

THE OPEN SCHOOL TRUST

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1996

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THE COUNCIL OF MEMBERS:

A Close
Lord M D Young
J Knight (Chair)
D Foster
D Close
D Esp
C Hope
K Tait
L Gribble (Director)

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
Bethnal Green
London

and

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 1996

REPORT OF THE COUNCIL MEMBERS

The Council of Members present their report and the financial statements for the year ended 31st March 1996.

COUNCIL OF MEMBERS

The members named on page 2 have served throughout the year. 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 most satisfactory. The development of sound works project has proceeded well.

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

FINANCIAL REVIEW

Substantial donations 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 1996 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 Sound Works Early Literacy Programme and its distance learning course. It is anticipated that these projects will be further developed, marketed and results monitored.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1996

REPORT OF THE COUNCIL MEMBERS.....CONTINUED

THE COUNCIL OF MEMBERS

The Council Members in office in the year were as follows:

J Knight (Chair)
Lord M D Young
A Close
A Hawksley (resigned 18.3.96)
D Foster
D Close
D Esp
C Hope
I Stolliday (resigned 26.10.95)
K Tait
L Gribble

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.

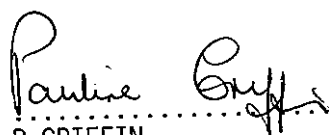
The Council members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Trust and to enable them to ensure that the financial statements comply with the Companies Act 1985.

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 taking advantage of special exemptions applicable to small companies, was approved by the Members of the Council on 26th November 1996 and signed on its behalf.


P GRIFFIN
COMPANY SECRETARY

THE OPEN SCHOOL TRUST

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1996

AUDITORS REPORT TO THE COUNCIL OF MEMBERS

We have audited the financial statements on pages 3 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2, the charity's Trustees 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 1996 and of its surplus 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 AUDITORS115c Milton Road
Cambridge
CB4 1XE

26th November 1996

THE OPEN SCHOOL TRUST

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1996

STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Restricted Funds 1996	General Funds 1996	Total 1996	Total 1995
INCOME AND EXPENDITURE					
INCOMING RESOURCES					
Grants	2	32500	104252	136752	86673
Deferred income		(32500)	-	(32500)	(38000)
Sales	3	-	54333	54333	34266
Investment income	4	-	765	765	464
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL INCOMING RESOURCES		-	159350	159350	83403
		<hr/>	<hr/>	<hr/>	<hr/>
RESOURCES EXPENDED					
Direct charitable expenditure	5	-	62809	62809	55088
Management and administration of the charity	6	-	52696	52696	35973
		<hr/>	<hr/>	<hr/>	<hr/>
TOTAL RESOURCES EXPENDED		-	115505	115505	91061
		<hr/>	<hr/>	<hr/>	<hr/>
NET INCOMING/(OUT GOING) RESOURCES FOR THE YEAR	7	-	43845	43845	(7658)
OTHER RECOGNISED GAINS AND LOSSES					
		-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
NET MOVEMENT IN FUNDS		-	43845	43845	(7658)
Fund balance at 1.4.95		7013	8248	15261	22919
		<hr/>	<hr/>	<hr/>	<hr/>
Fund balance at 31.3.96		£ 7013	£ 52093	£ 59106	£ 15261
		<hr/>	<hr/>	<hr/>	<hr/>

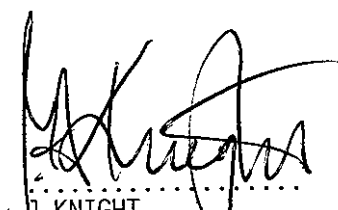
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1996

BALANCE SHEET

	Notes	1996	1995
FIXED ASSETS			
Tangible assets	8	13706	1902
CURRENT ASSETS			
Debtors	9	28240	12146
Cash at bank and in hand		26390	38639
Stock		33523	7408
		<u>88153</u>	<u>58193</u>
CREDITORS: amounts falling due within one year	10	<u>42753</u>	<u>44834</u>
Net Current Assets		45400	13359
Total assets less current liabilities		<u>£59106</u>	<u>£15261</u>
CAPITAL AND RESERVES			
Capital Reserve	12	7013	7013
Income and Expenditure account		52093	8248
		<u>£59106</u>	<u>£15261</u>

The Council members have taken advantage, in the preparation of these financial statements of special exemptions applicable to small companies under Schedule 8 Part 1 of the Companies Act 1985 on the grounds that, in the opinion of the Council members, the Trust qualifies as a small company and is entitled to make use of the special exemptions.

The financial statements were approved by the Council of members on *22th November 1996* and signed on its behalf.


 J. KNIGHT
 COUNCIL MEMBER

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1996

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 in nature.

(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 charity, and as such is included in the relevant costs in the Statement of Financial Activities.

(h) EXPENDITURE ON MANAGEMENT AND ADMINISTRATION OF THE CHARITY

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.

3. SALES

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

4. INVESTMENT INCOME

Bank interest received

1996	1995
£ 765	£ 464
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1996

NOTES TO THE FINANCIAL STATEMENTS

5. DIRECT CHARITABLE EXPENDITURE	1996	1995
Project expenditure	43961	40606
Fees	-	1019
Purchase for resale	1877	-
Royalties	3843	1397
Printing	13128	12066
	<hr/>	<hr/>
	£62809	£55088
	<hr/>	<hr/>
6. MANAGEMENT AND ADMINISTRATION	1996	1995
Salaries	5556	8044
Property expenses	1983	320
Telephone	3583	2086
Printing, stationery and advertising	23372	13828
Conference expenses	550	280
Travel and entertainment	1378	1739
Postage	4492	3455
Books	602	527
Sundry expenses	578	287
Bank charges and interest	264	227
Insurance	1534	576
Audit and accountancy	1152	1645
Depreciation	7652	2959
	<hr/>	<hr/>
	£52696	£35973
	<hr/>	<hr/>
7. NET INCOMING/(OUT GOING) RESOURCES	1996	1995
This is stated after charging:		
Depreciation owned assets	7652	2959
Auditors remuneration	1152	1645
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1996

NOTES TO THE FINANCIAL STATEMENTS

8. TANGIBLE ASSETS

	Fixtures/ Fittings & Equipment
COST	
Balance at 1.4.95	29857
Additions	19456
	<hr/>
Balance at 31.3.95	49313
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DEPRECIATION	
Balance at 1.4.95	27955
Charge for the year	7652
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Balance at 31.3.96	35607
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NET BOOK VALUE at 31.3.96	£13706
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NET BOOK VALUE at 31.3.95	£ 1902
	<hr/>

9. DEBTORS

	1996 Due within one year	1995 Due within one year
Trade debtors	6489	6821
Prepayments and accrued income	21751	325
Loans	-	5000
	<hr/>	<hr/>
	£28240	£12146
	<hr/>	<hr/>

10. CREDITORS

	1996 Due within one year	1995 Due within one year
Trade creditors	10253	6834
Accruals and deferred income	32500	38000
	<hr/>	<hr/>
	£42753	£44834
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11. LIABILITY OF TRUST MEMBERS

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

12. CAPITAL RESERVE

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.