

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

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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 25 Kings Hill Avenue Kings Hill West Malling, Kent ME19 4TA  Insignis St Johns Innovation Centre Cowley Road Cambridge CB4 0WS	National Westminster Bank Kings Parade Branch 10 Benet Street Cambridge CB2 3PU
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 30<sup>th</sup> 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 16<sup>th</sup> December 2011 and has been running the college as a going concern. The Open School Trust continues to use the trading name National Extension College (NEC). These financial statements cover the 12 months of trading to 30<sup>th</sup> June 2023.

The governing document is the Memorandum and Articles of Association filed at Companies House on 20<sup>th</sup> 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](http://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 £
<b>INCOME FROM:</b>							
<b>Charitable activities:</b>							
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
<b>Investment income:</b>							
Interest received		23,983	-	23,983	8,772	-	8,772
<b>TOTAL INCOME</b>		<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>
<b>EXPENDITURE ON:</b>							
<b>Charitable activities:</b>							
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
<b>TOTAL EXPENDITURE</b>		<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>
<b>Net (expenditure)/income and net movement in funds</b>	5	34,800	260	35,060	(113,823)	-	(113,823)
<b>RECONCILIATION OF FUNDS</b>							
Total funds brought forward		759,315	-	759,315	873,138	-	873,138
<b>Total funds carried forward</b>		<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.

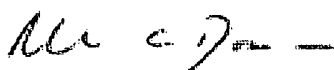
The notes on pages 10 to 17 form part of these financial statements.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2024

## BALANCE SHEET

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

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 £
<b>Cash flows from operating activities:</b>			
<i>Net cash provided by/(used in) operating activities</i>	18	137,395	(67,881)
<b>Cash flows from investing activities:</b>			
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 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 Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total 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

## 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	2024	2023
	£	£
Salaries and wages	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 & Software	Total
	YEAR ENDED 30TH JUNE 2023		
	COST OR VALUATION	£	£
	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
10.	STOCKS	2024	2023
		£	£
	Finished goods and goods for resale	5,191	6,579
11.	DEBTORS	2024	2023
		£	£
	Trade debtors	22,958	38,942
	Prepayments and accrued income	21,628	16,236
	Other debtors	-	1,313
		44,586	56,491
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
		94,915	68,589
13.	PROVISIONS FOR LIABILITIES	2024	2023
		£	£
	Balance brought forward	94,153	110,030
	Movement in provision	8,448	(15,877)
	Balance carried forward	102,601	94,153

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).