

THE OPEN SCHOOL TRUST

England & Wales · Charity number 328414

Details

Other names	THE OPEN SCHOOL, NATIONAL EXTENSION COLLEGE
Status	Registered
Legal form	Charitable company
Company number	02438525
Registered	1989-11-08
Register	View on the Charity Commission register

Contact

Address	Woolpack House 70 High Street Sawston Cambridge CB22 3HJ
Phone	01223400200
Email	info@nec.ac.uk
Website	www.nec.ac.uk

Activities

Objects: TO PROMOTE EDUCATION FOR THE BENEFIT OF THE PUBLIC IN PARTICULAR (BUT WITHOUT PREJUDICE TO THE GENERALITY OF THE FOREGOING) AMONG CHILDREN AND YOUNG PEOPLE OF SCHOOL AGE AND TEACHERS, PARENTS AND OTHERS INVOLVED IN THEIR EDUCATION.

Activities: Education and Training

Classification

- **How:** Provides Services
- **What:** Education/training
- **Who:** The General Public/mankind

Geography

- Cambridgeshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-06-30	£1,561,047	£1,271,483	£1,083,939	27
2024-06-30	£1,266,353	£1,231,293	£794,375	26
2023-06-30	£1,084,241	£1,198,064	£759,315	26
2022-06-30	£1,331,599	£1,218,991	£873,138	27
2021-06-30	£1,526,359	£1,300,921	£760,530	22

Trustees

Name	Role	Appointed
COLIN WOOLLISCROFT		2018-03-23
Ceri Lianne Rose		2023-11-24
Dr VANESSA PITTARD		2018-11-09
James David Tweed		2025-06-20
Martin James Weller Professor		2024-03-22
ROS MORPETH		2011-12-21
Tim Lewis Bennett-Hart		2025-06-20

THE OPEN SCHOOL TRUST

England & Wales - Charity number 328414

Accounts

THE OPEN SCHOOL TRUST
COUNCIL MEMBERS' ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 30TH JUNE 2025
COMPANY REG. NO. 02438525
CHARITY NO. 328414

SATURDAY



A19 *AEI9KUW* #181
COMPANIES HOUSE

THE OPEN SCHOOL TRUST

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

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

REGISTRATION NUMBER: 02438525 (Company limited by guarantee)

CHARITY NUMBER: 328414

COUNCIL MEMBERS:

Dr V. Pittard (Chairperson from April 2025)
Dr R. Dorrance (Chairperson - resigned April 2025)
Dr R. Morpeth
R.A. Marshall (resigned August 2025)
C.J. Woolliscroft
C.L. Rose
Professor M.J. Weller
T.L. Bennett-Hart (appointed June 2025)
J.D. Tweed (appointed June 2025)

CHIEF EXECUTIVE OFFICER: E Chesterman

REGISTERED OFFICE

Woolpack House
70 High Street
Sawston
Cambridge
CB22 3HJ

AUDITORS:

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

BANKERS:

CAF (Charities Aid Foundation) Bank 25 Kings Hill Avenue Kings Hill West Malling, Kent ME19 4TA	National Westminster Bank Kings Parade Branch 10 Benet Street Cambridge CB2 3PU
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Insignis
St Johns Innovation Centre
Cowley Road
Cambridge
CB4 0WS

SOLICITORS:

Stone King
3rd Floor
Bateman House
82-88 Hills Road
Cambridge
CB2 1LQ

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

COUNCIL MEMBERS' ANNUAL REPORT

The Council Members present their annual report and financial statements of the Trust for the year ended 30th June 2025. The financial statements have been prepared to meet the requirements for a directors' report and financial statements for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

PURPOSES OF THE TRUST AS SET OUT IN THE GOVERNING DOCUMENT

The Trust's object is that of promoting education for the benefit of the public and to provide or assist in providing both adults and young people 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".

MAIN ACTIVITIES UNDERTAKEN IN RELATION TO THOSE PURPOSES

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

COUNCIL MEMBER'S REGARD TO THE CHARITY COMMISSION'S GUIDANCE ON PUBLIC BENEFIT

The Council Members confirm that they have complied with the duty of section 4 of the Charities Act 2011 relating to public benefit and have considered the Charity Commission's 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. The Trust's work also involves keeping its courses and resources up to date in a wide range of curriculum areas.

ACHIEVEMENTS AND PERFORMANCE

The Trust remains committed to its mission of providing accessible, flexible, and inclusive education. We continue to offer a wide range of qualifications, from GCSEs and A levels to vocational qualifications, ensuring that learners have second-chance opportunities and the flexibility to study anytime, anywhere. Our support services are tailored to help students achieve their goals, regardless of their circumstances, and our partnerships with other organisations enable us to stay at the forefront of educational developments. We also campaign on issues that impact distance learners, advocating for better access and opportunities.

Financial performance: This year has been marked by strong progress in widening access to education and strengthening our reach. We saw a continued positive shift in financial performance as a result of targeted marketing strategies and course offers tailored to our learners' needs. A number of income streams have grown significantly, reflecting increased demand for flexible and high-quality learning.

Our partnerships with schools, colleges and local authorities have remained robust, underscoring NEC's trusted role within the sector.

Investment in services: We continued to develop sector-leading online self-study materials, ensuring they are fully accessible to all learners, including those with disabilities. Alongside this, we have invested in student support to ensure our provision remains inclusive, modern and impactful and meets the needs of SEND students.

We also launched a refreshed website towards the end of the year, an investment we expect will provide long-term benefits for learners and generate further growth.

Looking ahead, the Trust is dedicated to further enhancing our educational offerings and expanding our impact. We are pleased to have again strengthened our reserves, enabling us to reinvest in our technology and services to remain leaders in online learning.

FINANCIAL REVIEW

REVIEW OF THE FINANCIAL POSITION AT THE END OF THE YEAR

The Council Members are satisfied that the level of free reserves currently has a surplus of £970,215 (2024: £711,355) which they are aiming to increase to a target of £1 million. Income for the year amounted to £1,561,047 (2024: £1,266,353) and expenditure amounted to £1,271,483 (2024: £1,231,293).

FUNDRAISING

The Open School Trust does not openly fundraise or solicit donations from the public.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

COUNCIL MEMBERS' ANNUAL REPORT

CURRENT FINANCIAL POSITION

The Trust is pleased to report good financial performance in what continues to be a challenging external climate. Careful management and targeted investment have supported stability while positioning the organisation for sustainable growth. With income and reserves both strengthening, the Trust enters the new year with confidence.

RESERVES POLICY

This year, the Trust has continued to build its reserves in line with its policy target of £1 million.

The Trustees undertook a full review of the reserves policy, agreeing a new policy to set a target and range for free reserves which provides resilience against economic pressures while allowing for investment in services. This approach ensures that NEC remains well-placed to balance financial security with the ability to respond to new opportunities that benefit learners.

STRUCTURE, GOVERNANCE AND MANAGEMENT

NATURE OF THE GOVERNING DOCUMENT

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 16th 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). These financial statements cover the 12 months of trading to 30th June 2025.

The governing document is the Memorandum and Articles of Association filed at Companies House on 20th October 1989.

CONSTITUTION OF THE CHARITY

The constitution of the Charity is contained in items 1 to 7 of the Memorandum of Association and items 1 to 69 of the Articles of Association.

THE BOARD OF TRUSTEES (COUNCIL MEMBERS)

The Council Members of the Trust are also directors for the purposes of company law. The Council Members (referred to in the company's articles as the "Council of Management") consists of not less than three members. At present, the Council comprises of seven members from a variety of professional backgrounds relevant to the work of the Trust and meet at least three times a year.

Council Members are responsible for the management of the risks faced by the Trust. Risks are identified and assessed and controls established throughout the year. Significant new ventures 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 Trust maintains a Register of Interests and both Council Members 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.

The Council is also underpinned by a senior management team, which support its decision making. The senior management team meet on a monthly basis. Experts and tutors are engaged when required to provide the support and development of services.

New Council Members are invited to familiarise themselves with the Trust and the context within which it operates. Briefing sessions jointly led by the Chief Executive Officer and the existing Council Members cover:

- The obligations of the management team.
- The main documents which set out the operational framework of the Trust.
- The current financial position including the latest published financial statements and the current management accounts.
- Future plans and objectives.
- The Charity Commission guide "The Essential Trustee"

KEY MANAGEMENT PERSONNEL REMUNERATION

The Council Members consider the Members of Council and the Chief Executive as comprising the key management personnel of the charitable company in charge of directing and controlling the charitable company and running and operating the charitable company on a day to day basis.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

COUNCIL MEMBERS' ANNUAL REPORT

STATEMENT OF MEMBERS OF COUNCIL RESPONSIBILITIES

All Council Members and the outgoing Chief Executive give their time freely and neither the Council Members nor outgoing Chief Executive received any remuneration in the year. Details of Council Member's expenses are disclosed in note 17 to the financial statements and related party transactions are disclosed in note 16 to the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

Internal controls over all forms of income, assets, commitment and expenditure continue to be refined to improve efficiency and effectiveness. Performance is monitored and appropriate management information is prepared and reviewed regularly by the management team and Trustees.

The Trust currently produces an annual budget and reports monthly against that budget, requiring managers to comment on variances and outline corrective action if required. The Council Members have delegated authority from the Council to ensure that an active risk management process is in place and form part of The Open School Trust's ongoing organisation activity.

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 Trust and of the surplus or deficit of the Trust for that year. In preparing those financial statements the Members of Council are required to:

- (a) Select suitable accounting policies and then apply them consistently;
- (b) Observe the methods and principles of the Charities SORP;
- (c) Make judgements and estimates that are reasonable and prudent;
- (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) Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Members 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 2006, the Charities Act 2011 and the Charities (Accounts and Reports) Regulations.

The Members 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.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

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

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

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 Members of Council and signed on its behalf, on 21st November 2025



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CHAIR OF THE MEMBERS OF COUNCIL
V. PITTARD

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL MEMBERS OF THE OPEN SCHOOL TRUST

OPINION

We have audited the financial statements of Open School Trust for the year ended 30 June 2025 which comprise of the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and notes to the financial statements including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 2025, and of its surplus 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.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 5 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Council with respect to going concern are described in the relevant sections this report.

OTHER INFORMATION

The other information comprises the information included in the Council Members' Annual Report, other than the financial statements and our auditor's report thereon. The Council Members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Council Members Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Council Members Annual Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Council Member's Annual Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 or Charities Act 2011 requires us to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records 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 trustee remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL MEMBERS OF THE OPEN SCHOOL TRUST

RESPONSIBILITIES OF COUNCIL MEMBERS

As explained more fully in the Council Members' responsibilities statement in the Council Members Annual Report, the Members of Council (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council Members are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council Members either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The Council Members have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The primary responsibility for the prevention and detection of irregularities including fraud rests with both the management and those charged with governance of the charitable company. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We have considered the nature of the industry and sector, control environment, laws and regulations of the charitable company, Charity Laws and regulations considered included, but were not limited to, the Companies Act 2006, the Charities Act 2011, Charity SORP and FRS102.

We have enquired with the management in regards to their own assessment of the risks of irregularities, including fraud. We also enquired of the management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

We obtained relevant documentation and representations in order to form an opinion on potential irregularities, including fraud.

We considered the opportunities and incentives that may exist within the organisation for fraud.


Based on this understanding, we designed specific audit procedures to identify instances of non-compliance with laws and regulations, including obtaining additional corroborative evidence as required. Examples of procedures included reviewing large and unusual transactions, reviewing large and unexpected variances, reviewing journal entries and reviewing relevant legal correspondence.

There are inherent limitations in the audit procedures described above, not least as sampling is used under International Auditing Standards, therefore not all transactions are reviewed. Therefore there is a risk we will not detect all irregularities including those leading to a material misstatement in the financial statements or non-compliance with regulations. The risk of not detecting a material misstatement due to fraud is also higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery collusion, omission or intentional misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

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.


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

17th December 2025

Prentis & Co LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

STATEMENT OF FINANCIAL ACTIVITIES

	Notes	2025 Unrestricted Funds £	2025 Restricted Funds £	2025 Total Funds £	2024 Unrestricted Funds £	2024 Restricted Funds £	2024 Total Funds £
INCOME FROM:							
Charitable activities:							
Fees		1,508,877	-	1,508,877	1,203,682	-	1,203,682
Publications and licences		1,403	-	1,403	2,631	-	2,631
Project income	3	-	16,065	16,065	-	35,282	35,282
Other income		1,756	-	1,756	775	-	775
Investment income:							
Interest received		32,946	-	32,946	23,983	-	23,983
TOTAL INCOME		<u>1,544,982</u>	<u>16,065</u>	<u>1,561,047</u>	<u>1,231,071</u>	<u>35,282</u>	<u>1,266,353</u>
EXPENDITURE ON:							
Charitable activities:							
Fees	4	1,227,413	-	1,227,413	1,151,894	-	1,151,894
Publications and licences		17,840	-	17,840	16,710	-	16,710
Projects		-	-	-	-	35,022	35,022
Other costs		26,230	-	26,230	27,667	-	27,667
TOTAL EXPENDITURE		<u>1,271,483</u>	<u>-</u>	<u>1,271,483</u>	<u>1,196,271</u>	<u>35,022</u>	<u>1,231,293</u>
Net income and net movement in funds	5	273,499	16,065	289,564	34,800	260	35,060
RECONCILIATION OF FUNDS							
Total funds brought forward		794,115	260	794,375	759,315	-	759,315
Total funds carried forward		<u>1,067,614</u>	<u>16,325</u>	<u>1,083,939</u>	<u>794,115</u>	<u>260</u>	<u>794,375</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 10 to 17 form part of these financial statements.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

BALANCE SHEET

	Notes	2025		2024	
		£	£	£	£
FIXED ASSETS					
Intangible assets	8		108,644		75,337
Tangible assets	9		3,755		7,423
TOTAL FIXED ASSETS			112,399		82,760
CURRENT ASSETS					
Stocks	10		6,520		5,191
Debtors	11		86,238		44,586
Cash at bank and in hand			1,118,891		859,354
TOTAL CURRENT ASSETS			1,211,649		909,131
LIABILITIES:					
Creditors: Amounts falling due within one year	12		(118,274)		(94,915)
NET CURRENT ASSETS			1,093,375		814,216
TOTAL ASSETS LESS CURRENT LIABILITIES			1,205,774		896,976
PROVISIONS FOR LIABILITIES	13		(121,835)		(102,601)
TOTAL NET ASSETS			1,083,939		794,375
THE FUNDS OF THE CHARITY:					
Unrestricted Funds	14		1,067,614		794,115
Restricted Funds	14		16,325		260
TOTAL FUNDS			1,083,939		794,375

The financial statements were approved by the Council of Trustees on 21st November 2025 and signed on its behalf by



CHAIR OF THE COUNCIL OF MEMBERS
V. PITTARD

The notes on pages 10 to 17 form part of these financial statements.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

STATEMENT OF CASH FLOWS

	Notes	2025 Total Funds £	2024 Total Funds £
Cash flows from operating activities:			
<i>Net cash provided by/(used in) operating activities</i>	18	346,270	137,395
Cash flows from investing activities:			
Purchase of tangible fixed assets		(2,018)	(2,688)
Capitalisation of intangible assets		(84,715)	(41,656)
<i>Net cash provided by/(used in) investing activities</i>		(86,733)	(44,344)
<i>Change in cash and cash equivalents in the year</i>		259,537	93,051
Cash and cash equivalents brought forward		859,354	766,303
Cash and cash equivalents carried forward		1,118,891	859,354

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

(a) BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Open School Trust meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction values unless otherwise stated in the relevant accounting policy notes.

(b) INCOME RECOGNITION

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:

Fee and Publications income:

Fee income represents the invoiced value of fees for distance learning courses and contracts 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 trust considers it appropriate to recognise fee income where a course has been ordered.

Publication income represents the invoiced value of publications of learning material.

Project and Grant income:

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the trust has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Investment income:

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the trust; this is normally upon notification of the interest paid or payable by the bank.

(c) EXPENDITURE AND IRRECOVERABLE VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the following expenditure headings as follows:

Raising funds:

Costs of raising funds comprise the costs of seeking and applying for grants and costs associated with the seeking and arranging of licence fee agreements.

Charitable activities:

Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the trust and their associated support costs. 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.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

NOTES TO THE FINANCIAL STATEMENTS

(e) OPERATING LEASES

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the Statement of Financial Activities as incurred.

(f) TANGIBLE FIXED ASSETS

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:

Equipment - 3 and 4 years straight line

(g) INTANGIBLE FIXED ASSETS

Goodwill:

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

Following a review undertaken by the Council Members, from 1 July 2015 it was agreed that the economic life was to be reduced and as such the remaining value of the goodwill will be amortised over the next 10 years.

Course development:

The Trust defers course development expenditure on new course products where the project meets the criteria set out for deferred costs in FRS 102.

Identifiable development expenditure is deferred on clearly defined projects where the outcome has been assured with reasonable certainty and is viable in light of current market conditions. Income is expected to exceed all development costs. The life of each course on completion and commencement of marketing is expected to be 3 years and each course is reviewed annually to ensure commercial prospects remain, otherwise the costs are written off in that year.

Website development

The Trust has capitalised the expenditure on developing their website which meets the criteria set out for development costs in FRS 102. It was agreed to amortise over the next 4 years.

(h) 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.

(i) DEBTORS

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(j) CREDITORS

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(k) PROVISIONS FOR LIABILITIES

A provision for deferred income relating to the tutor element of each course is included under liabilities.

Each course sold comprises of study materials and tutor support. The length of time taken to complete the course depends on the student's objectives and often the course is purchased for the study materials alone. Tutor support is given for a period of 24 months from the start of the course and that part of the course fees is estimated and deferred over that period.

2. LEGAL STATUS OF THE CHARITY

The Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

NOTES TO THE FINANCIAL STATEMENTS

3.	INCOME FROM PROJECTS	2025		2024		2024	
		Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
		£	£	£	£	£	£
	PET Digital	-	-	-	-	34,282	34,282
	Bursary Fund	-	16,065	16,065	-	1,000	1,000
		<u>-</u>	<u>16,065</u>	<u>16,065</u>	<u>-</u>	<u>35,282</u>	<u>35,282</u>

4.	EXPENDITURE ON: CHARITABLE ACTIVITIES FOR THE YEAR ENDED 30TH JUNE 2025	Activities			2025 Total £
		Undertaken Directly	Other Direct Costs	Support Costs	
		£	£	£	£
	Fees	792,765	4,341	430,307	1,227,413
	Publications & licences	17,453	-	387	17,840
	Governance costs	-	-	26,230	26,230
		<u>810,218</u>	<u>4,341</u>	<u>456,924</u>	<u>1,271,483</u>

ANALYSIS OF SUPPORT COSTS
FOR THE YEAR ENDED 30TH JUNE 2025

	Fees	Publications & Licences	Governance	2025 Total £
	£	£	£	£
Postage and carriage	937	1	-	938
Staff costs	150,777	136	-	150,913
Office expenses	119	-	-	119
Computer and hardware expenses	49,740	45	-	49,785
Telephone	5,108	5	-	5,113
Depreciation and amortisation	57,043	51	-	57,094
Professional fees	15,607	14	-	15,621
Accountancy	138	-	-	138
Other costs	673	-	-	673
Recruitment costs	78	-	-	78
Bank and credit card charges	22,995	21	-	23,016
Premises expenses	43,307	39	-	43,346
Advertising and marketing	83,785	75	-	83,860
	<u>430,307</u>	<u>387</u>	<u>-</u>	<u>430,694</u>

ANALYSIS OF GOVERNANCE COSTS

Legal and professional	-	-	11,488	11,488
Auditors remuneration	-	-	7,668	7,668
Trustees expenses	-	-	1,074	1,074
Apportionment of premises costs	-	-	6,000	6,000
	<u>430,307</u>	<u>387</u>	<u>26,230</u>	<u>456,924</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

NOTES TO THE FINANCIAL STATEMENTS

4a.	EXPENDITURE ON: CHARITABLE ACTIVITIES FOR THE YEAR ENDED 30TH JUNE 2024	Activities Undertaken Directly £	Other Direct Costs £	Support Costs £	2024 Total £
	Fees	723,356	4,360	424,178	1,151,894
	Publications & licences	15,827	-	883	16,710
	Projects	-	21,432	13,590	35,022
	Governance costs	-	-	27,667	27,667
		<u>739,183</u>	<u>25,792</u>	<u>466,318</u>	<u>1,231,293</u>

ANALYSIS OF SUPPORT COSTS
FOR THE YEAR ENDED 30TH JUNE 2024

	Fees £	Publications & Licences £	Governance £	Projects £	2024 Total £
Postage and carriage	783	2	-	-	785
Staff costs	136,567	285	-	13,590	150,442
Office expenses	515	1	-	-	516
Computer and hardware expenses	55,888	116	-	-	56,004
Telephone	4,596	10	-	-	4,606
Depreciation and amortisation	54,155	113	-	-	54,268
Professional fees	29,525	61	-	-	29,586
Accountancy	126	-	-	-	126
Other costs	409	1	-	-	410
Bank and credit card charges	14,412	30	-	-	14,442
Premises expenses	42,502	88	-	-	42,590
Advertising and marketing	84,700	176	-	-	84,876
	<u>424,178</u>	<u>883</u>	<u>-</u>	<u>13,590</u>	<u>438,651</u>

ANALYSIS OF GOVERNANCE COSTS

Legal and professional	-	-	11,213	-	11,213
Auditors remuneration	-	-	8,094	-	8,094
Trustees expenses	-	-	2,360	-	2,360
Apportionment of premises costs	-	-	6,000	-	6,000
	<u>424,178</u>	<u>883</u>	<u>27,667</u>	<u>13,590</u>	<u>466,318</u>

5. NET EXPENDITURE/INCOME FOR THE YEAR

The net expenditure this year is stated after charging:		2025	2024
		£	£
Auditors remuneration	- Audit	7,668	8,094
	- Other services (consultancy)	138	126
Depreciation of tangible fixed assets		5,686	8,014
Amortisation of intangible fixed assets		51,408	46,254

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.

6. ANALYSIS OF STAFF COSTS AND REMUNERATION OF
KEY MANAGEMENT PERSONNEL

	2025	2024
	£	£
Salaries and wages	672,732	625,886
Social security costs	54,094	49,918
Pension contributions	36,057	33,945
Benefits	3,471	3,489
	<u>766,354</u>	<u>713,238</u>

The average weekly number of staff employed by the charity during the year were:

	2025	2024
Charitable activities	25	24
Management and Administration	2	2
	<u>27</u>	<u>26</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

NOTES TO THE FINANCIAL STATEMENTS

6. ANALYSIS OF STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL continued

The number of employees whose emoluments (salaries, pension contributions and other benefits) exceeded £60,000 was 2 (2024: 2) as below:

	2025	2024
£60,000 - £70,000	1	1
£70,000 - £80,000	1	1
	<u>2</u>	<u>2</u>

The Trust considers its key management personnel comprise the Council Members and the Chief Executive Officer, all of which received £78,006 (2024 - £75,679).

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 section 252 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. INTANGIBLE FIXED ASSETS

FOR THE YEAR ENDED 30TH JUNE 2025

COST OR VALUATION

	Goodwill £	Course Development £	Website Development £	Total £
Balance at 1st July 2024	301,166	781,473	-	1,082,639
Additions	-	39,577	45,138	84,715
Balance at 30th June 2025	<u>301,166</u>	<u>821,050</u>	<u>45,138</u>	<u>1,167,354</u>
AMORTISATION				
Balance at 1st July 2024	275,562	731,740	-	1,007,302
Charge for the year	25,604	24,864	940	51,408
Balance at 30th June 2025	<u>301,166</u>	<u>756,604</u>	<u>940</u>	<u>1,058,710</u>
NET BOOK VALUE as at 30th June 2025	<u>-</u>	<u>64,446</u>	<u>44,198</u>	<u>108,644</u>

8a. INTANGIBLE FIXED ASSETS

FOR THE YEAR ENDED 30TH JUNE 2024

COST OR VALUATION

	Goodwill £	Course Development £	Total £
Balance at 1st July 2023	301,166	739,817	1,040,983
Additions	-	41,656	41,656
Balance at 30th June 2024	<u>301,166</u>	<u>781,473</u>	<u>1,082,639</u>
AMORTISATION			
Balance at 1st July 2023	249,966	711,082	961,048
Charge for the year	25,596	20,658	46,254
Balance at 30th June 2024	<u>275,562</u>	<u>731,740</u>	<u>1,007,302</u>
NET BOOK VALUE as at 30th June 2024	<u>25,604</u>	<u>49,733</u>	<u>75,337</u>

9. TANGIBLE FIXED ASSETS

YEAR ENDED 30TH JUNE 2025

COST OR VALUATION

	Equipment £
Balance at 1st July 2024	315,873
Additions	2,018
Disposals	(71,661)
Balance at 30th June 2025	<u>246,230</u>
DEPRECIATION	
Balance at 1st July 2024	308,450
Charge for the year	5,686
Eliminated on disposal	(71,661)
Balance at 30th June 2025	<u>242,475</u>
NET BOOK VALUE as at 30th June 2025	<u>3,755</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

NOTES TO THE FINANCIAL STATEMENTS

9a.	TANGIBLE FIXED ASSETS YEAR ENDED 30TH JUNE 2024		Equipment
	COST OR VALUATION		£
	Balance at 1st July 2023		317,434
	Additions		2,688
	Disposals		(4,249)
	Balance at 30th June 2024		<u>315,873</u>
	DEPRECIATION		
	Balance at 1st July 2023		304,685
	Charge for the year		8,014
	Eliminated on disposal		(4,249)
	Balance at 30th June 2024		<u>308,450</u>
	NET BOOK VALUE as at 30th June 2024		<u>7,423</u>
10.	STOCKS	2025	2024
		£	£
	Finished goods and goods for resale	<u>6,520</u>	<u>5,191</u>
11.	DEBTORS	2025	2024
		£	£
	Trade debtors	65,465	22,958
	Prepayments and accrued income	<u>20,773</u>	<u>21,628</u>
		<u>86,238</u>	<u>44,586</u>
12.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2025	2024
		£	£
	Trade creditors	28,692	27,792
	Other creditors	22,405	20,705
	Accruals and deferred income	<u>67,177</u>	<u>46,418</u>
		<u>118,274</u>	<u>94,915</u>
13.	PROVISIONS FOR LIABILITIES	2025	2024
		£	£
	Balance brought forward	102,601	94,153
	Movement in provision	<u>19,234</u>	<u>8,448</u>
	Balance carried forward	<u>121,835</u>	<u>102,601</u>

The provision relates to deferred course fee income. As the Trust 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 income received from course sales, discounted to remove all non-tutor cost elements that are considered expended on the purchase of the course, and deferred over the expected life of a course up to a 24 month period from commencement of the course.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

NOTES TO THE FINANCIAL STATEMENTS

14.	ANALYSIS OF CHARITABLE FUNDS YEAR ENDED 30TH JUNE 2025	Brought Forward £	Income £	Expenditure £	Carried Forward £
	UNRESTRICTED FUNDS				
	General funds	794,115	1,544,982	(1,271,483)	1,067,614
	RESTRICTED FUNDS				
	Bursary Fund	260	16,065	-	16,325
	TOTAL FUNDS	794,375	1,561,047	(1,271,483)	1,083,939
14a.	ANALYSIS OF CHARITABLE FUNDS YEAR ENDED 30TH JUNE 2024	Brought Forward £	Income £	Expenditure £	Carried Forward £
	UNRESTRICTED FUNDS				
	General funds	759,315	1,231,071	(1,196,271)	794,115
	RESTRICTED FUNDS				
	PET Digital	-	34,282	(34,282)	-
	Bursary Fund	-	1,000	(740)	260
	TOTAL FUNDS	759,315	1,266,353	(1,231,293)	794,375

Restricted fund purpose:

Bursary Fund - 60th anniversary bursary to cover course and exam fees for the successful applicant, funded by the trustee, R Morpeth, and Art History in Schools bursary for schools to access Classical Civilisation.

15.	ANALYSIS OF NET ASSETS BETWEEN FUNDS - YEAR ENDED 30TH JUNE 2025	2025 Unrestricted Funds £	2025 Restricted Funds £	2025 Total Funds £
	Intangible fixed assets	108,644	-	108,644
	Tangible fixed assets	3,755	-	3,755
	Current assets	1,195,324	16,325	1,211,649
	Creditors due within one year	(118,274)	-	(118,274)
	Provision for liabilities	(121,835)	-	(121,835)
		1,067,614	16,325	1,083,939
15a.	ANALYSIS OF NET ASSETS BETWEEN FUNDS YEAR ENDED 30TH JUNE 2024	2024 Unrestricted Funds £	2024 Restricted Funds £	2024 Total Funds £
	Intangible fixed assets	75,337	-	75,337
	Tangible fixed assets	7,423	-	7,423
	Current assets	908,871	260	909,131
	Creditors due within one year	(94,915)	-	(94,915)
	Provision for liabilities	(102,601)	-	(102,601)
		794,115	260	794,375

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

NOTES TO THE FINANCIAL STATEMENTS

16. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year.

17. TRUSTEES EXPENSES

During the year, 2 trustees had travel expenses reimbursed totalling £448. In the prior year, 1 trustee also had their travel expenses reimbursed of £72.

18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025 £	2024 £
Net movement in funds	289,564	35,060
Add: Depreciation	5,686	8,014
Add: Amortisation	51,408	46,254
(Increase)/decrease in stocks	(1,329)	1,388
(Increase)/decrease in debtors	(41,652)	11,905
Increase in creditors	42,593	34,774
	<u>346,270</u>	<u>137,395</u>

19. PENSIONS

The company operates a stakeholder defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by an independent pensions provider. Pension payments recognised as an expense during the year amount to £36,057 (2024: £33,945).

20. OTHER COMMITMENTS

On 30th June 2025, the charity had total commitments under non cancellable operating leases as follows:-

	Land & Buildings	
	2025 £	2024 £
In less than one year	30,000	30,000
Between one and five years	120,000	120,000
In more than five years	30,000	60,000
	<u>180,000</u>	<u>210,000</u>

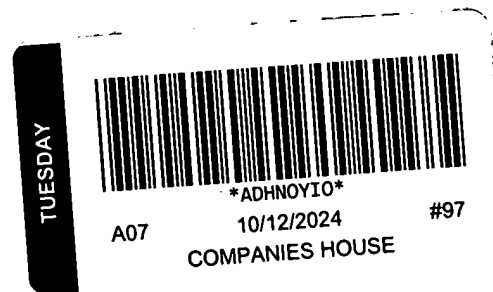
The Open School Trust entered into a 10 year lease with a 5 year break clause in 2021. The total commitment until the break clause is £30,000 (2024: £60,000).

THE OPEN SCHOOL TRUST

England & Wales - Charity number 328414

Accounts

THE OPEN SCHOOL TRUST
COUNCIL MEMBERS' ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 30TH JUNE 2024
COMPANY REG. NO. 02438525
CHARITY NO. 328414



THE OPEN SCHOOL TRUST

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2024

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2024

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

REGISTRATION NUMBER: 02438525 (Company limited by guarantee)

CHARITY NUMBER: 328414

COUNCIL MEMBERS: Dr R. Dorrance (Chairperson)
Dr R. Morpeth
R.A. Marshall (appointed July 2024)
C.J. Woolliscroft
Dr V. Pittard
S. Mistry (resigned November 2023)
N. Barratt (resigned November 2023)
C.L. Rose (appointed November 2023)
Professor M.J. Weller (appointed March 2024)

CHIEF EXECUTIVE OFFICER: E Chesterman

REGISTERED OFFICE Woolpack House
70 High Street
Sawston
Cambridge
CB22 3HJ

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

BANKERS: CAF (Charities Aid Foundation) Bank National Westminster Bank
25 Kings Hill Avenue Kings Parade Branch
Kings Hill 10 Benet Street
West Malling, Kent Cambridge
ME19 4TA CB2 3PU

Insignis
St Johns Innovation Centre
Cowley Road
Cambridge
CB4 0WS

SOLICITORS: Stone King
3rd Floor
Bateman House
82-88 Hills Road
Cambridge
CB2 1LQ

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2024

COUNCIL MEMBERS' ANNUAL REPORT

The Council Members present their annual report and financial statements of the Trust for the year ended 30th June 2024. The financial statements have been prepared to meet the requirements for a directors' report and financial statements for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

PURPOSES OF THE TRUST AS SET OUT IN THE GOVERNING DOCUMENT

The Trust's object is that of promoting education for the benefit of the public and to provide or assist in providing both adults and young people 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".

MAIN ACTIVITIES UNDERTAKEN IN RELATION TO THOSE PURPOSES

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

COUNCIL MEMBER'S REGARD TO THE CHARITY COMMISSION'S GUIDANCE ON PUBLIC BENEFIT

The Council Members confirm that they have complied with the duty of section 4 of the Charities Act 2011 relating to public benefit and have considered the Charity Commission's 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. The Trust's work also involves keeping its courses and resources up to date in a wide range of curriculum areas.

ACHIEVEMENTS AND PERFORMANCE

The Trust remains committed to its mission of providing accessible, flexible, and inclusive education. We continue to offer a wide range of qualifications, from GCSEs and A levels to vocational qualifications, ensuring that learners have second-chance opportunities and the flexibility to study anytime, anywhere. Our support services are tailored to help students achieve their goals, regardless of their circumstances, and our partnerships with other organisations enable us to stay at the forefront of educational developments. We also campaign on issues that impact distance learners, advocating for better access and opportunities. This year, significant progress has been made in enhancing our offerings, building on the foundation established in the previous year.

Financial Performance: Despite ongoing economic challenges, the Trust has demonstrated resilience, with several key areas showing improvement compared to the previous year. This year, we saw a positive shift in financial performance, reflecting more effective marketing strategies and the successful introduction of new courses tailored to our learners' needs.

Our partnerships with schools, colleges, and local authorities have also strengthened, leading to increased income from these collaborations. This growth underscores the Trust's expanding influence and the growing recognition of our educational services within the broader community.

Strategic investments in marketing and IT infrastructure have started to pay off, contributing to a more streamlined operation and enhanced service delivery. While challenges remain, these developments position the Trust for future stability and growth.

Investment in Services: This year, we have prioritised the enhancement of student support services, launching an improved pastoral service that offers greater emotional and academic support to our learners. This ensures that every student has the resources they need to succeed in their studies.

Furthermore, we have continued to develop sector-leading online self-study materials, ensuring they are fully accessible to all learners, including those with disabilities. This initiative not only enriches the learning experience but also establishes the Trust as a leader in accessible education.

Looking ahead, the Trust is dedicated to further enhancing our educational offerings and expanding our impact. The progress made this year has laid a solid foundation for continued growth, and we are confident that ongoing investment in student services and course development will result in positive outcomes, both academically and financially. We are also pleased to have strengthened our reserves, enabling us to reinvest in our services. This will ensure that we remain leaders in online learning, providing fully inclusive and accessible courses that support every student in reaching their educational goals, no matter their learning needs.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2024

COUNCIL MEMBERS' ANNUAL REPORT

FINANCIAL REVIEW

REVIEW OF THE FINANCIAL POSITION AT THE END OF THE YEAR

The Council Members are satisfied that the level of free reserves currently has a surplus of £715,915 (2023: £666,631) which they are aiming to increase to a target of £1 million. Income for the year amounted to £1,266,353 (2023: £1,084,241) and expenditure amounted to £1,231,293 (2023: £1,198,064).

FUNDRAISING

The Open School Trust does not openly fundraise or solicit donations from the public.

CURRENT FINANCIAL POSITION

Trustees are pleased to see that despite a tough market in terms of the impact of cost of living, and general economic climate affecting students, that the charity has still performed well.

RESERVES POLICY

The Council Members have a target for free reserves of £1million, and expect this to be achieved over an 8 year term, through increased sales and careful cost management.

The Council Members have considered that the most appropriate policy at present is to maintain all surplus funds in the various bank current and deposit accounts. This policy is kept under review, having regard to the level of funds available. The Member 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT

NATURE OF THE GOVERNING DOCUMENT

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 16th 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). These financial statements cover the 12 months of trading to 30th June 2023.

The governing document is the Memorandum and Articles of Association filed at Companies House on 20th October 1989.

CONSTITUTION OF THE CHARITY

The constitution of the Charity is contained in items 1 to 7 of the Memorandum of Association and items 1 to 69 of the Articles of Association.

THE BOARD OF TRUSTEES (COUNCIL MEMBERS)

The Council Members of the Trust are also directors for the purposes of company law. The Council Members (referred to in the company's articles as the "Council of Management") consists of not less than three members. At present, the Council comprises of seven members from a variety of professional backgrounds relevant to the work of the Trust and meet at least three times a year.

Council Members are responsible for the management of the risks faced by the Trust. Risks are identified and assessed and controls established throughout the year. Significant new ventures 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 Trust maintains a Register of Interests and both Council Members 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.

The Council is also underpinned by a senior management team, which support its decision making. The senior management team meet on a monthly basis. Experts and tutors are engaged when required to provide the support and development of services.

New Council Members are invited to familiarise themselves with the Trust and the context within which it operates. Briefing sessions jointly led by the Chief Executive Officer and the existing Council Members cover:

- The obligations of the management team.
- The main documents which set out the operational framework of the Trust.
- The current financial position including the latest published financial statements and the current management accounts.
- Future plans and objectives.
- The Charity Commission guide "The Essential Trustee"

KEY MANAGEMENT PERSONNEL REMUNERATION

The Council Members consider the Members of Council and the Chief Executive as comprising the key management personnel of the charitable company in charge of directing and controlling the charitable company and running and operating the charitable company on a day to day basis.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2024

COUNCIL MEMBERS' ANNUAL REPORT

STATEMENT OF MEMBERS OF COUNCIL RESPONSIBILITIES

All Council Members and the outgoing Chief Executive give their time freely and neither the Council Members nor outgoing Chief Executive received any remuneration in the year. Details of Council Member's expenses are disclosed in note 6 to the financial statements and related party transactions are disclosed in note 16 to the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

Internal controls over all forms of income, assets, commitment and expenditure continue to be refined to improve efficiency and effectiveness. Performance is monitored and appropriate management information is prepared and reviewed regularly by the management team and Trustees.

The Trust currently produces an annual budget and reports monthly against that budget, requiring managers to comment on variances and outline corrective action if required. The Council Members have delegated authority from the Council to ensure that an active risk management process is in place and form part of The Open School Trust's ongoing organisation activity.

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 Trust and of the surplus or deficit of the Trust for that year. In preparing those financial statements the Members of Council are required to:

- (a) Select suitable accounting policies and then apply them consistently;
- (b) Observe the methods and principles of the Charities SORP;
- (c) Make judgements and estimates that are reasonable and prudent;
- (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) Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Members 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 2006, the Charities Act 2011 and the Charities (Accounts and Reports) Regulations.

The Members 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.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

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

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

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 Members of Council and signed on its behalf, on



.....
CHAIR OF THE MEMBERS OF COUNCIL
R. DORRANCE

Date 22-11-24

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2024

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL MEMBERS OF THE OPEN SCHOOL TRUST

OPINION

We have audited the financial statements of Open School Trust for the year ended 30 June 2024 which comprise of the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and notes to the financial statements including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 2024, and of its deficit 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.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 5 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Council with respect to going concern are described in the relevant sections this report.

OTHER INFORMATION

The other information comprises the information included in the Council Members' Annual Report, other than the financial statements and our auditor's report thereon. The Council Members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Council Members Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Council Members Annual Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Council Member's Annual Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 or Charities Act 2011 requires us to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records 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 trustee remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2024

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL MEMBERS OF THE OPEN SCHOOL TRUST

RESPONSIBILITIES OF COUNCIL MEMBERS

As explained more fully in the Council Members' responsibilities statement in the Council Members Annual Report, the Members of Council (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council Members are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council Members either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The Council Members have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The primary responsibility for the prevention and detection of irregularities including fraud rests with both the management and those charged with governance of the charitable company. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We have considered the nature of the industry and sector, control environment, laws and regulations of the charitable company, Charity Laws and regulations considered included, but were not limited to, the Companies Act 2006, the Charities Act 2011, Charity SORP and FRS102.

We have enquired with the management in regards to their own assessment of the risks of irregularities, including fraud. We also enquired of the management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

We obtained relevant documentation and representations in order to form an opinion on potential irregularities, including fraud.

We considered the opportunities and incentives that may exist within the organisation for fraud.

Based on this understanding, we designed specific audit procedures to identify instances of non-compliance with laws and regulations, including obtaining additional corroborative evidence as required. Examples of procedures included reviewing large and unusual transactions, reviewing large and unexpected variances, reviewing journal entries and reviewing relevant legal correspondence.

There are inherent limitations in the audit procedures described above, not least as sampling is used under International Auditing Standards, therefore not all transactions are reviewed. Therefore there is a risk we will not detect all irregularities including those leading to a material misstatement in the financial statements or non-compliance with regulations. The risk of not detecting a material misstatement due to fraud is also higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery collusion, omission or intentional misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

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.



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

2nd December 2024

Prentis & Co LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2024

STATEMENT OF FINANCIAL ACTIVITIES

	Notes	2024 Unrestricted Funds £	2024 Restricted Funds £	2024 Total Funds £	2023 Unrestricted Funds £	2023 Restricted Funds £	2023 Total Funds £
INCOME FROM:							
Charitable activities:							
Fees		1,203,682	-	1,203,682	1,055,159	-	1,055,159
Publications and licences		2,631	-	2,631	3,704	-	3,704
Project income	3	-	35,282	35,282	-	3,000	3,000
Other income		775	-	775	13,606	-	13,606
Investment income:							
Interest received		23,983	-	23,983	8,772	-	8,772
TOTAL INCOME		<u>1,231,071</u>	<u>35,282</u>	<u>1,266,353</u>	<u>1,081,241</u>	<u>3,000</u>	<u>1,084,241</u>
EXPENDITURE ON:							
Charitable activities:							
Fees	4	1,151,894	-	1,151,894	1,150,947	-	1,150,947
Publications and licences		16,710	-	16,710	17,072	-	17,072
Projects		-	35,022	35,022	-	3,000	3,000
Other costs		27,667	-	27,667	27,045	-	27,045
TOTAL EXPENDITURE		<u>1,196,271</u>	<u>35,022</u>	<u>1,231,293</u>	<u>1,195,064</u>	<u>3,000</u>	<u>1,198,064</u>
Net (expenditure)/income and net movement in funds	5	34,800	260	35,060	(113,823)	-	(113,823)
RECONCILIATION OF FUNDS							
Total funds brought forward		759,315	-	759,315	873,138	-	873,138
Total funds carried forward		<u>794,115</u>	<u>260</u>	<u>794,375</u>	<u>759,315</u>	<u>-</u>	<u>759,315</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

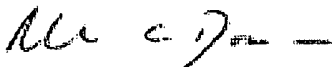
The notes on pages 10 to 17 form part of these financial statements.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2024

BALANCE SHEET

	Notes	2024		2023	
		£	£	£	£
FIXED ASSETS					
Intangible assets	8		75,337		79,935
Tangible assets	9		7,423		12,749
TOTAL FIXED ASSETS			82,760		92,684
CURRENT ASSETS					
Stocks	10	5,191		6,579	
Debtors	11	44,586		56,491	
Cash at bank and in hand		859,354		766,303	
TOTAL CURRENT ASSETS		909,131		829,373	
LIABILITIES:					
Creditors: Amounts falling due within one year	12	(94,915)		(68,589)	
NET CURRENT ASSETS			814,216		760,784
TOTAL ASSETS LESS CURRENT LIABILITIES			896,976		853,468
PROVISIONS FOR LIABILITIES	13		(102,601)		(94,153)
TOTAL NET ASSETS			794,375		759,315
THE FUNDS OF THE CHARITY:					
Unrestricted Funds	14		794,115		759,315
Restricted Funds	14		260		-
TOTAL FUNDS			794,375		759,315

The financial statements were approved by the Council of Trustees on 22nd November 2024 and signed on its behalf by



CHAIR OF THE COUNCIL OF MEMBERS
R. DORRANCE

The notes on pages 10 to 17 form part of these financial statements.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2024

STATEMENT OF CASH FLOWS

	Notes	2024 Total Funds £	2023 Total Funds £
Cash flows from operating activities:			
<i>Net cash provided by/(used in) operating activities</i>	18	137,395	(67,881)
Cash flows from investing activities:			
Purchase of tangible fixed assets		(2,688)	(3,887)
Capitalisation of intangible assets		(41,656)	(14,664)
<i>Net cash provided by/(used in) investing activities</i>		(44,344)	(18,551)
<i>Change in cash and cash equivalents in the year</i>		93,051	(86,432)
Cash and cash equivalents brought forward		766,303	852,735
Cash and cash equivalents carried forward		859,354	766,303

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2024

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

(a) BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Open School Trust meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction values unless otherwise stated in the relevant accounting policy notes.

(b) INCOME RECOGNITION

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:

Fee and Publications income:

Fee income represents the invoiced value of fees for distance learning courses and contracts 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 trust considers it appropriate to recognise fee income where a course has been ordered.

Publication income represents the invoiced value of publications of learning material.

Project and Grant income:

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the trust has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Investment income:

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the trust; this is normally upon notification of the interest paid or payable by the bank.

(c) EXPENDITURE AND IRRECOVERABLE VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the following expenditure headings as follows:

Raising funds:

Costs of raising funds comprise the costs of seeking and applying for grants and costs associated with the seeking and arranging of licence fee agreements.

Charitable activities:

Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the trust and their associated support costs. 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.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2024

NOTES TO THE FINANCIAL STATEMENTS

(e) OPERATING LEASES

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the Statement of Financial Activities as incurred.

(f) TANGIBLE FIXED ASSETS

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	- 4 years straight line
Equipment and software	- 3 and 4 years straight line

(g) INTANGIBLE FIXED ASSETS*Goodwill:*

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

Following a review undertaken by the Council Members, from 1 July 2015 it was agreed that the economic life was to be reduced and as such the remaining value of the goodwill will be amortised over the next 10 years.

Course development:

The Trust defers course development expenditure on new course products where the project meets the criteria set out for deferred costs in FRS 102.

Identifiable development expenditure is deferred on clearly defined projects where the outcome has been assured with reasonable certainty and is viable in light of current market conditions. Income is expected to exceed all development costs. The life of each course on completion and commencement of marketing is expected to be 3 years and each course is reviewed annually to ensure commercial prospects remain, otherwise the costs are written off in that year.

(h) 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.

(i) DEBTORS

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(j) CREDITORS

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(k) PROVISIONS FOR LIABILITIES

A provision for deferred income relating to the tutor element of each course is included under liabilities.

Each course sold comprises of study materials and tutor support. The length of time taken to complete the course depends on the student's objectives and often the course is purchased for the study materials alone. Tutor support is given for a period of 24 months from the start of the course and that part of the course fees is estimated and deferred over that period.

2. LEGAL STATUS OF THE CHARITY

The Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

3. INCOME FROM PROJECTS

	2024	2024	2024	2023	2023	2023
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds	Funds	Funds	Funds	Funds	Funds
	£	£	£	£	£	£
PET Digital	-	34,282	34,282	-	-	-
Bursary Fund	-	1,000	1,000	-	-	-
Open University	-	-	-	-	3,000	3,000
	<u>-</u>	<u>35,282</u>	<u>35,282</u>	<u>-</u>	<u>3,000</u>	<u>3,000</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2024

NOTES TO THE FINANCIAL STATEMENTS

4. EXPENDITURE ON:
CHARITABLE ACTIVITIES
FOR THE YEAR ENDED 30TH JUNE 2024

	Activities Undertaken Directly £	Other Direct Costs £	Support Costs £	2024 Total £
Fees	723,356	4,360	424,178	1,151,894
Publications & licences	15,827	-	883	16,710
Projects	-	21,432	13,590	35,022
Governance costs	-	-	27,667	27,667
	<u>739,183</u>	<u>25,792</u>	<u>466,318</u>	<u>1,231,293</u>

ANALYSIS OF SUPPORT COSTS
FOR THE YEAR ENDED 30TH JUNE 2024

	Fees £	Publications & Licences £	Governance £	Projects £	2024 Total £
Postage and carriage	783	2	-	-	785
Staff costs	136,567	285	-	13,590	150,442
Office expenses	515	1	-	-	516
Computer and hardware expenses	55,888	116	-	-	56,004
Telephone	4,596	10	-	-	4,606
Depreciation and amortisation	54,155	113	-	-	54,268
Professional fees	29,525	61	-	-	29,586
Accountancy	126	-	-	-	126
Other costs	409	1	-	-	410
Bank and credit card charges	14,412	30	-	-	14,442
Premises expenses	42,502	88	-	-	42,590
Advertising and marketing	84,700	176	-	-	84,876
	<u>424,178</u>	<u>883</u>	<u>-</u>	<u>13,590</u>	<u>438,651</u>

ANALYSIS OF GOVERNANCE COSTS

Legal and professional	-	-	11,213	-	11,213
Auditors remuneration	-	-	8,094	-	8,094
Trustees expenses	-	-	2,360	-	2,360
Apportionment of premises costs	-	-	6,000	-	6,000
	<u>424,178</u>	<u>883</u>	<u>27,667</u>	<u>13,590</u>	<u>466,318</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2024

NOTES TO THE FINANCIAL STATEMENTS

4.a	EXPENDITURE ON: CHARITABLE ACTIVITIES FOR THE YEAR ENDED 30TH JUNE 2023	Activities Undertaken Directly £	Other Direct Costs £	Support Costs £	2023 Total £
	Fees	697,471	3,224	450,252	1,150,947
	Publications & licences	15,771	-	1,301	17,072
	Projects	-	3,000	-	3,000
	Governance costs	-	-	27,045	27,045
		<u>713,242</u>	<u>6,224</u>	<u>478,598</u>	<u>1,198,064</u>

ANALYSIS OF SUPPORT COSTS
FOR THE YEAR ENDED 30TH JUNE 2023

	Fees £	Publications & Licences £	Governance £	2023 Total £
Postage and carriage	1,319	4	-	1,323
Staff costs	135,975	393	-	136,368
Office expenses	995	3	-	998
Computer and hardware expenses	54,533	158	-	54,691
Telephone	4,479	13	-	4,492
Depreciation and amortisation	78,959	228	-	79,187
Professional fees	29,696	86	-	29,782
Accountancy	114	-	-	114
Other costs	1,376	4	-	1,380
Recruitment costs	490	1	-	491
Bank and credit card charges	12,595	36	-	12,631
Premises expenses	40,015	116	-	40,131
Advertising and marketing	89,706	259	-	89,965
	<u>450,252</u>	<u>1,301</u>	<u>-</u>	<u>451,553</u>

ANALYSIS OF GOVERNANCE COSTS

Legal and professional	-	-	13,409	13,409
Auditors remuneration	-	-	7,596	7,596
Trustees expenses	-	-	40	40
Apportionment of premises costs	-	-	6,000	6,000
	<u>450,252</u>	<u>1,301</u>	<u>27,045</u>	<u>478,598</u>

5. NET EXPENDITURE/INCOME FOR THE YEAR

The net expenditure this year is stated after charging:	2024	2023
	£	£
Auditors remuneration - Audit	8,094	7,596
- Other services (consultancy)	126	114
Depreciation of tangible fixed assets	8,014	25,318
Amortisation of intangible fixed assets	46,254	53,869
	<u></u>	<u></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.

6. ANALYSIS OF STAFF COSTS AND REMUNERATION OF
KEY MANAGEMENT PERSONNEL

Salaries and wages	2024	2023
	£	£
	625,886	607,782
Social security costs	49,918	47,048
Pension contributions	33,945	32,156
Benefits	3,489	815
	<u>713,238</u>	<u>687,801</u>

The average weekly number of staff employed by the charity during the year were:

Charitable activities	2024	2023
	24	24
Management and Administration	2	2
	<u>26</u>	<u>26</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2024

NOTES TO THE FINANCIAL STATEMENTS

6. ANALYSIS OF STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL continued

The number of employees whose emoluments (salaries, pension contributions and other benefits) exceeded £60,000 was 2 (2023: 1) as below:

	2024	2023
£60,000 - £70,000	1	0
£70,000 - £80,000	1	1
	<u>2</u>	<u>1</u>

The Trust considers its key management personnel comprise the Council Members and the Chief Executive Office, all of which received £75,679 (2023 - £76,685).

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 section 252 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. INTANGIBLE FIXED ASSETS

FOR THE YEAR ENDED 30TH JUNE 2024

COST OR VALUATION

	Goodwill £	Course Development £	Total £
Balance at 1st July 2023	301,166	739,817	1,040,983
Additions	-	41,656	41,656
Balance at 30th June 2024	<u>301,166</u>	<u>781,473</u>	<u>1,082,639</u>
AMORTISATION			
Balance at 1st July 2023	249,966	711,082	961,048
Charge for the year	25,596	20,658	46,254
Balance at 30th June 2024	<u>275,562</u>	<u>731,740</u>	<u>1,007,302</u>
NET BOOK VALUE as at 30th June 2024	<u>25,604</u>	<u>49,733</u>	<u>75,337</u>

8a. INTANGIBLE FIXED ASSETS

FOR THE YEAR ENDED 30TH JUNE 2023

COST OR VALUATION

	Goodwill £	Course Development £	Total £
Balance at 1st July 2022	301,166	725,153	1,026,319
Additions	-	14,664	14,664
Balance at 30th June 2023	<u>301,166</u>	<u>739,817</u>	<u>1,040,983</u>
AMORTISATION			
Balance at 1st July 2022	224,367	682,812	907,179
Charge for the year	25,599	28,270	53,869
Balance at 30th June 2023	<u>249,966</u>	<u>711,082</u>	<u>961,048</u>
NET BOOK VALUE as at 30th June 2023	<u>51,200</u>	<u>28,735</u>	<u>79,935</u>

9. TANGIBLE FIXED ASSETS

YEAR ENDED 30TH JUNE 2024

COST OR VALUATION

	Equipment & Software £	Total £
Balance at 1st July 2023	317,434	317,434
Additions	2,688	2,688
Disposals	(4,249)	(4,249)
Balance at 30th June 2024	<u>315,873</u>	<u>315,873</u>
DEPRECIATION		
Balance at 1st July 2023	304,685	304,685
Charge for the year	8,014	8,014
Eliminated on disposal	(4,249)	(4,249)
Balance at 30th June 2024	<u>308,450</u>	<u>308,450</u>
NET BOOK VALUE as at 30th June 2024	<u>7,423</u>	<u>7,423</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2024

NOTES TO THE FINANCIAL STATEMENTS

9a.	TANGIBLE FIXED ASSETS	Equipment	
	YEAR ENDED 30TH JUNE 2023	& Software	Total
	COST OR VALUATION	£	£
	Balance at 1st July 2022	313,547	313,547
	Additions	3,887	3,887
	Balance at 30th June 2023	<u>317,434</u>	<u>317,434</u>
	DEPRECIATION		
	Balance at 1st July 2022	279,367	279,367
	Charge for the year	25,318	25,318
	Balance at 30th June 2023	<u>304,685</u>	<u>304,685</u>
	NET BOOK VALUE as at 30th June 2023	<u>12,749</u>	<u>12,749</u>
10.	STOCKS	2024	2023
		£	£
	Finished goods and goods for resale	<u>5,191</u>	<u>6,579</u>
11.	DEBTORS	2024	2023
		£	£
	Trade debtors	22,958	38,942
	Prepayments and accrued income	21,628	16,236
	Other debtors	-	1,313
		<u>44,586</u>	<u>56,491</u>
12.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2024	2023
		£	£
	Trade creditors	27,792	12,198
	Other creditors	20,705	16,089
	Accruals and deferred income	46,418	40,302
		<u>94,915</u>	<u>68,589</u>
13.	PROVISIONS FOR LIABILITIES	2024	2023
		£	£
	Balance brought forward	94,153	110,030
	Movement in provision	8,448	(15,877)
	Balance carried forward	<u>102,601</u>	<u>94,153</u>

The provision relates to deferred course fee income. As the Trust 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 income received from course sales, discounted to remove all non-tutor cost elements that are considered expended on the purchase of the course, and deferred over the expected life of a course up to a 24 month period from commencement of the course.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2024

NOTES TO THE FINANCIAL STATEMENTS

14.	ANALYSIS OF CHARITABLE FUNDS YEAR ENDED 30TH JUNE 2024	Brought Forward £	Income £	Expenditure £	Carried Forward £
	UNRESTRICTED FUNDS				
	General funds	759,315	1,231,071	(1,196,271)	794,115
	RESTRICTED FUNDS				
	PET Digital	-	34,282	(34,282)	-
	Bursary Fund	-	1,000	(740)	260
	TOTAL FUNDS	759,315	1,266,353	(1,231,293)	794,375
14a.	ANALYSIS OF CHARITABLE FUNDS YEAR ENDED 30TH JUNE 2023	Brought Forward £	Income £	Expenditure £	Carried Forward £
	UNRESTRICTED FUNDS				
	General funds	873,138	1,081,241	(1,195,064)	759,315
	RESTRICTED FUNDS				
	Open University	-	3,000	(3,000)	-
	TOTAL FUNDS	873,138	1,084,241	(1,198,064)	759,315

Restricted fund purpose:

Open University - funding received towards a joint project with Open University for market research on Chinese learning market.

PET Digital - funding received for the creation of a digital course for prisoners to use in prison.

Bursary Fund - 60th anniversary bursary to cover course and exam fees for the successful applicant, funded by the trustee, R Morpeth.

15.	ANALYSIS OF NET ASSETS BETWEEN FUNDS YEAR ENDED 30TH JUNE 2024	2024 Unrestricted Funds £	2024 Restricted Funds £	2024 Total Funds £
	Intangible fixed assets	75,337	-	75,337
	Tangible fixed assets	7,423	-	7,423
	Current assets	908,871	260	909,131
	Creditors due within one year	(94,915)	-	(94,915)
	Provision for liabilities	(102,601)	-	(102,601)
		794,115	260	794,375
15a.	ANALYSIS OF NET ASSETS BETWEEN FUNDS YEAR ENDED 30TH JUNE 2023	2023 Unrestricted Funds £	2023 Restricted Funds £	2023 Total Funds £
	Intangible fixed assets	79,935	-	79,935
	Tangible fixed assets	12,749	-	12,749
	Current assets	829,373	-	829,373
	Creditors due within one year	(68,589)	-	(68,589)
	Provision for liabilities	(94,153)	-	(94,153)
		759,315	-	759,315

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2024

NOTES TO THE FINANCIAL STATEMENTS

16. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year.

17. TRUSTEES EXPENSES

During the year, 1 trustee had travel expenses reimbursed totalling £72. In the prior year, 1 trustee also had their travel expenses reimbursed of £40.

18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024	2023
	£	£
Net movement in funds	35,060	(113,823)
Add: Depreciation	8,014	25,318
Add: Amortisation	46,254	53,869
Decrease in stocks	1,388	3,857
Decrease in debtors	11,905	10,211
Increase/(decrease) in creditors	34,774	(47,313)
	<u>137,395</u>	<u>(67,881)</u>

19. PENSIONS

The company operates a stakeholder defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by an independent pensions provider. Pension payments recognised as an expense during the year amount to £33,945 (2023: £32,156).

20. OTHER COMMITMENTS

On 30th June 2024, the charity had total commitments under non cancellable operating leases as follows:-

	Land & Buildings	
	2024	2023
	£	£
In less than one year	30,000	30,000
Between one and five years	120,000	120,000
In more than five years	60,000	90,000
	<u>210,000</u>	<u>240,000</u>

The Open School Trust entered into a 10 year lease with a 5 year break clause in 2021. The total commitment until the break clause is £60,000 (2023: £90,000).

THE OPEN SCHOOL TRUST

England & Wales - Charity number 328414

Accounts

THE OPEN SCHOOL TRUST
COUNCIL MEMBERS' ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 30TH JUNE 2023
COMPANY REG. NO. 02438525
CHARITY NO. 328414

THE OPEN SCHOOL TRUST

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

COUNCIL MEMBERS' ANNUAL REPORT

The Council Members present their annual report and financial statements of the Trust for the year ended 30th June 2023. The financial statements have been prepared to meet the requirements for a directors' report and financial statements for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

PURPOSES OF THE TRUST AS SET OUT IN THE GOVERNING DOCUMENT

The Trust's object is that of promoting education for the benefit of the public and to provide or assist in providing both adults and young people 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".

MAIN ACTIVITIES UNDERTAKEN IN RELATION TO THOSE PURPOSES

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

COUNCIL MEMBER'S REGARD TO THE CHARITY COMMISSION'S GUIDANCE ON PUBLIC BENEFIT

The Council Members confirm that they have complied with the duty of section 4 of the Charities Act 2011 relating to public benefit and have considered the Charity Commission's 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. The Trust's work also involves keeping its courses and resources up to date in a wide range of curriculum areas.

ACHIEVEMENTS AND PERFORMANCE

The Trust fills a significant gap in providing educational opportunities for adults and young people who need flexible part time provision of courses. The Trust takes this role very seriously and invests considerable resources on improving the quality of its course portfolio and enhancing the level of service it offers its students. This year National Extension College marked its 60th Birthday and used the anniversary to celebrate, recognise individual efforts and raise awareness of the valuable work and mission of the Charity.

During the year the College has launched a range of STEM International A levels which allow students to gain a science A level without the need for a practical endorsement. This is vital to those who cannot access the practical aspect of the assessment due to financial or other considerations. It also introduced a companion course to the level 2 Bookkeeping qualification, which enables learners to gain specialist bookkeeping software skills. The College has increased the number of bursary partners/offers and has a range of bursaries which support the most marginalised students to progress to their chosen career. Efforts have been directed to expanding the outreach programme, delivering approximately 20 Live webinar information sessions with partner organisations. These are available to the general public as well as to enrolled students. The topics covered a range from 'Applying to University' with the UEA to 'Careers in Law' with the University of Law.

The College has enhanced its student offer creating a WellBeing for Learning programme and a series of subject Masterclasses. Both are live, synchronous activities which students can engage with to support their learning and to help them reach their potential. To ensure students have access to support when they need it, there is now an online Help Hub available. Here self service support can be gained regarding the student journey, including information on the College's UCAS service, exam booking service and additional tutor services.

A priority this year has been investment in the student experience by upgrading the learning management system to create a more efficient and personalised student journey.

SUMMARY OF THE MAIN ACHIEVEMENTS OF THE TRUST

The Trustees anticipated that the 2022-23 financial year would be a challenging year with the need to continue to develop high quality student support along with essential investment in the IT infrastructure and marketing. The Trustees are conscious of the economic challenges the UK has faced over the last 12 months and have taken measures to stabilise any negative effect this may have had on the Trust. The level of enrolments has held up, despite these challenges. Though retail sales have been affected, work with specialist educational charities has increased. There has also been a considerable increase in enrolments from Schools, Colleges and Local Authorities. This builds on the foundations created in the prior year, and is an area of focus for the coming year.

Work with those in the armed services has continued and the College has been successful in re-registering with ELCAS.

The Trust has strengthened its relationship with a large trade union by promoting Functional Skills courses to all members.

An application for a Growth Work Grant was successful and supported further marketing activity and the development aspects of the website.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

COUNCIL MEMBERS' ANNUAL REPORT

The investment in marketing and IT infrastructure as well as a new business development appointment will strengthen the College's ability to engage with new partners and develop sustainable relationships with educational institutions. It will also support the planned course improvement work to the course design and mode of delivery.

Trustees are anticipating that there will be changes to the political environment which may have an impact on national curriculum qualifications.

FINANCIAL REVIEW*REVIEW OF THE FINANCIAL POSITION AT THE END OF THE YEAR*

The Council Members are satisfied that the level of free reserves currently has a surplus of £759,314 (2022: £873,138) which they are aiming to increase to a target of £1 million. Income for the year amounted to £1,084,241 (2022: £1,331,599) and expenditure amounted to £1,198,065 (2022: £1,218,991).

FUNDRAISING

The Open School Trust does not openly fundraise or solicit donations from the public.

CURRENT FINANCIAL POSITION

Trustees are pleased to see that despite a tough market in terms of the impact of cost of living, and general economic climate affecting students, that the charity has still performed well.

RESERVES POLICY

The Council Members have a target for free reserves of £1million, and expect this to be achieved over an 8 year term, through increased sales and careful cost management.

The Council Members have considered that the most appropriate policy at present is to maintain all surplus funds in the various bank current and deposit accounts. This policy is kept under review, having regard to the level of funds available. The Member 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT

NATURE OF THE GOVERNING DOCUMENT

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 16th 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). These financial statements cover the 12 months of trading to 30th June 2023.

The governing document is the Memorandum and Articles of Association filed at Companies House on 20th October 1989.

CONSTITUTION OF THE CHARITY

The constitution of the Charity is contained in items 1 to 7 of the Memorandum of Association and items 1 to 69 of the Articles of Association.

THE BOARD OF TRUSTEES (COUNCIL MEMBERS)

The Council Members of the Trust are also directors for the purposes of company law. The Council Members (referred to in the company's articles as the "Council of Management") consists of not less than three members. At present, the Council comprises of seven members from a variety of professional backgrounds relevant to the work of the Trust and meet at least three times a year.

Council Members are responsible for the management of the risks faced by the Trust. Risks are identified and assessed and controls established throughout the year. Significant new ventures 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 Trust maintains a Register of Interests and both Council Members 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.

The Council is also underpinned by a senior management team, which support its decision making. The senior management team meet on a monthly basis. Experts and tutors are engaged when required to provide the support and development of services.

New Council Members are invited to familiarise themselves with the Trust and the context within which it operates. Briefing sessions jointly led by the Chief Executive Officer and the existing Council Members cover:

- The obligations of the management team.
- The main documents which set out the operational framework of the Trust.
- The current financial position including the latest published financial statements and the current management accounts.
- Future plans and objectives.
- The Charity Commission guide "The Essential Trustee"

KEY MANAGEMENT PERSONNEL REMUNERATION

The Council Members consider the Members of Council and the Chief Executive as comprising the key management personnel of the charitable company in charge of directing and controlling the charitable company and running and operating the charitable company on a day to day basis.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

COUNCIL MEMBERS' ANNUAL REPORT

STATEMENT OF MEMBERS OF COUNCIL RESPONSIBILITIES

All Council Members and the outgoing Chief Executive give their time freely and neither the Council Members nor outgoing Chief Executive received any remuneration in the year. Details of Council Member's expenses are disclosed in note 6 to the financial statements and related party transactions are disclosed in note 16 to the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

Internal controls over all forms of income, assets, commitment and expenditure continue to be refined to improve efficiency and effectiveness. Performance is monitored and appropriate management information is prepared and reviewed regularly by the management team and Trustees.

The Trust currently produces an annual budget and reports monthly against that budget, requiring managers to comment on variances and outline corrective action if required. The Council Members have delegated authority from the Council to ensure that an active risk management process is in place and form part of The Open School Trust's ongoing organisation activity.

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 Trust and of the surplus or deficit of the Trust for that year. In preparing those financial statements the Members of Council are required to:

- (a) Select suitable accounting policies and then apply them consistently;
- (b) Observe the methods and principles of the Charities SORP;
- (c) Make judgements and estimates that are reasonable and prudent;
- (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) Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Members 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 2006, the Charities Act 2011 and the Charities (Accounts and Reports) Regulations.

The Members 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.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

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

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

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 Members of Council and signed on its behalf, on 5th December 2023.



CHAIR OF THE MEMBERS OF COUNCIL
R. DORRANCE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL MEMBERS OF THE OPEN SCHOOL TRUST

OPINION

We have audited the financial statements of Open School Trust for the year ended 30 June 2023 which comprise of the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and notes to the financial statements including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 2023, and of its deficit 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.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 5 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Council with respect to going concern are described in the relevant sections this report.

OTHER INFORMATION

The other information comprises the information included in the Council Members' Annual Report, other than the financial statements and our auditor's report thereon. The Council Members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Council Members Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Council Members Annual Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Council Member's Annual Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 or Charities Act 2011 requires us to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records 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 trustee remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL MEMBERS OF THE OPEN SCHOOL TRUST

RESPONSIBILITIES OF COUNCIL MEMBERS

As explained more fully in the Council Members' responsibilities statement in the Council Members Annual Report, the Members of Council (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council Members are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council Members either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The Council Members have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The primary responsibility for the prevention and detection of irregularities including fraud rests with both the management and those charged with governance of the charitable company. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We have considered the nature of the industry and sector, control environment, laws and regulations of the charitable company, Charity Laws and regulations considered included, but were not limited to, the Companies Act 2006, the Charities Act 2011, Charity SORP and FRS102.

We have enquired with the management in regards to their own assessment of the risks of irregularities, including fraud. We also enquired of the management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

We obtained relevant documentation and representations in order to form an opinion on potential irregularities, including fraud.

We considered the opportunities and incentives that may exist within the organisation for fraud.

Based on this understanding, we designed specific audit procedures to identify instances of non-compliance with laws and regulations, including obtaining additional corroborative evidence as required. Examples of procedures included reviewing large and unusual transactions, reviewing large and unexpected variances, reviewing journal entries and reviewing relevant legal correspondence.

There are inherent limitations in the audit procedures described above, not least as sampling is used under International Auditing Standards, therefore not all transactions are reviewed, Therefore there is a risk we will not detect all irregularities including those leading to a material misstatement in the financial statements or non-compliance with regulations. The risk of not detecting a material misstatement due to fraud is also higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery collusion, omission or intentional misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

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.



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

6th December 2023

Prentis & Co LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

STATEMENT OF FINANCIAL ACTIVITIES

	Notes	2023 Unrestricted Funds £	2023 Restricted Funds £	2023 Total Funds £	2022 Unrestricted Funds £	2022 Restricted Funds £	Restated 2022 Total Funds £
INCOME FROM:							
Charitable activities:							
Fees		1,055,159	-	1,055,159	1,304,902	-	1,304,902
Publications and licences		3,704	-	3,704	3,818	-	3,818
Project income	3	-	3,000	3,000	-	-	-
Other income		13,606	-	13,606	21,568	-	21,568
Investment income:							
Interest received		8,772	-	8,772	1,311	-	1,311
TOTAL INCOME		<u>1,081,241</u>	<u>3,000</u>	<u>1,084,241</u>	<u>1,331,599</u>	<u>-</u>	<u>1,331,599</u>
EXPENDITURE ON:							
Charitable activities:							
Fees	4	1,150,947	-	1,150,947	1,169,707	-	1,169,707
Publications and licences	4	17,072	-	17,072	16,750	-	16,750
Projects	4	-	3,000	3,000	-	2,690	2,690
Other costs	4	27,045	-	27,045	29,844	-	29,844
TOTAL EXPENDITURE		<u>1,195,064</u>	<u>3,000</u>	<u>1,198,064</u>	<u>1,216,301</u>	<u>2,690</u>	<u>1,218,991</u>
Net (expenditure)/income and net movement in funds	5	(113,823)	-	(113,823)	115,298	(2,690)	112,608
RECONCILIATION OF FUNDS							
Total funds brought forward		873,138	-	873,138	757,840	2,690	760,530
Total funds carried forward		<u>759,315</u>	<u>-</u>	<u>759,315</u>	<u>873,138</u>	<u>-</u>	<u>873,138</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 10 to 17 form part of these financial statements.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

BALANCE SHEET

	Notes	2023		2022	
		£	£	£	£
FIXED ASSETS					
Intangible assets	8		79,935		119,140
Tangible assets	9		12,749		34,180
TOTAL FIXED ASSETS			<u>92,684</u>		<u>153,320</u>
CURRENT ASSETS					
Stocks	10		6,579		10,436
Debtors	11		56,491		66,702
Cash at bank and in hand			766,303		852,735
TOTAL CURRENT ASSETS			<u>829,373</u>		<u>929,873</u>
LIABILITIES:					
Creditors: Amounts falling due within one year	12		<u>(68,589)</u>		<u>(100,025)</u>
NET CURRENT ASSETS			760,784		829,848
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>853,468</u>		<u>983,168</u>
PROVISIONS FOR LIABILITIES	13		(94,153)		(110,030)
TOTAL NET ASSETS			<u>759,315</u>		<u>873,138</u>
THE FUNDS OF THE CHARITY:					
Unrestricted Funds	14		759,315		873,138
Restricted Funds	14		-		-
TOTAL FUNDS			<u>759,315</u>		<u>873,138</u>

The financial statements were approved by the Council of Trustees on *5th December 2023* and signed on its behalf by

Mc c Jm -

.....
CHAIR OF THE COUNCIL OF MEMBERS
R. DORRANCE

The notes on pages 10 to 17 form part of these financial statements.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

STATEMENT OF CASH FLOWS

	Notes	2023 Total Funds £	2022 Total Funds £
Cash flows from operating activities:			
<i>Net cash provided by/(used in) operating activities</i>	17	(67,881)	73,255
Cash flows from investing activities:			
Purchase of tangible fixed assets		(3,887)	(7,752)
Capitalisation of intangible assets		(14,664)	(25,787)
<i>Net cash provided by/(used in) investing activities</i>		(18,551)	(33,539)
<i>Change in cash and cash equivalents in the year</i>		(86,432)	39,716
Cash and cash equivalents brought forward		852,735	813,019
Cash and cash equivalents carried forward		766,303	852,735

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

(a) BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Open School Trust meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction values unless otherwise stated in the relevant accounting policy notes.

(b) INCOME RECOGNITION

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:

Fee and Publications income:

Fee income represents the invoiced value of fees for distance learning courses and contracts 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 trust considers it appropriate to recognise fee income where a course has been ordered.

Publication income represents the invoiced value of publications of learning material.

Project and Grant income:

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the trust has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Investment income:

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the trust; this is normally upon notification of the interest paid or payable by the bank.

(c) EXPENDITURE AND IRRECOVERABLE VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the following expenditure headings as follows:

Raising funds:

Costs of raising funds comprise the costs of seeking and applying for grants and costs associated with the seeking and arranging of licence fee agreements.

Charitable activities:

Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the trust and their associated support costs. 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.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

NOTES TO THE FINANCIAL STATEMENTS

(e) OPERATING LEASES

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the Statement of Financial Activities as incurred.

(f) TANGIBLE FIXED ASSETS

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	- 4 years straight line
Equipment and software	- 3 and 4 years straight line

(g) INTANGIBLE FIXED ASSETS*Goodwill:*

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

Following a review undertaken by the Council Members, from 1 July 2015 it was agreed that the economic life was to be reduced and as such the remaining value of the goodwill will be amortised over the next 10 years.

Course development:

The Trust defers course development expenditure on new course products where the project meets the criteria set out for deferred costs in FRS 102.

Identifiable development expenditure is deferred on clearly defined projects where the outcome has been assured with reasonable certainty and is viable in light of current market conditions. Income is expected to exceed all development costs. The life of each course on completion and commencement of marketing is expected to be 3 years and each course is reviewed annually to ensure commercial prospects remain, otherwise the costs are written off in that year.

(h) 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.

(i) DEBTORS

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(j) CREDITORS

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(k) PROVISIONS FOR LIABILITIES

A provision for deferred income relating to the tutor element of each course is included under liabilities.

Each course sold comprises of study materials and tutor support. The length of time taken to complete the course depends on the student's objectives and often the course is purchased for the study materials alone. Tutor support is given for a period of 24 months from the start of the course and that part of the course fees is estimated and deferred over that period.

2. LEGAL STATUS OF THE CHARITY

The Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

3. INCOME FROM PROJECTS

	2023	2023	2023	2022	2022	2022
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds	Funds	Funds	Funds	Funds	Funds
	£	£	£	£	£	£
Open University	-	3,000	3,000	-	-	-

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

NOTES TO THE FINANCIAL STATEMENTS

4.	EXPENDITURE ON: CHARITABLE ACTIVITIES FOR THE YEAR ENDED 30TH JUNE 2023	Activities Undertaken Directly £	Other Direct Costs £	Support Costs £	2023 Total £
	Fees	697,471	3,224	450,252	1,150,947
	Publications & licences	15,771	-	1,301	17,072
	Projects	-	3,000	-	3,000
	Governance costs	-	-	27,045	27,045
		<u>713,242</u>	<u>6,224</u>	<u>478,598</u>	<u>1,198,064</u>
	ANALYSIS OF SUPPORT COSTS FOR THE YEAR ENDED 30TH JUNE 2023				2023
		Fees £	Publications & Licences £	Governance £	Total £
	Postage and carriage	1,319	4	-	1,323
	Staff costs	135,975	393	-	136,368
	Office expenses	995	3	-	998
	Computer and hardware expenses	54,533	158	-	54,691
	Telephone	4,479	13	-	4,492
	Depreciation and amortisation	78,959	228	-	79,187
	Professional fees	29,696	86	-	29,782
	Accountancy	114	-	-	114
	Other costs	1,376	4	-	1,380
	Recruitment costs	490	1	-	491
	Bank and credit card charges	12,595	36	-	12,631
	Premises expenses	40,015	116	-	40,131
	Advertising and marketing	89,706	259	-	89,965
		<u>450,252</u>	<u>1,301</u>	<u>-</u>	<u>451,553</u>
	ANALYSIS OF GOVERNANCE COSTS				
	Legal and professional	-	-	13,409	13,409
	Auditors remuneration	-	-	7,596	7,596
	Trustees expenses	-	-	40	40
	Apportionment of premises costs	-	-	6,000	6,000
		<u>450,252</u>	<u>1,301</u>	<u>27,045</u>	<u>478,598</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

NOTES TO THE FINANCIAL STATEMENTS

4.a	EXPENDITURE ON: CHARITABLE ACTIVITIES FOR THE YEAR ENDED 30TH JUNE 2022	Activities Undertaken Directly £	Other Direct Costs £	Support Costs £	Restated 2022 Total £
	Fees	682,403	8,377	478,927	1,169,707
	Publications & licences	15,373	-	1,377	16,750
	Projects	-	2,690	-	2,690
	Governance costs	-	-	29,844	29,844
		<u>697,776</u>	<u>11,067</u>	<u>510,148</u>	<u>1,218,991</u>
	ANALYSIS OF SUPPORT COSTS FOR THE YEAR ENDED 30TH JUNE 2022	Fees £	Publications & Licences £	Governance £	Restated 2022 Total £
	Postage and carriage	1,092	3	-	1,095
	Staff costs	132,548	381	-	132,929
	Office expenses	6,066	17	-	6,083
	Computer and hardware expenses	58,944	169	-	59,113
	Telephone	5,542	16	-	5,558
	Depreciation and amortisation	108,021	311	-	108,332
	Professional fees	14,726	42	-	14,768
	Accountancy	102	-	-	102
	Other costs	318	1	-	319
	Recruitment costs	875	3	-	878
	Bank and credit card charges	15,646	45	-	15,691
	Premises expenses	55,844	161	-	56,005
	Advertising and marketing	79,203	228	-	79,431
		<u>478,927</u>	<u>1,377</u>	<u>-</u>	<u>480,304</u>
	ANALYSIS OF GOVERNANCE COSTS				
	Legal and professional	-	-	16,470	16,470
	Auditors remuneration	-	-	6,900	6,900
	Council Member expenses	-	-	474	474
	Apportionment of premises costs	-	-	6,000	6,000
		<u>478,927</u>	<u>1,377</u>	<u>29,844</u>	<u>510,148</u>

The 2022 figures have been restated to give a better reflection of the split of the charity's costs. The reserves remain unchanged.

5.	NET EXPENDITURE/INCOME FOR THE YEAR The net expenditure this year is stated after charging:	2023 £	2022 £
	Auditors remuneration - Audit	7,596	6,900
	- Other services (consultancy)	114	102
	Depreciation of tangible fixed assets	25,318	37,626
	Amortisation of intangible fixed assets	53,869	70,706
		<u>86,897</u>	<u>175,334</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.

6.	ANALYSIS OF STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL	2023 £	2022 £
	Salaries and wages	607,782	603,359
	Social security costs	47,048	43,417
	Pension contributions	32,156	33,733
		<u>686,986</u>	<u>680,509</u>
	The average weekly number of staff employed by the charity during the year were:	2023	2022
	Charitable activities	24	25
	Management and Administration	2	2
		<u>26</u>	<u>27</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

NOTES TO THE FINANCIAL STATEMENTS

6. ANALYSIS OF STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL continued

The number of employees whose emoluments (salaries and pension contributions) exceeded £60,000 was 1 (2022: 1). Council Members received no remuneration in the year (2022 - £nil). Council Members expenses reimbursed during the year were £40 (2022 - £474).

The Trust considers its key management personnel comprise of the Council Members and the Chief Executive Officer, all of which received £76,685 (2022 - £76,360).

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 section 252 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. INTANGIBLE FIXED ASSETS

FOR THE YEAR ENDED 30TH JUNE 2023

COST OR VALUATION

	Goodwill £	Course Development £	Total £
Balance at 1st July 2022	301,166	725,153	1,026,319
Additions	-	14,664	14,664
Balance at 30th June 2023	301,166	739,817	1,040,983
AMORTISATION			
Balance at 1st July 2022	224,367	682,812	907,179
Charge for the year	25,599	28,270	53,869
Balance at 30th June 2023	249,966	711,082	961,048
NET BOOK VALUE as at 30th June 2023	51,200	28,735	79,935

8a. INTANGIBLE FIXED ASSETS

FOR THE YEAR ENDED 30TH JUNE 2022

COST OR VALUATION

	Goodwill £	Course Development £	Total £
Balance at 1st July 2021	301,166	699,366	1,000,532
Additions	-	25,787	25,787
Balance at 30th June 2022	301,166	725,153	1,026,319
AMORTISATION			
Balance at 1st July 2021	198,768	637,705	836,473
Charge for the year	25,599	45,107	70,706
Balance at 30th June 2022	224,367	682,812	907,179
NET BOOK VALUE as at 30th June 2022	76,799	42,341	119,140

9. TANGIBLE FIXED ASSETS

YEAR ENDED 30TH JUNE 2023

COST OR VALUATION

	Equipment & Software £	Total £
Balance at 1st July 2022	313,547	313,547
Additions	3,887	3,887
Balance at 30th June 2023	317,434	317,434
DEPRECIATION		
Balance at 1st July 2022	279,367	279,367
Charge for the year	25,318	25,318
Balance at 30th June 2023	304,685	304,685
NET BOOK VALUE as at 30th June 2023	12,749	12,749

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

NOTES TO THE FINANCIAL STATEMENTS

9a.	TANGIBLE FIXED ASSETS			
	YEAR ENDED 30TH JUNE 2022			
	COST OR VALUATION			
	Balance at 1st July 2021	Leasehold Improvement £	Equipment & Software £	Total £
	Balance at 1st July 2021	30,073	319,254	349,327
	Additions	-	7,752	7,752
	Disposals	(30,073)	(13,459)	(43,532)
	Balance at 30th June 2022	-	313,547	313,547
	DEPRECIATION			
	Balance at 1st July 2021	30,073	255,200	285,273
	Charge for the year	-	37,626	37,626
	Eliminated on disposal	(30,073)	(13,459)	(43,532)
	Balance at 30th June 2022	-	279,367	279,367
	NET BOOK VALUE as at 30th June 2022	-	34,180	34,180
10.	STOCKS		2023	2022
	Finished goods and goods for resale		£	£
			6,579	10,436
11.	DEBTORS		2023	2022
	Trade debtors		£	£
	Prepayments and accrued income		38,942	46,445
	Other debtors		16,236	20,192
			1,313	65
			56,491	66,702
12.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		2023	2022
	Trade creditors		£	£
	Other creditors		12,198	32,930
	Accruals and deferred income		16,089	17,231
			40,302	49,864
			68,589	100,025
13.	PROVISIONS FOR LIABILITIES		2023	2022
	Balance brought forward		£	£
	Balance brought forward		110,030	123,268
	Movement in provision		(15,877)	(13,238)
	Balance carried forward		94,153	110,030

The provision relates to deferred course fee income. As the Trust 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 income received from course sales, discounted to remove all non-tutor cost elements that are considered expended on the purchase of the course, and deferred over the expected life of a course up to a 24 month period from commencement of the course.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

NOTES TO THE FINANCIAL STATEMENTS

14.	ANALYSIS OF CHARITABLE FUNDS YEAR ENDED 30TH JUNE 2023	Brought Forward £	Income £	Expenditure £	Carried Forward £
	UNRESTRICTED FUNDS				
	General funds	873,138	1,081,241	(1,195,064)	759,315
	RESTRICTED FUNDS				
	Open University	-	3,000	(3,000)	-
	TOTAL FUNDS	873,138	1,084,241	(1,198,064)	759,315
14a.	ANALYSIS OF CHARITABLE FUNDS YEAR ENDED 30TH JUNE 2022	Brought Forward £	Income £	Expenditure £	Carried Forward £
	UNRESTRICTED FUNDS				
	General funds	757,840	1,331,599	(1,216,301)	873,138
	RESTRICTED FUNDS				
	Open University	2,690	-	(2,690)	-
	TOTAL FUNDS	760,530	1,331,599	(1,218,991)	873,138

Restricted fund purpose:

Open University - funding received towards a joint project with Open University for market research on Chinese learning market.

15.	ANALYSIS OF NET ASSETS BETWEEN FUNDS YEAR ENDED 30TH JUNE 2023	2023 Unrestricted Funds £	2023 Restricted Funds £	2023 Total Funds £
	Intangible fixed assets	79,935	-	79,935
	Tangible fixed assets	12,749	-	12,749
	Current assets	829,373	-	829,373
	Creditors due within one year	(68,589)	-	(68,589)
	Provision for liabilities	(94,153)	-	(94,153)
		759,315	-	759,315
15a.	ANALYSIS OF NET ASSETS BETWEEN FUNDS YEAR ENDED 30TH JUNE 2022	2022 Unrestricted Funds £	2022 Restricted Funds £	2022 Total Funds £
	Intangible fixed assets	119,140	-	119,140
	Tangible fixed assets	34,180	-	34,180
	Current assets	929,873	-	929,873
	Creditors due within one year	(100,025)	-	(100,025)
	Provision for liabilities	(110,030)	-	(110,030)
		873,138	-	873,138

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2023

NOTES TO THE FINANCIAL STATEMENTS

16. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year.

17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022
	£	£
Net movement in funds	(113,823)	112,608
Add: Depreciation	25,318	37,626
Add: Amortisation	53,869	70,706
Decrease in stocks	3,857	6,246
Decrease/(increase) in debtors	10,211	(18,785)
(Decrease) in creditors	(47,313)	(135,146)
	<u>(67,881)</u>	<u>73,255</u>

18. PENSIONS

The company operates a stakeholder defined contribution pension scheme for the benefit of the employees.

The assets of the scheme are administered by an independent pensions provider.

Pension payments recognised as an expense during the year amount to £32,156 (2022: £33,773).

19. OTHER COMMITMENTS

On 30th June 2023, the charity had total commitments under non cancellable operating leases as follows:-

	Land & Buildings	
	2023	2022
	£	£
In less than one year	30,000	30,000
More than one year	60,000	90,000
	<u>90,000</u>	<u>120,000</u>

The Open School Trust entered into a new 10 year lease with a 5 year break clause. The total commitment until the break clause is £90,000 (2022: £120,000).

THE OPEN SCHOOL TRUST

England & Wales - Charity number 328414

Accounts

THE OPEN SCHOOL TRUST

COUNCIL MEMBERS' ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2022

COMPANY REG. NO. 02438525

CHARITY NO. 328414

THE OPEN SCHOOL TRUST

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

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

REGISTRATION NUMBER: 02438525 (Company limited by guarantee)

CHARITY NUMBER: 328414

COUNCIL MEMBERS: Dr R. Dorrance (Chairperson)
Dr R. Morpeth
R.A. Marshall (Vice Chairperson)
C. Callaway (resigned June 2022)
R.E. Moore (resigned November 2021)
C.J. Woolliscroft
Dr V. Pittard
S. Mistry

CHIEF EXECUTIVE OFFICER: E Chesterman

REGISTERED OFFICE Woolpack House
70 High Street
Sawston
Cambridge
CB22 3HJ

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

BANKERS: CAF (Charities Aid Foundation) Bank
25 Kings Hill Avenue
Kings Hill
West Malling, Kent
ME19 4TA
National Westminster Bank
Kings Parade Branch
10 Benet Street
Cambridge
CB2 3PU
Insignis
St Johns Innovation Centre
Cowley Road
Cambridge
CB4 0WS

SOLICITORS: Stone King
3rd Floor
Bateman House
82-88 Hills Road
Cambridge
CB2 1LQ

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

COUNCIL MEMBERS' ANNUAL REPORT

The Council Members present their annual report and financial statements of the Trust for the year ended 30th June 2022. The financial statements have been prepared to meet the requirements for a directors' report and financial statements for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

PURPOSES OF THE TRUST AS SET OUT IN THE GOVERNING DOCUMENT

The Trust's object is that of promoting education for the benefit of the public and to provide or assist in providing both adults and young people 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".

MAIN ACTIVITIES UNDERTAKEN IN RELATION TO THOSE PURPOSES

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

COUNCIL MEMBER'S REGARD TO THE CHARITY COMMISSION'S GUIDANCE ON PUBLIC BENEFIT

The Council Members confirm that they have complied with the duty of section 4 of the Charities Act 2011 relating to public benefit and have considered the Charity Commission's 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. The Trust's work also involves keeping its courses and resources up to date in a wide range of curriculum areas.

ACHIEVEMENTS AND PERFORMANCE

The Trust fills a significant gap in providing educational opportunities for adults and young people who need flexible part time provision of courses. The Trust takes this role very seriously and invests considerable resources on improving the quality of its course portfolio and enhancing the level of service it offers its students. This year we launched A Level Geography which is a fully interactive online distance learning course. This will add to our wide range of A levels on offer and support students who are looking for a range of A Level options. We have been able to support a growing number of students to gain bursaries with partner organisations. These have enabled students to gain a qualification regardless of their final circumstances. Our bursaries are provided by a range of subject associations and specialist organisations. Within this financial year we launched a new scholarship. 'The Russell Kane Scholarship' will support 3 learners through their GCSEs and A levels. The successful applicants will be announced in the Autumn of 2022.

SUMMARY OF THE MAIN ACHIEVEMENTS OF THE TRUST

NEC moved to a new office in a village 6 miles south of Cambridge. The new office has more parking availability and internal space for all staff to attend the office and work collaboratively. A model of hybrid working is continuing. This is in part due to the change in working practices brought about by the pandemic and in part due to a delay on the lease line being connected.

2020 and 2021 saw high pass rates across GCSE's and A Levels due to the use of a different model to provide grades. This increase had an effect on NEC's enrolments as traditionally a good percentage of students are those looking to retake.

2022 saw students sit exams for the first time in two years. Ofqual and JCQ put measures in place to ensure students' learning was not impacted by the lost time. NEC applied these measures across all our courses.

We were delighted to be awarded Distance learning centre of the year at the IAB awards. NEC has worked with the IAB for a number of years and they have been supportive of the model of delivery required for our prison learners.

Our work with a variety of partners has strengthened and we are seeing an increase in income from an increasing number of education institutions. This is an area we will focus on over the coming year.

REVIEW OF THE FINANCIAL POSITION AT THE END OF THE YEAR

The Council Members are satisfied that the level of free reserves currently a surplus of £873,138 (2021: £757,840) which they are aiming to increase to a target of £1 million. Income for the year amounted to £1,331,599 (2021: £1,526,539) and expenditure amounted to £1,218,991 (2021: £1,300,921).

FUNDRAISING

The Open School Trust does not openly fundraise or solicit donations from the public.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

COUNCIL MEMBERS' ANNUAL REPORT

FINANCIAL REVIEW

CURRENT FINANCIAL POSITION

Trustees are pleased to see that despite a tough market in terms of the impact of cost of living, and general economic climate affecting students, that the charity has still performed well.

RESERVES POLICY

The Council Members have a target for free reserves of £1 million, and expect this to be achieved over an 8 year term, through increased sales and careful cost management.

The Council Members have considered that the most appropriate policy at present is to maintain all surplus funds in the various bank current and deposit accounts. This policy is kept under review, having regard to the level of funds available. The Member 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT

NATURE OF THE GOVERNING DOCUMENT

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 16th 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). These financial statements cover the 12 months of trading to 30th June 2022.

The governing document is the Memorandum and Articles of Association filed at Companies House on 20th October 1989.

CONSTITUTION OF THE CHARITY

The constitution of the Charity is contained in items 1 to 7 of the Memorandum of Association and items 1 to 69 of the Articles of Association.

THE BOARD OF TRUSTEES (COUNCIL MEMBERS)

The Council Members of the Trust are also directors for the purposes of company law. The Council Members (referred to in the company's articles as the "Council of Management") consists of not less than three members. At present, the Council comprises of seven members from a variety of professional backgrounds relevant to the work of the Trust and meet at least three times a year.

Council Members are responsible for the management of the risks faced by the Trust. Risks are identified and assessed and controls established throughout the year. Significant new ventures 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 Trust maintains a Register of Interests and both Council Members 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.

The Council is also underpinned by a senior management team, which support its decision making. The senior management team meet on a monthly basis. Experts and tutors are engaged when required to provide the support and development of services.

New Council Members are invited to familiarise themselves with the Trust and the context within which it operates. Briefing sessions jointly led by the Chief Executive Officer and the existing Council Members cover:

- The obligations of the management team.
- The main documents which set out the operational framework of the Trust.
- The current financial position including the latest published financial statements and the current management accounts.
- Future plans and objectives.
- The Charity Commission guide "The Essential Trustee"

KEY MANAGEMENT PERSONNEL REMUNERATION

The Council Members consider the Members of Council and the Chief Executive as comprising the key management personnel of the charitable company in charge of directing and controlling the charitable company and running and operating the charitable company on a day to day basis.

All Council Members and the outgoing Chief Executive give their time freely and neither the Council Members nor outgoing Chief Executive received any remuneration in the year. Details of Council Member's expenses are disclosed in note 6 to the financial statements and related party transactions are disclosed in note 16 to the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

Internal controls over all forms of income, assets, commitment and expenditure continue to be refined to improve efficiency and effectiveness. Performance is monitored and appropriate management information is prepared and reviewed regularly by the management team and Trustees.

The Trust currently produces an annual budget and reports monthly against that budget, requiring managers to comment on variances and outline corrective action if required. The Council Members have delegated authority from the Council to ensure that an active risk management process is in place and form part of The Open School Trust's ongoing organisation activity.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

COUNCIL MEMBERS' ANNUAL REPORT

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 Trust and of the surplus or deficit of the Trust for that year. In preparing those financial statements the Members of Council are required to:

- (a) Select suitable accounting policies and then apply them consistently;
- (b) Observe the methods and principles of the Charities SORP;
- (c) Make judgements and estimates that are reasonable and prudent;
- (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) Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Members 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 2006, the Charities Act 2011 and the Charities (Accounts and Reports) Regulations.

The Members 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.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

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

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

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 Members of Council and signed on its behalf, on 11th November 2022



CHAIR OF THE MEMBERS OF COUNCIL
R. DORRANCE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL MEMBERS OF THE OPEN SCHOOL TRUST

OPINION

We have audited the financial statements of Open School Trust for the year ended 30 June 2022 which comprise of the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and notes to the financial statements including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 2022, and of its surplus 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.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 5 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Council with respect to going concern are described in the relevant sections this report.

OTHER INFORMATION

The other information comprises the information included in the Council Members' Annual Report, other than the financial statements and our auditor's report thereon. The Council Members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Council Members Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Council Members Annual Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Council Member's Annual Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 or Charities Act 2011 requires us to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records 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 trustee remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL MEMBERS OF THE OPEN SCHOOL TRUST

RESPONSIBILITIES OF COUNCIL MEMBERS

As explained more fully in the Council Members' responsibilities statement in the Council Members Annual Report, the Members of Council (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council Members are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council Members either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The Council Members have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We have considered the nature of the industry and sector, control environment and business performance, including the design of the Trust's remuneration policies
- We have enquired with management in regards to their own assessment of the risks of irregularities, including fraud
- We have obtained relevant documentation and representations in order to form an opinion on potential irregularities, including fraud
- Our audit work is limited to samples inherently used under International Auditing Standards, therefore not all transactions are reviewed so the detection of irregularities, including fraud is limited to this

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud is in relation to the overstatement of revenue. In common with all audits under ISAs (UK). We are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory environment and frameworks in which the Trust operates, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and local tax legislation.

In addition, we have queried with management the need for any other provisions for other laws and regulations which do not have a direct effect on the financial statements, but compliance which may be fundamental for the Trust to operate or to avoid a material penalty.

Relevant identified laws and regulations were communicated within the engagement team so they remained alert throughout the audit for indications of fraud or non-compliance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

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.



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

14th November 2022

Prentis & Co LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

STATEMENT OF FINANCIAL ACTIVITIES

	Notes	2022 Unrestricted Funds £	2022 Restricted Funds £	2022 Total Funds £	2021 Unrestricted Funds £	2021 Restricted Funds £	2021 Total Funds £
INCOME FROM:							
Charitable activities:							
Fees		1,304,902	-	1,304,902	1,513,909	-	1,513,909
Publications and licences		3,818	-	3,818	4,110	-	4,110
Project income	3	-	-	-	-	6,250	6,250
Other income		22,879	-	22,879	2,090	-	2,090
TOTAL INCOME		<u>1,331,599</u>	<u>-</u>	<u>1,331,599</u>	<u>1,520,109</u>	<u>6,250</u>	<u>1,526,359</u>
EXPENDITURE ON:							
Charitable activities:							
Fees	4	1,161,936	-	1,161,936	1,224,831	-	1,224,831
Publications and licences	4	24,521	-	24,521	45,191	-	45,191
Projects	4	-	2,690	2,690	-	3,560	3,560
Other costs	4	29,844	-	29,844	27,339	-	27,339
TOTAL EXPENDITURE		<u>1,216,301</u>	<u>2,690</u>	<u>1,218,991</u>	<u>1,297,361</u>	<u>3,560</u>	<u>1,300,921</u>
Net income and net movement in funds	5	115,298	(2,690)	112,608	222,748	2,690	225,438
RECONCILIATION OF FUNDS							
Total funds brought forward		757,840	2,690	760,530	535,092	-	535,092
Total funds carried forward		<u>873,138</u>	<u>-</u>	<u>873,138</u>	<u>757,840</u>	<u>2,690</u>	<u>760,530</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 10 to 17 form part of these financial statements.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

BALANCE SHEET

	Notes	2022		2021	
		£	£	£	£
FIXED ASSETS					
Intangible assets	8		119,140		164,059
Tangible assets	9		34,180		64,054
TOTAL FIXED ASSETS			<u>153,320</u>		<u>228,113</u>
CURRENT ASSETS					
Stocks	10	10,436		16,682	
Debtors	11	66,702		47,917	
Cash at bank and in hand		852,735		813,019	
TOTAL CURRENT ASSETS		<u>929,873</u>		<u>877,618</u>	
LIABILITIES:					
Creditors: Amounts falling due within one year	12	(100,025)		(221,933)	
NET CURRENT ASSETS			829,848		655,685
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>983,168</u>		<u>883,798</u>
PROVISIONS FOR LIABILITIES	13		(110,030)		(123,268)
TOTAL NET ASSETS			<u>873,138</u>		<u>760,530</u>
THE FUNDS OF THE CHARITY:					
Unrestricted Funds	14		873,138		757,840
Restricted Funds	14		-		2,690
TOTAL FUNDS			<u>873,138</u>		<u>760,530</u>

The financial statements were approved by the Council of Trustees on 11th November 2022 and signed on its behalf by



CHAIR OF THE COUNCIL OF MEMBERS
R. DORRANCE

The notes on pages 10 to 17 form part of these financial statements.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

STATEMENT OF CASH FLOWS

	Notes	2022 Total Funds £	2021 Total Funds £
Cash flows from operating activities:			
<i>Net cash provided by/(used in) operating activities</i>	17	73,255	408,586
Cash flows from investing activities:			
Purchase of tangible fixed assets		(7,752)	(18,665)
Capitalisation of intangible assets		(25,787)	(27,780)
<i>Net cash provided by/(used in) investing activities</i>		(33,539)	(46,445)
Cash flows from financing activities:			
Repayment of borrowing		-	(50,000)
<i>Net cash provided by/(used in) financing activities</i>		-	(50,000)
<i>Change in cash and cash equivalents in the year</i>		39,716	312,141
Cash and cash equivalents brought forward		813,019	500,878
Cash and cash equivalents carried forward		852,735	813,019

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

(a) BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Open School Trust meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction values unless otherwise stated in the relevant accounting policy notes.

(b) INCOME RECOGNITION

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:

Fee and Publications income:

Fee income represents the invoiced value of fees for distance learning courses and contracts 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 trust considers it appropriate to recognise fee income where a course has been ordered.

Publication income represents the invoiced value of publications of learning material.

Project and Grant income:

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the trust has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Investment income:

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the trust; this is normally upon notification of the interest paid or payable by the bank.

(c) EXPENDITURE AND IRRECOVERABLE VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the following expenditure headings as follows:

Raising funds:

Costs of raising funds comprise the costs of seeking and applying for grants and costs associated with the seeking and arranging of licence fee agreements.

Charitable activities:

Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the trust and their associated support costs. 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.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

NOTES TO THE FINANCIAL STATEMENTS

(e) OPERATING LEASES

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the Statement of Financial Activities as incurred.

(f) TANGIBLE FIXED ASSETS

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	- 4 years straight line
Equipment and software	- 3 and 4 years straight line

(g) INTANGIBLE FIXED ASSETS*Goodwill:*

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

Following a review undertaken by the Council Members, from 1 July 2015 it was agreed that the economic life was to be reduced and as such the remaining value of the goodwill will be amortised over the next 10 years.

Course development:

The Trust defers course development expenditure on new course products where the project meets the criteria set out for deferred costs in FRS 102.

Identifiable development expenditure is deferred on clearly defined projects where the outcome has been assured with reasonable certainty and is viable in light of current market conditions. Income is expected to exceed all development costs. The life of each course on completion and commencement of marketing is expected to be 3 years and each course is reviewed annually to ensure commercial prospects remain, otherwise the costs are written off in that year.

(h) 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.

(i) DEBTORS

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(j) CREDITORS

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(k) PROVISIONS FOR LIABILITIES

A provision for deferred income relating to the tutor element of each course is included under liabilities.

Each course sold comprises of study materials and tutor support. The length of time taken to complete the course depends on the student's objectives and often the course is purchased for the study materials alone. Tutor support is given for a period of 24 months from the start of the course and that part of the course fees is estimated and deferred over that period.

2. LEGAL STATUS OF THE CHARITY

The Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

3. INCOME FROM PROJECTS

	2022	2022	2022	2021	2021	2021
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds	Funds	Funds	Funds	Funds	Funds
	£	£	£	£	£	£
Open University	-	-	-	-	6,250	6,250

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

NOTES TO THE FINANCIAL STATEMENTS

4. EXPENDITURE ON:
CHARITABLE ACTIVITIES
FOR THE YEAR ENDED 30TH JUNE 2022

	Activities Undertaken Directly £	Other Direct Costs £	Support Costs £	2022 Total £
Fees	682,403	8,377	471,156	1,161,936
Publications & licences	23,166	-	1,355	24,521
Projects	-	2,690	-	2,690
Governance costs	-	-	29,844	29,844
	<u>705,569</u>	<u>11,067</u>	<u>502,355</u>	<u>1,218,991</u>

ANALYSIS OF SUPPORT COSTS
FOR THE YEAR ENDED 30TH JUNE 2022

	Fees £	Publications & Licences £	Governance £	2022 Total £
Postage and carriage	1,092	3	-	1,095
Staff costs	132,548	381	-	132,929
Office expenses	6,066	17	-	6,083
Computer and hardware expenses	58,944	169	-	59,113
Telephone	5,542	16	-	5,558
Depreciation and amortisation	108,021	311	-	108,332
Professional fees	6,955	20	-	6,975
Accountancy	102	-	-	102
Other costs	318	1	-	319
Recruitment costs	875	3	-	878
Bank and credit card charges	15,646	45	-	15,691
Premises expenses	55,844	161	-	56,005
Advertising and marketing	79,203	228	-	79,431
	<u>471,156</u>	<u>1,355</u>	<u>-</u>	<u>472,511</u>

ANALYSIS OF GOVERNANCE COSTS

Legal and professional	-	-	16,470	16,470
Auditors remuneration	-	-	6,900	6,900
Council Member expenses	-	-	474	474
Apportionment of premises costs	-	-	6,000	6,000
	<u>471,156</u>	<u>1,355</u>	<u>29,844</u>	<u>502,355</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

NOTES TO THE FINANCIAL STATEMENTS

4.a	EXPENDITURE ON: CHARITABLE ACTIVITIES FOR THE YEAR ENDED 30TH JUNE 2021	Activities Undertaken Directly £	Other Direct Costs £	Support Costs £	2021 Total £
	Fees	682,875	7,200	534,756	1,224,831
	Publications & licences	39,789	-	5,402	45,191
	Projects	-	3,560	-	3,560
	Governance costs	-	-	27,339	27,339
		<u>722,664</u>	<u>10,760</u>	<u>567,497</u>	<u>1,300,921</u>

ANALYSIS OF SUPPORT COSTS

FOR THE YEAR ENDED 30TH JUNE 2021

	Fees £	Publications & Licences £	Governance £	2021 Total £
Postage and carriage	356	3	-	359
Staff costs	116,745	1,179	-	117,924
Office expenses	2,046	21	-	2,067
Computer and hardware expenses	57,188	579	-	57,767
Telephone	7,606	78	-	7,684
Depreciation and amortisation	170,878	1,726	-	172,604
Professional fees	8,539	86	-	8,625
Accountancy	1,562	16	-	1,578
Other costs	186	1	-	187
Recruitment costs	17,514	177	-	17,691
Bank and credit card charges	19,828	200	-	20,028
Premises expenses	67,556	682	-	68,238
Advertising and marketing	64,752	654	-	65,406
	<u>534,756</u>	<u>5,402</u>	<u>-</u>	<u>540,158</u>

ANALYSIS OF GOVERNANCE COSTS

Legal and professional	-	-	14,739	14,739
Auditors remuneration	-	-	6,600	6,600
Apportionment of premises costs	-	-	6,000	6,000
	<u>534,756</u>	<u>5,402</u>	<u>27,339</u>	<u>567,497</u>

5.	NET INCOME FOR THE YEAR	2022 £	2021 £
	Auditors remuneration - Audit	6,900	6,600
	- Other services (consultancy)	102	1,577
	Depreciation of tangible fixed assets	37,626	50,481
	Amortisation of intangible fixed assets	70,706	122,123

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.

6.	ANALYSIS OF STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL	2022 £	2021 £
	Salaries and wages	603,359	529,582
	Social security costs	43,417	34,849
	Pension contributions	33,733	32,772
		<u>680,509</u>	<u>597,203</u>

The number of employees whose emoluments (salaries and pension contributions) exceeded £60,000 was 1 (2021: nil). Council Members received no remuneration in the year (2021 - £nil). Council Members expenses reimbursed during the year were £474 (2021 - £nil).

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

NOTES TO THE FINANCIAL STATEMENTS

The average weekly number of staff employed by the charity during the year were:	2022	2021
Charitable activities	25	20
Management and Administration	2	2
	<u>27</u>	<u>22</u>

The Trust considers its key management personnel comprise of the Council Members and the Chief Executive Officer, all of which received £76,360 (2021 - £15,329)

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 section 252 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. INTANGIBLE FIXED ASSETS

FOR THE YEAR ENDED 30TH JUNE 2022

COST OR VALUATION

	Goodwill £	Course Development £	Total £
Balance at 1st July 2021	301,166	699,366	1,000,532
Additions	-	25,787	25,787
Balance at 30th June 2022	<u>301,166</u>	<u>725,153</u>	<u>1,026,319</u>

AMORTISATION

Balance at 1st July 2021	198,768	637,705	836,473
Charge for the year	25,599	45,107	70,706
Balance at 30th June 2022	<u>224,367</u>	<u>682,812</u>	<u>907,179</u>

NET BOOK VALUE as at 30th June 2022

	<u>76,799</u>	<u>42,341</u>	<u>119,140</u>
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8a. INTANGIBLE FIXED ASSETS

FOR THE YEAR ENDED 30TH JUNE 2021

COST OR VALUATION

	Goodwill £	Course Development £	Total £
Balance at 1st July 2020	301,166	671,586	972,752
Additions	-	27,780	27,780
Balance at 30th June 2021	<u>301,166</u>	<u>699,366</u>	<u>1,000,532</u>

AMORTISATION

Balance at 1st July 2020	173,169	541,181	714,350
Charge for the year	25,599	96,524	122,123
Balance at 30th June 2021	<u>198,768</u>	<u>637,705</u>	<u>836,473</u>

NET BOOK VALUE as at 30th June 2021

	<u>102,398</u>	<u>61,661</u>	<u>164,059</u>
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9. TANGIBLE FIXED ASSETS

YEAR ENDED 30TH JUNE 2022

COST OR VALUATION

	Leasehold Improvement £	Equipment & Software £	Total £
Balance at 1st July 2021	30,073	319,254	349,327
Additions	-	7,752	7,752
Disposals	(30,073)	(13,459)	(43,532)
Balance at 30th June 2022	<u>-</u>	<u>313,547</u>	<u>313,547</u>

DEPRECIATION

Balance at 1st July 2021	30,073	255,200	285,273
Charge for the year	-	37,626	37,626
Eliminated on disposal	(30,073)	(13,459)	(43,532)
Balance at 30th June 2022	<u>-</u>	<u>279,367</u>	<u>279,367</u>

NET BOOK VALUE as at 30th June 2022

	<u>-</u>	<u>34,180</u>	<u>34,180</u>
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

NOTES TO THE FINANCIAL STATEMENTS

9a.	TANGIBLE FIXED ASSETS YEAR ENDED 30TH JUNE 2021 COST OR VALUATION	Leasehold Improvement	Equipment & Software	Total
		£	£	£
	Balance at 1st July 2020	30,073	301,695	331,768
	Additions	-	18,665	18,665
	Disposals	-	(1,106)	(1,106)
	Balance at 30th June 2021	<u>30,073</u>	<u>319,254</u>	<u>349,327</u>
	DEPRECIATION			
	Balance at 1st July 2020	30,073	205,825	235,898
	Charge for the year	-	50,481	50,481
	Eliminated on disposal	-	(1,106)	(1,106)
	Balance at 30th June 2021	<u>30,073</u>	<u>255,200</u>	<u>285,273</u>
	NET BOOK VALUE as at 30th June 2021	<u>-</u>	<u>64,054</u>	<u>64,054</u>
10.	STOCKS		2022	2021
			£	£
	Finished goods and goods for resale		10,436	16,682
11.	DEBTORS		2022	2021
			£	£
	Trade debtors		46,445	29,579
	Prepayments and accrued income		20,192	18,338
	Other debtors		65	-
			<u>66,702</u>	<u>47,917</u>
12.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		2022	2021
			£	£
	Trade creditors		32,930	119,504
	Other creditors		17,231	16,865
	Accruals and deferred income		49,864	85,564
			<u>100,025</u>	<u>221,933</u>
13.	PROVISIONS FOR LIABILITIES		2022	2021
			£	£
	Balance brought forward		123,268	128,269
	Movement in provision		(13,238)	(5,001)
	Balance carried forward		<u>110,030</u>	<u>123,268</u>

The provision relates to deferred course fee income. As the Trust 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 income received from course sales, discounted to remove all non-tutor cost elements that are considered expended on the purchase of the course, and deferred over the expected life of a course up to a 24 month period from commencement of the course.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

NOTES TO THE FINANCIAL STATEMENTS

14.	ANALYSIS OF CHARITABLE FUNDS YEAR ENDED 30TH JUNE 2022	Brought Forward £	Income £	Expenditure £	Transfers £	Carried Forward £
	UNRESTRICTED FUNDS					
	General funds	757,840	1,331,599	1,216,301	-	873,138
	RESTRICTED FUNDS					
	Open University	2,690	-	2,690	-	-
	TOTAL FUNDS	760,530	1,331,599	1,218,991	-	873,138

14a.	ANALYSIS OF CHARITABLE FUNDS YEAR ENDED 30TH JUNE 2021	Brought Forward £	Income £	Expenditure £	Transfers £	Carried Forward £
	UNRESTRICTED FUNDS					
	General funds	535,092	1,520,109	1,297,361	-	757,840
	RESTRICTED FUNDS					
	Open University	-	6,250	3,560	-	2,690
	TOTAL FUNDS	535,092	1,526,359	1,300,921	-	760,530

Restricted fund purpose:

Open University - funding received towards a joint project with Open University for geography to produce a new geography A-Level.

15.	ANALYSIS OF NET ASSETS BETWEEN FUNDS YEAR ENDED 30TH JUNE 2022	2022 Unrestricted Funds £	2022 Restricted Funds £	2022 Total Funds £
	Intangible fixed assets	119,140	-	119,140
	Tangible fixed assets	34,180	-	34,180
	Current assets	929,873	-	929,873
	Creditors due within one year	(100,025)	-	(100,025)
	Provision for liabilities	(110,030)	-	(110,030)
		873,138	-	873,138
15a.	ANALYSIS OF NET ASSETS BETWEEN FUNDS YEAR ENDED 30TH JUNE 2021	2021 Unrestricted Funds £	2021 Restricted Funds £	2021 Total Funds £
	Intangible fixed assets	164,059	-	164,059
	Tangible fixed assets	64,054	-	64,054
	Current assets	874,928	2,690	877,618
	Creditors due within one year	(221,933)	-	(221,933)
	Provision for liabilities	(123,268)	-	(123,268)
		757,840	2,690	760,530

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

NOTES TO THE FINANCIAL STATEMENTS

16. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year.

17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net movement in funds	112,608	225,438
Add: Depreciation	37,626	50,481
Add: Amortisation	70,706	122,123
Decrease/(increase) in stocks	6,246	(1,702)
(Increase)/decrease in debtors	(18,785)	6,097
(Decrease)/increase in creditors	(135,146)	6,149
	<u>73,255</u>	<u>408,586</u>

18. PENSIONS

The company operates a stakeholder defined contribution pension scheme for the benefit of the employees.

The assets of the scheme are administered by an independent pensions provider.

Pension payments recognised as an expense during the year amount to £33,733 (2021: £32,772).

19. OTHER COMMITMENTS

On 30th June 2022, the charity had total commitments under non cancellable operating leases as follows:-

	Land & Buildings	
	2022 £	2021 £
In less than one year	30,000	-
More than one year	120,000	-
	<u>150,000</u>	<u>-</u>

The Open School Trust entered into a new 10 year lease with a 5 year break clause. The total commitment until the break clause is £120,000.

THE OPEN SCHOOL TRUST

England & Wales - Charity number 328414

Accounts

THE OPEN SCHOOL TRUST
COUNCIL MEMBERS' ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 30TH JUNE 2021
COMPANY REG. NO. 02438525
CHARITY NO. 328414

THE OPEN SCHOOL TRUST

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

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

REGISTRATION NUMBER:	02438525 (Company limited by guarantee)	
CHARITY NUMBER:	328414	
COUNCIL MEMBERS:	Dr R. Dorrance (Chairperson) Dr R. Morpeth (Chief Executive Officer to April 2021) R.A. Marshall (Vice Chairperson) C. Callaway R.E. Moore C.J. Woolliscroft Dr V. Pittard	
CHIEF EXECUTIVE OFFICER:	E Chesterman	
REGISTERED OFFICE	The Michael Young Centre School House Homerton Gardens Purbeck Road Cambridge CB2 8EB	
AUDITORS:	Prentis & Co LLP Chartered Accountants & Statutory Auditors 115c Milton Road Cambridge CB4 1XE	
BANKERS:	CAF (Charities Aid Foundation) Bank 25 Kings Hill Avenue Kings Hill West Malling, Kent ME19 4TA	National Westminster Bank Kings Parade Branch 10 Benet Street Cambridge CB2 3PU
	Insignis St Johns Innovation Centre Cowley Road Cambridge CB4 0WS	
SOLICITORS:	Stone King 3rd Floor Bateman House 82-88 Hills Road Cambridge CB2 1LQ	

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

COUNCIL MEMBERS' ANNUAL REPORT

The Council Members present their annual report and financial statements of the Trust for the year ended 30th June 2021. The financial statements have been prepared to meet the requirements for a directors' report and financial statements for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

PURPOSES OF THE TRUST AS SET OUT IN THE GOVERNING DOCUMENT

The Trust's object is that of promoting education for the benefit of the public and to provide or assist in providing both adults and young people 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".

MAIN ACTIVITIES UNDERTAKEN IN RELATION TO THOSE PURPOSES

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

COUNCIL MEMBER'S REGARD TO THE CHARITY COMMISSION'S GUIDANCE ON PUBLIC BENEFIT

The Council Members confirm that they have complied with the duty of section 4 of the Charities Act 2011 relating to public benefit and have considered the Charity Commission's 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. The Trust's work also involves keeping its courses and resources up to date in a wide range of curriculum areas.

ACHIEVEMENTS AND PERFORMANCE

EXPLANATION OF THE ACTIVITIES, PROJECTS AND SERVICES IDENTIFIED IN THE FINANCIAL STATEMENTS

The Trust fills a significant gap in providing educational opportunities for adults and young people who need flexible part time provision of courses. The Trust takes this role very seriously and invests considerable resources on improving the quality of its course portfolio and enhancing the level of service it offers its students. In this year, projects have focused on continuous improvement and the embedding of current services and products to improve our offer in the market. New self-study courses in Critical Thinking, Problem Solving and Functional Skills were launched to support students to develop relevant skills for progression to higher education studies and apprenticeships. Due to the success of the structured cohort model we were able to add an additional subject to the offering.

We have been able to support 6 students to gain bursaries with partner organisations. These have enabled students to gain a qualification regardless of their final circumstances. The bursaries were provided by Art History in Schools and The Classical Association.

The trust was pleased to be in a position to appoint a salaried CEO in April 2021. This is a significant milestone in the Trust's recent history.

SUMMARY OF THE MAIN ACHIEVEMENTS OF THE TRUST

The Cambridge office has remained closed for most of the year, following the government's advice to work from home. In the latter part of the year a phased return was begun to support teams to complete operational and administrative tasks more efficiently. Due to the National Extension College reputation in the distance learning market we saw an increase in enrolments across GCSE and A Level courses. This was supported by students looking for an alternative model during the pandemic as well as a more open attitude towards online distance learning.

The announcement in January 2021 of the cancellation of public exams and their replacement with Teacher Assessed Grades (TAGs) created additional work and use of resources. The system of awarding grades had a number of marked changes to the Centre Assessed Grades (CAGs) of the prior year, which meant a number of new processes and policies were developed in a short period of time. Some similarities meant that past learning could be utilised before the implementation.

We are proud to say that over 800 GCSE and A level TAGs were awarded in time for the submission deadlines and this enabled a large number of non-traditional students to move on to their next step in the ladder. There were a few appeals but these only represented a small percentage of the students.

It is a testament to the strength of the infrastructure of the organisation, especially the IT systems and course portfolio that the organisation was able to meet the challenge of disrupted exams for a second year. The excellent results our students achieved and the Exam Boards validation of our Centre Policy for awarding TAGs provided assurance in the educational and assessment quality of our tutors and course delivery model.

We were immensely proud at the recognition that one of our Early Years Workforce tutor's, Kate Wake, received when she was shortlisted in the prestigious Nursery World Awards in the category of Trainer of the year. We also began delivering a series of public webinars with select Higher Education partners. These are proving popular and are cementing our reputation of education expertise.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

COUNCIL MEMBERS' ANNUAL REPORT

FINANCIAL REVIEW

REVIEW OF THE FINANCIAL POSITION AT THE END OF THE YEAR

The Council Members are satisfied that the level of free reserves currently a surplus of £757,840 (2020: £535,092) which they are increasing to their target of £1 million. Income for the year amounted to £1,526,359 (2020: £1,467,938) and expenditure amounted to £1,300,921 (2020: £1,204,389).

FUNDRAISING

The Open School Trust does not openly fundraise or solicit donations from the public.

CURRENT FINANCIAL POSITION

Trustees are pleased to see continued strong performance in the new financial year, in line with normal non pandemic years, therefore we have continued the trend seen pre 2020.

RESERVES POLICY

The Council Members have a target for free reserves of £1million, and expect this to be achieved over an 8 year term, through increased sales and careful cost management.

The Council Members have considered that the most appropriate policy at present is to maintain all surplus funds in the bank current accounts. This policy is kept under review, having regard to the level of funds available. The Member 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT

NATURE OF THE GOVERNING DOCUMENT

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 16th 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). These financial statements cover the 12 months of trading to 30th June 2021.

The governing document is the Memorandum and Articles of Association filed at Companies House on 20th October 1989.

CONSTITUTION OF THE CHARITY

The constitution of the Charity is contained in items 1 to 7 of the Memorandum of Association and items 1 to 69 of the Articles of Association.

THE BOARD OF TRUSTEES (COUNCIL MEMBERS)

The Council Members of the Trust are also directors for the purposes of company law. The Council Members (referred to in the company's articles as the "Council of Management") consists of not less than three members. At present, the Council comprises of seven members from a variety of professional backgrounds relevant to the work of the Trust and meet at least three times a year.

Council Members are responsible for the management of the risks faced by the Trust. Risks are identified and assessed and controls established throughout the year. Significant new ventures 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 Trust maintains a Register of Interests and both Council Members 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.

The Council is also underpinned by a senior management team, which support its decision making. The senior management team meet on a monthly basis. Experts and tutors are engaged when required to provide the support and development of services.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

COUNCIL MEMBERS' ANNUAL REPORT

New Council Members are invited to familiarise themselves with the Trust and the context within which it operates. Briefing sessions jointly led by the Chief Executive Officer and the existing Council Members cover:

- The obligations of the management team.
- The main documents which set out the operational framework of the Trust.
- The current financial position including the latest published financial statements and the current management accounts.
- Future plans and objectives.
- The Charity Commission guide "The Essential Trustee"

KEY MANAGEMENT PERSONNEL REMUNERATION

The Council Members consider the Members of Council and the Chief Executive as comprising the key management personnel of the charitable company in charge of directing and controlling the charitable company and running and operating the charitable company on a day to day basis.

All Council Members and the outgoing Chief Executive give their time freely and neither the Council Members nor outgoing Chief Executive received any remuneration in the year. Details of Council Member's expenses are disclosed in note 6 to the financial statements and related party transactions are disclosed in note 17 to the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

Internal controls over all forms of income, assets, commitment and expenditure continue to be refined to improve efficiency and effectiveness. Performance is monitored and appropriate management information is prepared and reviewed regularly by the management team and Trustees.

The Trust currently produces an annual budget and reports monthly against that budget, requiring managers to comment on variances and outline corrective action if required. The Council Members have delegated authority from the Council to ensure that an active risk management process is in place and form part of The Open School Trust's ongoing organisation activity.

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 Trust and of the surplus or deficit of the Trust for that year. In preparing those financial statements the Members of Council are required to:

- (a) Select suitable accounting policies and then apply them consistently;
- (b) Observe the methods and principles of the Charities SORP;
- (c) Make judgements and estimates that are reasonable and prudent;
- (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) Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Members 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 2006, the Charities Act 2011 and the Charities (Accounts and Reports) Regulations.

The Members 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.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

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

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

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 Members of Council and signed on its behalf, on 16 December 2021



CHAIR OF THE MEMBERS OF COUNCIL
R. DORRANCE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL MEMBERS OF THE OPEN SCHOOL TRUST

OPINION

We have audited the financial statements of Open School Trust for the year ended 30 June 2020 which comprise of the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and notes to the financial statements including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 2020, and of its surplus 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.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 5 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Council with respect to going concern are described in the relevant sections this report.

OTHER INFORMATION

The other information comprises the information included in the Council Members' Annual Report, other than the financial statements and our auditor's report thereon. The Council Members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Council Members Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Council Members Annual Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Council Member's Annual Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 or Charities Act 2011 requires us to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records 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 trustee remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL MEMBERS OF THE OPEN SCHOOL TRUST

RESPONSIBILITIES OF COUNCIL MEMBERS

As explained more fully in the Council Members' responsibilities statement in the Council Members Annual Report, the Members of Council (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council Members are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council Members either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The Council Members have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instance of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We have considered the nature of the industry and sector, control environment and business performance, including the design of the Trust's remuneration policies
- We have enquired with management in regards to their own assessment of the risks of irregularities, including fraud
- We have obtained relevant documentation and representations in order to form an opinion on potential irregularities, including fraud
- Our audit work is limited to samples inherently used under International Auditing Standards, therefore not all transactions are reviewed so the detection of irregularities, including fraud is limited to this
- Any matter we identified have obtained and reviewed the Trust's documented policies and procedures relating to:
 - Identifying, evaluating and complying with laws and regulations and whether they are aware of any non compliance
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud
 - The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud is in relation to the overstatement of revenue. In common with all audits under ISAs (UK). We are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory environment and frameworks in which the Trust operates, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and local tax legislation.

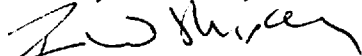
In addition, we have queried with management the need for any other provisions for other laws and regulations which do not have a direct effect on the financial statements, but compliance which may be fundamental for the Trust to operate or to avoid a material penalty.

Relevant identified laws and regulations were communicated within the engagement team so they remained alert throughout the audit for indications of fraud or non-compliance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

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.



IAN SHIPLEY FCCA (Senior Statutory Auditor)

FOR AND ON BEHALF OF
PRENTIS & CO LLP
CHARTERED ACCOUNTANTS
& STATUTORY AUDITORS
115c Milton Road
Cambridge
CB4 1XE

16 December 2021

Prentis & Co LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

STATEMENT OF FINANCIAL ACTIVITIES

	Notes	2021 Unrestricted Funds £	2021 Restricted Funds £	2021 Total Funds £	2020 Unrestricted Funds £	2020 Restricted Funds £	2020 Total Funds £
INCOME FROM:							
Charitable activities:							
Fees		1,513,909	-	1,513,909	1,442,993	-	1,442,993
Publications and licences		4,110	-	4,110	7,165	-	7,165
Project income	3	-	6,250	6,250	-	10,000	10,000
Other income		2,090	-	2,090	7,780	-	7,780
TOTAL INCOME		<u>1,520,109</u>	<u>6,250</u>	<u>1,526,359</u>	<u>1,457,938</u>	<u>10,000</u>	<u>1,467,938</u>
EXPENDITURE ON:							
Charitable activities:							
Fees	4	1,224,831	-	1,224,831	1,113,672	-	1,113,672
Publications and licences	4	45,191	-	45,191	50,368	-	50,368
Projects	4	-	3,560	3,560	-	17,893	17,893
Other costs	4	27,339	-	27,339	22,456	-	22,456
TOTAL EXPENDITURE		<u>1,297,361</u>	<u>3,560</u>	<u>1,300,921</u>	<u>1,186,496</u>	<u>17,893</u>	<u>1,204,389</u>
Net income and net movement in funds	5	222,748	2690	225,438	271,442	(7,893)	263,549
RECONCILIATION OF FUNDS							
Total funds brought forward		535,092	-	535,092	263,650	7,893	271,543
Total funds carried forward		<u>757,840</u>	<u>2,690</u>	<u>760,530</u>	<u>535,092</u>	<u>-</u>	<u>535,092</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 10 to 17 form part of these financial statements.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

BALANCE SHEET

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Intangible assets	8		164,059		258,402
Tangible assets	9		64,054		95,870
TOTAL FIXED ASSETS			228,113		354,272
CURRENT ASSETS					
Stocks	10	16,682		14,980	
Debtors	11	47,917		54,014	
Cash at bank and in hand		813,019		500,878	
TOTAL CURRENT ASSETS		877,618		569,872	
LIABILITIES:					
Creditors: Amounts falling due within one year	12	(221,933)		(210,783)	
NET CURRENT ASSETS			655,685		359,089
TOTAL ASSETS LESS CURRENT LIABILITIES			883,798		713,361
Creditors: Amounts falling due after more than one year	13		-		(50,000)
PROVISIONS FOR LIABILITIES	14		(123,268)		(128,269)
TOTAL NET ASSETS			760,530		535,092
THE FUNDS OF THE CHARITY:					
Unrestricted Funds	15		757,840		535,092
Restricted Funds	15		2,690		-
TOTAL FUNDS			760,530		535,092

The financial statements were approved by the Council of Trustees on 16 December 2021 and signed on its behalf by

R. Dorrance

.....
CHAIR OF THE COUNCIL OF MEMBERS
R. DORRANCE

The notes on pages 10 to 17 form part of these financial statements.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

STATEMENT OF CASH FLOWS

	Notes	2021 Total Funds £	2020 Total Funds £
Cash flows from operating activities:			
<i>Net cash provided by/(used in) operating activities</i>	18	408,586	582,313
Cash flows from investing activities:			
Purchase of tangible fixed assets		(18,665)	(49,373)
Capitalisation of intangible assets		(27,780)	(57,671)
<i>Net cash provided by/(used in) investing activities</i>		(46,445)	(107,044)
Cash flows from financing activities:			
Repayment of borrowing		(50,000)	(88,565)
<i>Net cash provided by/(used in) financing activities</i>		(50,000)	(88,565)
<i>Change in cash and cash equivalents in the year</i>		312,141	386,704
Cash and cash equivalents brought forward		500,878	114,174
Cash and cash equivalents carried forward		813,019	500,878

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

(a) BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Open School Trust meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction values unless otherwise stated in the relevant accounting policy notes.

(b) INCOME RECOGNITION

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:

Fee and Publications income:

Fee income represents the invoiced value of fees for distance learning courses and contracts 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 trust considers it appropriate to recognise fee income where a course has been ordered.

Publication income represents the invoiced value of publications of learning material.

Project and Grant income:

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the trust has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Investment income:

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the trust; this is normally upon notification of the interest paid or payable by the bank.

(c) EXPENDITURE AND IRRECOVERABLE VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the following expenditure headings as follows:

Raising funds:

Costs of raising funds comprise the costs of seeking and applying for grants and costs associated with the seeking and arranging of licence fee agreements.

Charitable activities:

Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the trust and their associated support costs. 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.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS

(e) OPERATING LEASES

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the Statement of Financial Activities as incurred.

(f) TANGIBLE FIXED ASSETS

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	- 4 years straight line
Equipment and software	- 3 and 4 years straight line

(g) INTANGIBLE FIXED ASSETS*Goodwill:*

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

Following a review undertaken by the Council Members, from 1 July 2015 it was agreed that the economic life was to be reduced and as such the remaining value of the goodwill will be amortised over the next 10 years.

Course development:

The Trust defers course development expenditure on new course products where the project meets the criteria set out for deferred costs in FRS 102.

Identifiable development expenditure is deferred on clearly defined projects where the outcome has been assured with reasonable certainty and is viable in light of current market conditions. Income is expected to exceed all development costs. The life of each course on completion and commencement of marketing is expected to be 3 years and each course is reviewed annually to ensure commercial prospects remain, otherwise the costs are written off in that year.

(h) 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.

(i) DEBTORS

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(j) CREDITORS

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(k) PROVISIONS FOR LIABILITIES

A provision for deferred income relating to the tutor element of each course is included under liabilities.

Each course sold comprises of study materials and tutor support. The length of time taken to complete the course depends on the student's objectives and often the course is purchased for the study materials alone. Tutor support is given for a period of 24 months from the start of the course and that part of the course fees is estimated and deferred over that period.

2. LEGAL STATUS OF THE CHARITY

The Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

3. INCOME FROM PROJECTS	2021	2021	2021	2020	2020	2020
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds	Funds	Funds	Funds	Funds	Funds
	£	£	£	£	£	£
Open University	-	6,250	6,250	-	-	-
AAH	-	-	-	-	10,000	10,000
	<u>-</u>	<u>6,250</u>	<u>6,250</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS

4.	EXPENDITURE ON: CHARITABLE ACTIVITIES FOR THE YEAR ENDED 30TH JUNE 2021	Activities Undertaken Directly £	Other Direct Costs £	Support Costs £	2021 Total £
	Fees	682,875	7,200	534,756	1,224,831
	Publications & licences	39,789	-	5,402	45,191
	Projects	-	3,560	-	3,560
	Governance costs	-	-	27,339	27,339
		<u>722,664</u>	<u>10,760</u>	<u>567,497</u>	<u>1,300,921</u>
	ANALYSIS OF SUPPORT COSTS FOR THE YEAR ENDED 30TH JUNE 2021	Fees £	Publications & Licences £	Governance £	2021 Total £
	Postage and carriage	356	3	-	359
	Staff costs	116,745	1,179	-	117,924
	Office expenses	2,046	21	-	2,067
	Computer and hardware expenses	57,189	578	-	57,767
	Telephone	7,606	78	-	7,684
	Depreciation and amortisation	170,878	1,726	-	172,604
	Professional fees	8,539	86	-	8,625
	Accountancy	1,562	16	-	1,578
	Other costs	186	1	-	187
	Recruitment costs	17,514	177	-	17,691
	Bank and credit card charges	19,828	200	-	20,028
	Premises expenses	67,556	682	-	68,238
	Advertising and marketing	64,752	654	-	65,406
		<u>534,757</u>	<u>5,401</u>	<u>-</u>	<u>540,158</u>
	ANALYSIS OF GOVERNANCE COSTS				
	Legal and professional	-	-	14,739	14,739
	Auditors remuneration	-	-	6,600	6,600
	Apportionment of premises costs	-	-	6,000	6,000
		<u>534,757</u>	<u>5,401</u>	<u>27,339</u>	<u>567,497</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS

4.a	EXPENDITURE ON: CHARITABLE ACTIVITIES FOR THE YEAR ENDED 30TH JUNE 2020	Activities Undertaken Directly £	Other Direct Costs £	Support Costs £	2020 Total £
	Fees	569,841	9,129	534,702	1,113,672
	Publications & licences	39,456	-	10,912	50,368
	Projects	-	17,893	-	17,893
	Governance costs	-	-	22,456	22,456
		<u>609,297</u>	<u>27,022</u>	<u>568,070</u>	<u>1,204,389</u>

ANALYSIS OF SUPPORT COSTS
FOR THE YEAR ENDED 30TH JUNE 2020

	Fees £	Publications & Licences £	Governance £	2020 Total £
Postage and carriage	872	18	-	890
Staff costs	94,499	1,929	-	96,428
Office expenses	3,225	66	-	3,291
Computer and hardware expenses	67,635	1,380	-	69,015
Telephone	4,919	100	-	5,019
Depreciation and amortisation	212,203	4,331	-	216,534
Professional fees	12,863	263	-	13,126
Accountancy	1,605	33	-	1,638
Other costs	166	3	-	169
Recruitment costs	1,616	33	-	1,649
Bank and credit card charges	13,391	273	-	13,664
Loan Interest	3,018	62	-	3,080
Premises expenses	66,805	1,363	-	68,168
Advertising and marketing	51,885	1,058	-	52,943
	<u>534,702</u>	<u>10,912</u>	<u>-</u>	<u>545,614</u>

ANALYSIS OF GOVERNANCE COSTS

Legal and professional	-	-	7,462	7,462
Auditors remuneration	-	-	6,600	6,600
Council Members expenses	-	-	2,394	2,394
Apportionment of premises costs	-	-	6,000	6,000
	<u>534,702</u>	<u>10,912</u>	<u>22,456</u>	<u>568,070</u>

5.	NET INCOME FOR THE YEAR	2021 £	2020 £
	Auditors remuneration - Audit	6,600	6,600
	- Other services (consultancy)	1,577	1,638
	Depreciation of tangible fixed assets	50,481	48,297
	Amortisation of intangible fixed assets	122,123	168,237

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.

6.	ANALYSIS OF STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL	2021 £	2020 £
	Salaries and wages	529,582	423,459
	Social security costs	34,849	32,768
	Pension contributions	3,272	27,279
		<u>567,703</u>	<u>483,506</u>

The number of employees whose emoluments (salaries and pension contributions) exceeded £60,000 was nil (2020: nil). Council Members received no remuneration in the year (2020 - £nil). Council Members expenses reimbursed during the year were £nil (2020 - £2,394).

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS

The average weekly number of staff employed by the charity during the year were:

Charitable activities	20	16
Management and Administration	2	2
	<u>22</u>	<u>18</u>

The Trust considers its key management personnel comprise of the Council Members and the Chief Executive Officer, all of which received £15,329 (2020 - £nil).

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 section 252 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. INTANGIBLE FIXED ASSETS

FOR THE YEAR ENDED 30TH JUNE 2021

COST OR VALUATION

	Goodwill £	Course Development £	Total £
Balance at 1st July 2020	301,166	671,586	972,752
Additions	-	27,780	27,780
Balance at 30th June 2021	<u>301,166</u>	<u>699,366</u>	<u>1,000,532</u>
AMORTISATION			
Balance at 1st July 2020	173,169	541,181	714,350
Charge for the year	25,599	96,524	122,123
Balance at 30th June 2021	<u>198,768</u>	<u>637,705</u>	<u>836,473</u>
NET BOOK VALUE as at 30th June 2021	<u>102,398</u>	<u>61,661</u>	<u>164,059</u>

8a. INTANGIBLE FIXED ASSETS

FOR THE YEAR ENDED 30TH JUNE 2020

COST OR VALUATION

	Goodwill £	Course Development £	Total £
Balance at 1st July 2019	301,166	613,915	915,081
Additions	-	57,671	57,671
Balance at 30th June 2020	<u>301,166</u>	<u>671,586</u>	<u>972,752</u>
AMORTISATION			
Balance at 1st July 2019	147,570	398,543	546,113
Charge for the year	25,599	142,638	168,237
Balance at 30th June 2020	<u>173,169</u>	<u>541,181</u>	<u>714,350</u>
NET BOOK VALUE as at 30th June 2020	<u>127,997</u>	<u>130,405</u>	<u>258,402</u>

9. TANGIBLE FIXED ASSETS

YEAR ENDED 30TH JUNE 2021

COST OR VALUATION

	Leasehold Improvement £	Equipment & Software £	Total £
Balance at 1st July 2020	30,073	301,695	331,768
Additions	-	18,665	18,665
Disposals	-	(1,106)	(1,106)
Balance at 30th June 2021	<u>30,073</u>	<u>319,254</u>	<u>349,327</u>
DEPRECIATION			
Balance at 1st July 2020	30,073	205,825	235,898
Charge for the year	-	50,481	50,481
Eliminated on disposal	-	(1,106)	(1,106)
Balance at 30th June 2021	<u>30,073</u>	<u>255,200</u>	<u>285,273</u>
NET BOOK VALUE as at 30th June 2021	<u>-</u>	<u>64,054</u>	<u>64,054</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS

9a.	TANGIBLE FIXED ASSETS YEAR ENDED 30TH JUNE 2020	Leasehold Improvement	Equipment & Software	Total
	COST OR VALUATION	£	£	£
	Balance at 1st July 2019	30,073	253,489	283,562
	Additions	-	49,373	49,373
	Disposals	-	(1,167)	(1,167)
	Balance at 30th June 2020	<u>30,073</u>	<u>301,695</u>	<u>331,768</u>
	DEPRECIATION			
	Balance at 1st July 2019	24,276	164,492	188,768
	Charge for the year	5,797	42,500	48,297
	Eliminated on disposal	-	(1,167)	(1,167)
	Balance at 30th June 2019	<u>30,073</u>	<u>205,825</u>	<u>235,898</u>
	NET BOOK VALUE as at 30th June 2020	<u>-</u>	<u>95,870</u>	<u>95,870</u>
10.	STOCKS		2021	2020
			£	£
	Finished goods and goods for resale		16,682	14,980
11.	DEBTORS		2021	2020
			£	£
	Trade debtors		29,579	20,388
	Prepayments and accrued income		18,338	33,626
			<u>47,917</u>	<u>54,014</u>
12.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		2021	2020
			£	£
	Trade creditors		119,504	114,106
	Other creditors		16,865	12,405
	Accruals and deferred income		85,564	84,272
			<u>221,933</u>	<u>210,783</u>
13.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		2021	2020
			£	£
	Other loans		-	50,000
	The above loan repayments fall due as follows:		2021	2020
			£	£
	Between one and two years		-	50,000
14.	PROVISIONS FOR LIABILITIES		2021	2020
			£	£
	Balance brought forward		128,269	108,559
	Movement in provision		(5,001)	19,710
	Balance carried forward		<u>123,268</u>	<u>128,269</u>

The provision relates to deferred course fee income. As the Trust 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 income received from course sales, discounted to remove all non-tutor cost elements that are considered expended on the purchase of the course, and deferred over the expected life of a course up to a 24 month period from commencement of the course.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS

15.	ANALYSIS OF CHARITABLE FUNDS YEAR ENDED 30TH JUNE 2021	Brought Forward £	Income £	Expenditure £	Transfers £	Carried Forward £
	UNRESTRICTED FUNDS					
	General funds	535,092	1,520,109	1,297,361	-	757,840
	RESTRICTED FUNDS					
	Open University	-	6,250	3,560	-	2,690
	TOTAL FUNDS	535,092	1,526,359	1,300,921	-	760,530
15a.	ANALYSIS OF CHARITABLE FUNDS YEAR ENDED 30TH JUNE 2020	Brought Forward £	Income £	Expenditure £	Transfers £	Carried Forward £
	UNRESTRICTED FUNDS					
	General funds	263,650	1,457,938	1,186,496	-	535,092
	RESTRICTED FUNDS					
	Digital Learning for Prisoners	5,941	-	5,941	-	-
	AAH	1,952	10,000	11,952	-	-
		7,893	10,000	17,893	-	-
	TOTAL FUNDS	271,543	1,467,938	1,204,389	-	535,092

Restricted fund purpose:

Digital Learning for Prisoners - funding received towards a joint project with the Prisoner's Education Trust to provide prisoners with access to interactive, digital, higher level learning opportunities through the prison service's developing secure content management system.

AAH - Art History Project - funding received towards a joint project with Association for Art History to produce a new A level History of Art to widen participation in the subject.

Open University - funding received towards a joint project with Open University for geography to produce a new geography A-Level.

16.	ANALYSIS OF NET ASSETS BETWEEN FUNDS YEAR ENDED 30TH JUNE 2021	2021 Unrestricted Funds £	2021 Restricted Funds £	2021 Total Funds £
	Intangible fixed assets	164,059	-	164,059
	Tangible fixed assets	64,054	-	64,054
	Current assets	874,711	2,690	877,401
	Creditors due within one year	(221,716)	-	(221,716)
	Provision for liabilities	(123,268)	-	(123,268)
		757,840	2,690	760,530
16a.	ANALYSIS OF NET ASSETS BETWEEN FUNDS YEAR ENDED 30TH JUNE 2020	2020 Unrestricted Funds £	2020 Restricted Funds £	2020 Total Funds £
	Intangible fixed assets	258,402	-	258,402
	Tangible fixed assets	95,870	-	95,870
	Current assets	569,872	-	569,872
	Creditors due within one year	(210,783)	-	(210,783)
	Creditors due after one year	(50,000)	-	(50,000)
	Provision for liabilities	(128,269)	-	(128,269)
		535,092	-	535,092

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS

17. RELATED PARTY TRANSACTIONS

L. Sullivan, partner of R. Morpeth, provided the charity with a long term loan of £75,000 to help aid the cash flow of The Open School Trust. The loan was lent interest free and is repayable before June 2022.

At the balance sheet date the total amount of £Nil (2020 £50,000) was owed to L. Sullivan.

18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Net movement in funds	225,438	263,549
Add: Depreciation	50,481	48,297
Add: Amortisation	122,123	168,237
Increase in stocks	(1,702)	(843)
Decrease in debtors	6,097	13,384
Increase in creditors	6,149	89,689
	<u>408,586</u>	<u>582,313</u>

19. PENSIONS

The company operates a stakeholder defined contribution pension scheme for the benefit of the employees.

The assets of the scheme are administered by an independent pensions provider.

Pension payments recognised as an expense during the year amount to £32,772 (2020: £27,279).