

THE OPEN SCHOOL TRUST LTD
COUNCIL MEMBERS' ANNUAL REPORT AND ACCOUNTS
YEAR ENDED 30TH JUNE 2013
COMPANY REG. NO. 2438525
CHARITY NO. 328414

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OPEN SCHOOL TRUST LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2013

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2013

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 S.E Carlton P. Lavender R. Morpeth	
CHIEF EXECUTIVE OFFICER	R. Morpeth	
REGISTERED OFFICE	115c Milton Road Cambridge CB4 1XE	
OPERATIONAL ADDRESS	The Michael Young Centre Building 9 - Unit 9E Homerton Business 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 2013

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 out of the administration of the Learning and Skills Network. The Open School Trust took over the assets and the liabilities of the National Extension College on 16th December 2011 and has been running the college as a going concern. The financial statements cover the 12 months of trading to 30th June 2013.

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 30th June 2013. 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, the Open School Trust conforms to the legislative framework.

The Members of Council's investment powers are governed by the Trust Deed which permits the 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 and young people through distance learning courses and by publishing training and learning materials.

ACHIEVEMENTS, PERFORMANCE AND PUBLIC BENEFIT

The Trustees anticipated that the 2012/13 financial year would be a challenging year with the need to combine high quality student support with essential investment in the IT infrastructure, an office move and marketing. The grant from SFA of £250K received in the previous financial year to support 7000 students which the Open School Trust took out of LSN's administration was expended on student service and tutorial support throughout the year. The remaining contracts for these students will finish in November 2013.

The level of enrolments have held up well throughout the year, despite the difficult economic climate, and it was gratifying that 20% of enrolments came from students who were re-enrolling and a significant number of students came from a personal recommendation or through a referral from another educational provider. There is a high level of student satisfaction with the quality of the service NEC provides to its students and this is evidenced in the exam success of the students taking GCSE and A level exams which was higher than the national average.

When the Open School Trust took NEC out of administration in December 2011, it was aware that the IT infrastructure was not fit for purpose and presented a high risk to the business. The focus in this financial year has been a programme to replace the ageing IT systems and this has almost been achieved with the development of a new website with e-commerce capability and a new finance system. Along with the investment in IT has been a relocation of the main office which has entailed refurbishment costs and there has been additional restructuring to reduce the cost base.

The College benefits from a substantial amount of good will and pro-bono support from staff and trustees.

The measures taken during this financial year will take the College into the next financial year with a lower cost base and a more robust infrastructure.

In the next two to three years investment will be needed to support the revisions to the national curriculum. The College will need to strengthen its management and educational expertise and has launched a fundraising campaign to build capacity for long term sustainability.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2013

COUNCIL MEMBERS' ANNUAL REPORT

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 outgoing resources for the year amount to £109,720 (2012 surplus of £191,940). The result is shown on page 5

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

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

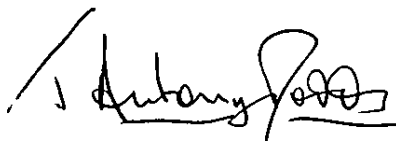
- (a) So far as the Member's of Council are aware, there is no relevant audit information (information needed by the Charity's auditors in connection with preparing their report) of which the Charity's auditors are unaware, and
- (b) Each Member of Council has taken all steps they ought to have taken 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 15th November 2013



CHAIR OF THE COUNCIL OF TRUSTEES
J A DODDS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2013

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

We have audited the financial statements of The Open School Trust Limited for the year ended 30 June 2013 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 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 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. 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

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 2013, and of its outgoing 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.

EMPHASIS OF MATTER - GOING CONCERN

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the charitable company's ability to continue as a going concern. The charitable company incurred a net deficit of £109,720 during the year ended 30 June 2013 and, at that date, the charitable company's current liabilities exceeded its current assets by £121,738. As explained in note 1 to the financial statements the Council Members have put in place a number of measures to improve the financial position of the charity which appear to have a initial positive impact. However the level of net current liabilities and overall level of liabilities indicate the existence of a material uncertainty which may cast significant doubt about the charitable company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the charitable company was unable to continue as a going concern.

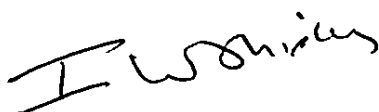
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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

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

25th March 2014

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2013

STATEMENT OF FINANCIAL ACTIVITIES

	Notes	2013 Restricted £	2013 Unrestricted £	2013 Total £	2012 (6 months) Total £
INCOMING RESOURCES					
Incoming resources from generated funds					
Investment Income	2	-	118	118	-
Incoming resources from charitable activities					
Fees		-	946,265	946,265	470,461
Publications		-	34,079	34,079	79,406
Grants	3	-	-	-	250,000
Other Income		17,916	460	18,376	670
Total Incoming Resources		17,916	980,922	998,838	800,537
RESOURCES EXPENDED					
Charitable activities					
Fees	4	-	1,032,601	1,032,601	436,756
Publications	4	-	55,040	55,040	54,749
Grants	4	-	-	-	100,763
Governance Costs	4	-	20,917	20,917	16,329
Total Resources Expended		-	1,108,558	1,108,558	608,597
Net movement in funds	5	17,916	(127,636)	(109,720)	191,940
RECONCILIATION OF FUNDS					
Total funds brought forward		-	191,940	191,940	-
Total funds carried forward		17,916	64,304	82,220	191,940

None of the charitable company's activities were acquired or discontinued during the year and there were no recognised gains and losses for 2013 or 2012 other than those included in the Statement of Financial Activities

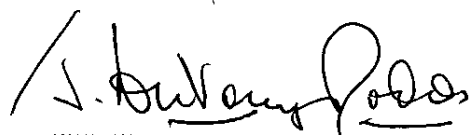
The notes on pages 8 to 13 form part of these financial statements

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2013

BALANCE SHEET

	Notes	2013 £	2012 £
FIXED ASSETS			
Tangible assets	8	69,750	78,498
Intangible assets	9	286,108	301,166
		<u>355,858</u>	<u>379,664</u>
CURRENT ASSETS			
Stocks	10	5,615	9,794
Debtors	11	121,429	132,232
Cash at bank and in hand		25,775	205,800
		<u>152,819</u>	<u>347,826</u>
CREDITORS. Amounts falling due within one year	12	<u>(274,557)</u>	<u>(314,389)</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(121,738)</u>	<u>33,437</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>234,120</u>	<u>413,101</u>
CREDITORS: Amounts falling due after one year	12	<u>(37,500)</u>	<u>(80,000)</u>
PROVISIONS FOR LIABILITIES AND CHARGES	13	<u>(114,400)</u>	<u>(141,161)</u>
NET ASSETS		<u>82,220</u>	<u>191,940</u>
FUNDS			
Restricted Funds		17,916	-
Unrestricted Funds		64,304	191,940
	14	<u>82,220</u>	<u>191,940</u>

The financial statements were approved by the Council of Trustees on 15th November 2013 and signed on its behalf by



CHAIR OF THE COUNCIL OF MEMBERS
J A DODDS

The notes on pages 8 to 13 form part of these financial statements.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2013

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 the charitable company has made a significant deficit for the year and at 30th June 2013 the charitable company's current liabilities exceeded its current assets by £121,738.

To ensure the continued viability and success of the charity during the year the Council Members embarked on a number of significant restructuring and IT projects designed to reduce the cost base and improve profitability. These measures have contributed to the majority of the deficit incurred and depletion of cash reserves.

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 cash flow benefits of factoring debts and the predictable timing of cash flows from course fees, 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 of 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 2013

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 £50,000 (2012 £53,475) at the end of the financial year, disclosed separately under creditors. No significant risk of the debt has been passed on.

2	INVESTMENT INCOME	Restricted £	Unrestricted £	2013 Total £	2012 (6 months) Total £		
	Bank interest receivable	-	118	118	-		
3	GRANT INCOME	Restricted £	Unrestricted £	2013 Total £	2012 (6 months) Total £		
	Skills Funding Agency (administered through NIACE)	-	-	-	250,000		
4	RESOURCES EXPENDED						
	(a) ANALYSIS OF TOTAL RESOURCES EXPENDED						
		Activities Undertaken Directly £	Staff Costs (Excluding Support) £	Other Direct Costs £	Support Costs £	2013 Total £	2012 (6 months) Total £
	Charitable Activities						
	Fees	212,559	404,507	3,053	412,482	1,032,601	436,756
	Publications	14,274	20,485	282	19,999	55,040	54,749
	Grants	-	-	-	-	-	100,763
	Total resources expended	226,833	424,992	3,335	432,481	1,087,641	592,268

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2013

NOTES TO THE FINANCIAL STATEMENTS

RESOURCES EXPENDED CONT

(b) ANALYSIS OF SUPPORT COSTS

	Fees £	Publishing £	Grants £	2013 Total £	2012 (6 months) Total £
Postage and carriage	3,406	172	-	3,578	2,361
Staff costs	50,563	2,561	-	53,124	123,602
Office expenses	5,732	290	-	6,022	5,007
Computer and hardware expenses	65,259	3,305	-	68,564	15,536
Telephone	2,567	130	-	2,697	9,291
Depreciation and amortisation	58,510	2,963	-	61,473	2,971
Professional fees	79,270	4,014	-	83,284	28,445
Audit and accountancy	26,661	1,350	-	28,011	2,000
Bad debts	17,568	-	-	17,568	-
Other costs	374	19	-	393	1,954
Recruitment costs	-	-	-	-	253
Bank and credit card charges	14,212	720	-	14,932	6,133
Premises expenses	49,027	2,483	-	51,510	43,629
Advertising and marketing	39,333	1,992	-	41,325	9,270
	<u>412,482</u>	<u>19,999</u>	<u>-</u>	<u>432,481</u>	<u>250,452</u>

(c) ANALYSIS OF GOVERNANCE COSTS

	2013 Total £	2012 (6 months) Total £
Legal and professional	7,376	5,718
Audit and accountancy	5,700	4,000
Trustees expenses	1,841	3,611
Apportionment of premises costs	6,000	3,000
	<u>20,917</u>	<u>16,329</u>

5. NET (OUTGOING)/INCOMING RESOURCES

This is stated after charging:

	2013 £	2012 £
Auditors remuneration - Audit	5,700	4,000
- Other services	28,011	2,000
Amortisation of intangible fixed assets	15,058	-
Depreciation of tangible fixed assets	<u>46,415</u>	<u>7,444</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 2013

NOTES TO THE FINANCIAL STATEMENTS

6	STAFF COSTS	2013	2012
		£	(6 months) £
	Staff costs comprised		
	Wages and salaries	385,770	254,410
	Social security costs	34,810	24,807
	Pension contributions	19,002	16,896
	Restructuring costs	24,415	58,246
	Agency staff costs	-	183
		<u>463,997</u>	<u>354,542</u>
	The average weekly number of staff employed by the charity during the year were	2013	2012
		16	17
	Charitable activities	2	2
	Management and Administration	<u>18</u>	<u>19</u>
	The number of employees whose emoluments (salaries and pension contributions) fell within the following bands were	2013	2012
	£60,000 - £70,000	-	-
	£70,000 - £80,000	<u>-</u>	<u>1</u>
	Trustees received no remuneration in the year (2012 - £nil) Trustee expenses reimbursed during the year were £1,841 (2012 - £3,611)		
7	TAXATION		
	As a charity, The Open School Trust Limited 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 2012	53,713	32,229
	Additions	5,268	32,399
		<u>58,981</u>	<u>64,628</u>
	Balance at 30th June 2013		123,609
	DEPRECIATION		
	Balance at 1st July 2012	4,472	2,972
	Charge for the year	29,491	16,924
		<u>33,963</u>	<u>19,896</u>
	Balance at 30th June 2013		53,859
	NET BOOK VALUE as at 30th June 2013	25,018	44,732
	NET BOOK VALUE as at 30th June 2012	<u>49,241</u>	<u>29,257</u>
	All the tangible assets are held for the charity's use		
9	INTANGIBLE FIXED ASSETS		
			Goodwill £
	COST		
	Balance at 1st July 2012 and 30th June 2013		<u>301,166</u>
	AMORTISATION		
	Balance at 1st July 2012		-
	Charge for the year		15,058
			<u>15,058</u>
	Balance at 30th June 2013		286,108
	NET BOOK VALUE as at 30th June 2013		<u>301,166</u>
	NET BOOK VALUE as at 30th June 2012		

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2013

NOTES TO THE FINANCIAL STATEMENTS

10	STOCKS	2013 £	2012 £
	Finished goods and goods for resale	5,615	9,794
11	DEBTORS	2013 £	2012 £
	Due within one year		
	Trade debtors	84,830	85,387
	Other debtors	-	31,381
	Prepayments and accrued income	36,599	15,464
		121,429	132,232
12	CREDITORS DUE WITHIN ONE YEAR	2013 £	2012 £
	Trade creditors	102,637	113,096
	Other creditors	90,114	121,038
	Accruals and income received in advance	31,806	26,780
	Factor company obligations	50,000	53,475
		274,557	314,389
	Factor obligations are secured on the student debtors' ledger		
	CREDITORS DUE AFTER MORE THAN ONE YEAR	2013 £	2012 £
	Other creditors	37,500	80,000
13	PROVISIONS FOR LIABILITIES AND CHARGES	2013 £	2012 £
	Balance at 1st July 2012	141,161	-
	Movement in provision	(26,761)	141,161
	Balance at 30th June 2013	114,400	141,161

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	191,940	980,922	(1,108,558)	-	64,304
	RESTRICTED FUNDS					
	Eileen Sellars fund	-	17,916	-	-	17,916
	TOTAL FUNDS	191,940	998,838	(1,108,558)	-	82,220

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.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2013

NOTES TO THE FINANCIAL STATEMENTS

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds £	Unrestricted Funds £	2013 Total Funds £	2012 Total Funds £
Tangible fixed assets	-	69,750	69,750	78,498
Intangible fixed assets	-	286,108	286,108	301,166
Current assets	17,916	134,903	152,819	347,826
Creditors due within one year	-	(274,557)	(274,557)	(314,389)
Creditors due after one year	-	(37,500)	(37,500)	(80,000)
Provision for liabilities	-	(114,400)	(114,400)	(141,161)
	<u>17,916</u>	<u>64,304</u>	<u>82,220</u>	<u>191,940</u>

16 RELATED PARTY TRANSACTIONS

In the year R. Morpeth provided the charity with a short term loan of £35,000 to help aid the cash flow of The 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 £35,114 was owed to R Morpeth and was repaid in October 2013.