.

## OBJECTIVES AND ACTIVITIES

The Charity's object is that of promoting education for the benefit of the public and to provide or assist in providing both adults and children with sound general and specialised education and training. Our mission is "to widen learning opportunities for all by creating and promoting alternative modes of study for those who do not follow traditional educational routes".

The principal activities of the Charity during the year were the provision of education for adults through distance learning courses and by publishing training and learning materials.

## ACHIEVEMENTS, PERFORMANCE AND PUBLIC BENEFIT

The trustees took measures in the 2012/13 financial year to stabilise the College by further reducing the cost base and improving the IT infrastructure. The impact of these actions has had a positive effect on the 2013/14 financial year. The income from student enrolments has held up well bringing in an increase of 5.6% income (from £946K to £999K). The increase has been due to improvements in marketing along with a significant number of former students re-enrolling or recommending NEC to friends and family. NEC has always had a high percentage of individual enrolments but this year has seen an increase in the number of students who are sponsored by a charity or by an employer.

There is a tension in our economic and education environment because the need is for an increasingly skilled and highly educated workforce while the opportunities for adults to gain those skills and qualifications are diminishing. NEC has a strong role to play in opening up access to people who need the essential GCSE, A Level or vocational qualifications to change career or to move into higher education or a professional qualification. Many of our students say that NEC is a lifeline for them because it offers the flexibility they need when they are juggling work with family responsibilities or are just not able to get to a local college because of a disability or other circumstances. Although NEC is a small charity, our work has a big impact on the lives of other students.

This reinforces the trustees' commitment to delivering a high quality service right through from accurate pre-enrolment advice to the development of appropriate course materials and the interaction between students and tutors. The GCSE and A Level Exam results for NEC students, which are higher than the national average, suggest that the attention to quality is worthwhile.

NEC has also received a grant from the Nominet Trust to develop an innovative project called 'The Open School in a Box' (OSB). The box is able to deliver learning resources and interactive course materials in situations where it is not possible to access the internet. The OSB has been trialled in a number of settings like a pupil referral unit, the army, a care home and has potential to open up access for students in remote places.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2014

## COUNCIL MEMBERS' ANNUAL REPORT

The redevelopment of NEC's IT infrastructure has continued in this financial year with a new VOIP phone system and a new customer relationship management system which will link in to a Moodle learning platform.

NEC's achievement of re-establishing the College, after coming out of LSN's administration in 2011, and supporting the 7000 students it inherited to the end of their courses has been recognised by the Times Education Supplement who gave the Chief Executive, Ros Morpeth, the Further Education Leader of the Year award in February 2014.

The College continues to benefit from the goodwill and pro bono support from former staff and trustees.

The changes to the National Curriculum will require considerable investment over the next 2-3 years but the performance over the last financial year puts the College in a stronger position to meet the challenge.

## PUBLIC BENEFIT

The Trustees confirm that they have complied with the duty of section 4 of the Charities Act 2011 relating to public benefit and have considered the Charities Commission specific public benefit guidance on education, which forms the basis of the following review.

The Charities Act 2011 (Section 2 of Part 1) identifies "the advancement of education" as a public benefit and states that to advance education "means to promote, sustain and increase individual and collective knowledge and understanding of specific areas of study, skills and expertise".

There is clear commonality with this and the Trust's mission. The Trust's strategic objectives, which are kept under constant review, also support this mission. The Trust mainly works with individuals to achieve the advancement of education.

Additionally the Trust is involved in a programme of improvement in delivery to ensure that education is brought to all people whatever their background in the most attractive and appropriate way. Our work also involves keeping our courses and resources up to date in a wide range of curriculum areas.

The Trustees' report also outlines our achievements in the area of education during the year.

## FINANCIAL REVIEW

The principal sources of funding are through the sale of courses, publications and grant income.

Net incoming resources for the year amount to £72,887 (2013 deficit of £109,720). The result is shown on page 7.

## STATEMENT OF MEMBERS OF COUNCIL RESPONSIBILITIES

The Members of Council are required by company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that year. In preparing those financial statements the Member's of Council are required to:

- (a) Select suitable accounting policies and then apply them consistently;
- (b) Make judgements and estimates that are reasonable and prudent;
- (c) Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue in operation.
- (d) State whether the policies adopted are in accordance with the Companies Act 2006 and with applicable accounting standards and statements of recommended practice, subject to any material departures disclosed and explained in the financial statements;
- (e) Observe the methods and principles of the Charities SORP

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

The Member's of Council 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.

The Member's of Council confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2014

COUNCIL MEMBERS' ANNUAL REPORT

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each of the persons who are Member's of Council at the time when the Council Members' report is approved:

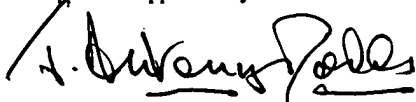
- (a) So far as the Member's of Council are aware, there is no relevant audit information (information needed by the Charity's auditors in connection with preparing their report) of which the Charity's auditors are unaware, and
- (b) Each Member of Council has taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Amounts are presented within items in the statement of financial activities and balance sheet in accordance with generally accepted accounting principles or practice, the Council Members having had regard to the substance of the reported transaction or arrangement.

The Auditors, Prentis & Co LLP, will be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006.

APPROVAL

This report was approved by the Council of Trustees and signed on its behalf, on



14/11/2014

CHAIR OF THE COUNCIL OF TRUSTEES  
J. A. DODDS

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2014

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF OPEN SCHOOL TRUST

We have audited the financial statements of Open School Trust for the year ended 30 June 2014 which comprise of the Statement of Financial Activities, 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 charity's Council 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 Council 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 charity and the charity's Council Members as a body, for our audit work, for this report or for the opinions we have formed.

## RESPECTIVE RESPONSIBILITIES OF COUNCIL MEMBERS AND THE AUDITORS

As explained more fully in the Council Members' responsibilities statement in the Council Member's Annual Report, the Member's of Council (who are also 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 an 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 (APB's) Ethical Standards for Auditors, including "APB Ethical Standards - Provisions Available for Small Entities (Revised)", in the circumstances set out in note 5 to the financial statements.

## 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 Member's of Council; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Council Member's Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

## OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30th June 2014, 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Council Member's Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2014

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF OPEN SCHOOL TRUST

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.



IAN SHIPLEY FCCA (SENIOR STATUTORY AUDITOR)  
FOR AND ON BEHALF OF  
PRENTIS & CO LLP  
CHARTERED ACCOUNTANTS  
& STATUTORY AUDITORS  
115c Milton Road  
Cambridge  
CB4 1XE

15 December 2014



## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2014

## STATEMENT OF FINANCIAL ACTIVITIES

	Notes	2014 Restricted £	2014 Unrestricted £	2014 Total £	2013 Total £
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds</b>					
Investment Income	2	-	776	776	118
<b>Incoming resources from charitable activities</b>					
Fees		-	999,193	999,193	946,265
Publications		-	36,517	36,517	34,079
Grants	3	48,575	-	48,575	-
Other Income		-	7,181	7,181	18,376
<b>Total Incoming Resources</b>		<u>48,575</u>	<u>1,043,667</u>	<u>1,092,242</u>	<u>998,838</u>
<b>RESOURCES EXPENDED</b>					
<b>Costs of generated funds</b>					
Fundraising Costs		-	11,889	11,889	-
<b>Charitable activities</b>					
Fees	4	-	866,671	866,671	1,029,164
Publications	4	-	54,969	54,969	54,916
Grants	4	65,015	-	65,015	-
Governance Costs	4	-	20,811	20,811	24,478
<b>Total Resources Expended</b>		<u>65,015</u>	<u>954,340</u>	<u>1,019,355</u>	<u>1,108,558</u>
<b>Net movement in funds before transfers between funds</b>	5	(16,440)	89,327	72,887	(109,720)
<b>Transfers between funds</b>		-	-	-	-
<b>Net movement in funds after transfers between funds</b>		(16,440)	89,327	72,887	(109,720)
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		17,916	64,304	82,220	191,940
<b>Total funds carried forward</b>		<u>1,476</u>	<u>153,631</u>	<u>155,107</u>	<u>82,220</u>

None of the charitable company's activities were acquired or discontinued during the year and there were no recognised gains and losses for 2014 or 2013 other than those included in the Statement of Financial Activities.

The notes on pages 9 to 14 form part of these financial statements.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2014

## BALANCE SHEET

	Notes	2014 £	£	2013 £	£
<b>FIXED ASSETS</b>					
Tangible assets	8		23,189		69,750
Intangible assets	9		271,050		286,108
			<u>294,239</u>		<u>355,858</u>
<b>CURRENT ASSETS</b>					
Stocks	10	5,822		5,615	
Debtors	11	55,809		121,429	
Cash at bank and in hand		60,158		25,775	
		<u>121,789</u>		<u>152,819</u>	
<b>CREDITORS: Amounts falling due within one year</b>	12	(154,132)		(274,557)	
<b>NET CURRENT LIABILITIES</b>			(32,343)		(121,738)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>261,896</u>		<u>234,120</u>
<b>CREDITORS: Amounts falling due after one year</b>	12		-		(37,500)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	13		(106,789)		(114,400)
<b>NET ASSETS</b>			<u>155,107</u>		<u>82,220</u>
<b>FUNDS</b>					
Restricted Funds			1,476		-
Unrestricted Funds			153,631		82,220
	14		<u>155,107</u>		<u>82,220</u>

The financial statements were approved by the Council of Trustees on  
and signed on its behalf by



14/11/2014

CHAIR OF THE COUNCIL OF MEMBERS  
J. A. DODDS

The notes on pages 9 to 14 form part of these financial statements.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2014

## NOTES TO THE FINANCIAL STATEMENTS

## 1. ACCOUNTING POLICIES

The principle accounting policies are summarised below. The accounting policies have been applied consistently through the year and the preceding year.

## (a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007), the Companies Act 2006 and follow the recommendations in "Statement of Recommended Practice: Accounting and Reporting by Charities" (SORP 2005).

## (b) GOING CONCERN

The financial statements have been prepared on a going concern basis. This may not be appropriate because at 30th June 2014 the charitable company's current liabilities exceeded its current assets by £32,343 (2013: £121,738)

Early management accounts and budgets for the following year indicate the measures taken are benefiting the charity in terms of both lowering costs and increasing income. With the improved trading position together with the continuing positive cash flows, the Council Members consider it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustment that would result from the going concern basis being inappropriate.

## (c) COMPANY STATUS

The company is a company limited by guarantee. The members of the company are the Council Members named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

## (d) FUND ACCOUNTING

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are subject to restrictions on their expenditure imposed by the donor or terms of an appeal.

## (e) INCOMING RESOURCES

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the money and the amounts can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- All fee income represents the invoiced value of services and goods net of Value Added Tax and discounts.

Because of the nature and advantage of distance learning there is no set length of a course. Courses can be undertaken in a matter of weeks or over a year, courses can be purchased simply for the material to support the material of other educators, and students can cease their studies permanently because of a number outside factors. Because of the above there is no reliable measure of the length of a course and timing of the income stream. Therefore the Charity considers it appropriate to recognise fee income where a course has been ordered.

- Grants received are credited in the year of receipt.

## (f) RESOURCES EXPENDED

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to that activity. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with the use of the resources.

- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

- Governance costs include all expenditure not directly related to the charitable activity or fundraising ventures. This includes an appropriate proportion of costs of renting and running office premises, staff salaries for administration staff and audit fees.

- To the extent that grants are received for specific projects, the relevant expenditure is allocated to that project. Any expenditure in excess of the agreed grant is borne by the Charity.

- Irrecoverable Value Added Tax is charged as a cost to the Statement of Financial Activities.

## (g) FIXED ASSETS AND DEPRECIATION

The charity has a policy of capitalising fixed assets with a cost in excess of £250. 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:

Leasehold improvements	- 2 years straight line
Machinery and equipment	- 3 years straight line

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2014

## NOTES TO THE FINANCIAL STATEMENTS

## (h) INTANGIBLE FIXED ASSETS AND AMORTISATION

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the separable net assets. The trustees have estimated the economic life to be 20 years for which it will be amortised to the Statement of Financial Activities from 1 July 2012.

## (i) STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. Cost of course materials and publications includes materials, printing and other direct costs at cost price.

## (j) GOODS PURCHASED SUBJECT TO RESERVATION OF TITLE

Goods purchased subject to reservation of title are included within purchases and creditors.

## (k) PROVISIONS

A provision is included for the economic cost of educating students who fulfil the necessary conditions and who are supported until they successfully complete the course, within a period of eighteen months.

## (l) UNRESTRICTED FUNDS

The balance of the net income for the year shall be transferred annually to the Unrestricted Fund to the extent that it is not required to cover any designated purpose.

## (m) DEFERRED INCOME

Income is deferred when conditions for receipt have not or cannot be met usually due to contractual, licensing and the guarantee and refund policies of the charity.

## (n) FACTORED DEBT

Student debtors are factored with a factoring company, and the potential claim was £nil (2013: £50,000) at the end of the financial year, disclosed separately under creditors. No significant risk of the debt has been passed on.

2.	INVESTMENT INCOME				2014	2013
		Restricted	Unrestricted	Total	Total	
		£	£	£	£	
	Bank interest receivable	-	776	776	118	
3.	GRANT INCOME			2014	2013	
		Restricted	Unrestricted	Total	Total	
		£	£	£	£	
	Nominet	48,575	-	48,575	-	
4.	RESOURCES EXPENDED					
	(a) ANALYSIS OF TOTAL RESOURCES EXPENDED					
		Activities	Staff Costs			
		Undertaken	(Excluding	Other Direct	Support	
		Directly	Support)	Costs	Costs	
		£	£	£	£	
	Charitable Activities					
	Fees	191,704	343,860	8,199	322,908	866,671
	Publications	30,572	12,582	-	11,815	54,969
	Grants	65,015	-	-	-	65,015
	Total resources expended	287,291	356,442	8,199	334,723	986,655
						1,084,080

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2014

## NOTES TO THE FINANCIAL STATEMENTS

## RESOURCES EXPENDED...CONT.

## (b) ANALYSIS OF SUPPORT COSTS

	Fees £	Publishing £	Grants £	2014 Total £	2013 Total £
Postage and carriage	3,757	137	-	3,894	3,578
Staff costs	45,508	1,665	-	47,173	53,124
Office expenses	7,649	280	-	7,929	6,022
Computer and hardware expenses	34,345	1,257	-	35,602	68,564
Telephone	15,332	561	-	15,893	2,697
Depreciation and amortisation	59,444	2,175	-	61,619	61,473
Professional fees	38,766	1,419	-	40,185	83,284
Audit and accountancy	18,278	669	-	18,947	24,450
Bad debts	8,084	296	-	8,380	17,568
Other costs	722	26	-	748	393
Recruitment costs	92	3	-	95	-
Bank and credit card charges	13,558	496	-	14,054	14,932
Premises expenses	46,261	1,693	-	47,954	51,510
Advertising and marketing	31,112	1,138	-	32,250	41,325
	<u>322,908</u>	<u>11,815</u>	<u>-</u>	<u>334,723</u>	<u>428,920</u>

## (c) ANALYSIS OF GOVERNANCE COSTS

	2014 Total £	2013 Total £
Legal and professional	2,927	7,376
Audit and accountancy	9,473	9,261
Trustees expenses	2,411	1,841
Apportionment of premises costs	6,000	6,000
	<u>20,811</u>	<u>24,478</u>

## 5. NET INCOMING/(OUTGOING) RESOURCES

This is stated after charging:

	2014 £	2013 £
Auditors remuneration - Audit	9,473	9,261
- Other services	7,239	23,070
Amortisation of intangible fixed assets	15,058	15,058
Depreciation of tangible fixed assets	<u>46,561</u>	<u>46,415</u>

## MANAGEMENT THREAT IN RELATION TO NON-AUDIT SERVICES

In common with many other businesses of our size and nature we use our auditors to assist with the preparation of the financial statements.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2014

## NOTES TO THE FINANCIAL STATEMENTS

## 6. STAFF COSTS

	2014 £	2013 £
Staff costs comprised:		
Wages and salaries	356,726	385,770
Social security costs	28,080	34,810
Pension contributions	18,809	19,002
Restructuring costs	-	24,415
	<u>403,615</u>	<u>463,997</u>
The average weekly number of staff employed by the charity during the year were:	2014	2013
Charitable activities	16	16
Management and Administration	2	2
	<u>18</u>	<u>18</u>

The number of employees whose emoluments (salaries and pension contributions) exceeded £60,000 was nil (2013: nil).

Trustees received no remuneration in the year (2013 - £nil). Trustee expenses reimbursed during the year were £2,411 (2013 - £1,841).

## 7. TAXATION

As a charity, Open School Trust is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the year.

## 8. TANGIBLE FIXED ASSETS

	Leasehold Improvement £	Equipment & Software £	Total £
COST OR VALUATION			
Balance at 1st July 2013 and 30th June 2014	<u>58,981</u>	<u>64,628</u>	<u>123,609</u>
DEPRECIATION			
Balance at 1st July 2013	33,963	19,896	53,859
Charge for the year	25,018	21,543	46,561
Balance at 30th June 2014	<u>58,981</u>	<u>41,439</u>	<u>100,420</u>
NET BOOK VALUE as at 30th June 2014	-	23,189	23,189
NET BOOK VALUE as at 30th June 2013	<u>25,018</u>	<u>44,732</u>	<u>69,750</u>

All the tangible assets are held for the charity's use.

## 9. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
Balance at 1st July 2013 and 30th June 2014	<u>301,166</u>
AMORTISATION	
Balance at 1st July 2013	15,058
Charge for the year	15,058
Balance at 30th June 2014	<u>30,116</u>
NET BOOK VALUE as at 30th June 2014	<u>271,050</u>
NET BOOK VALUE as at 30th June 2013	<u>286,108</u>

## 10. STOCKS

	2014 £	2013 £
Finished goods and goods for resale	<u>5,822</u>	<u>5,615</u>

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2014

## NOTES TO THE FINANCIAL STATEMENTS

11.	DEBTORS	2014 £	2013 £
	Due within one year:		
	Trade debtors	30,082	84,830
	Prepayments and accrued income	25,727	36,599
		<u>55,809</u>	<u>121,429</u>
12.	CREDITORS: DUE WITHIN ONE YEAR	2014 £	2013 £
	Trade creditors	84,727	102,637
	Other creditors	40,000	90,114
	Accruals and income received in advance	29,405	31,806
	Factor company obligations	-	50,000
		<u>154,132</u>	<u>274,557</u>

Factor obligations are secured on the student debtors' ledger.

	CREDITORS: DUE AFTER MORE THAN ONE YEAR	2014 £	2013 £
	Other creditors	-	37,500
13.	PROVISIONS FOR LIABILITIES AND CHARGES	2014 £	2013 £
	Balance at 1st July 2013	114,400	141,161
	Movement in provision	(7,611)	(26,761)
	Balance at 30th June 2014	<u>106,789</u>	<u>114,400</u>

The provision relates to course fees and tutorial costs. As the Charity accepts students on a regular basis it is expected that the provision will be in line with student numbers. The provision is calculated on the economic cost to the charity of supporting students to successful completion of their course up to an eighteen month period from commencement of the course.

14.	STATEMENT OF FUNDS	Brought Forward £	Incoming Resources £	Resources Expended £	Transfer Between Funds £	Carried Forward £
	UNRESTRICTED FUNDS					
	General funds	<u>64,304</u>	<u>1,043,667</u>	<u>(954,340)</u>	-	<u>153,631</u>
	RESTRICTED FUNDS					
	Eileen Sellars fund	17,916	-	(16,440)	-	1,476
	Nominet	-	48,575	(48,575)	-	-
		<u>17,916</u>	<u>48,575</u>	<u>(65,015)</u>	-	<u>1,476</u>
	TOTAL FUNDS	<u>82,220</u>	<u>1,092,242</u>	<u>(1,019,355)</u>	-	<u>155,107</u>

Eileen Sellars Fund - This fund represents monies received from the estate of the late Eileen Sellars to help towards supporting disadvantaged students by supporting their fees.

Nominet - This fund represents monies received towards the development of the "Open School in a Box" project.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2014

## NOTES TO THE FINANCIAL STATEMENTS

## 15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds £	Unrestricted Funds £	2014 Total Funds £	2013 Total Funds £
Tangible fixed assets	-	23,189	23,189	69,750
Intangible fixed assets	-	271,050	271,050	286,108
Current assets	1,476	120,313	121,789	152,819
Creditors due within one year	-	(154,132)	(154,132)	(274,557)
Creditors due after one year	-	-	-	(37,500)
Provision for liabilities	-	(106,789)	(106,789)	(114,400)
	<u>1,476</u>	<u>153,631</u>	<u>155,107</u>	<u>82,220</u>

## 16. RELATED PARTY TRANSACTIONS

In the year R. Morpeth provided the charity with a short term loan of £30,000 to help aid the cash flow of Open School Trust during the summer of 2013. The loan was lent with an agreed interest rate payable to R.Morpeth of 3.8% and under a formal loan agreement.

At the balance sheet date an amount of £nil (2013: £35,114) was owed to R.Morpeth with all amounts owing in the year having been repaid in October 2013.