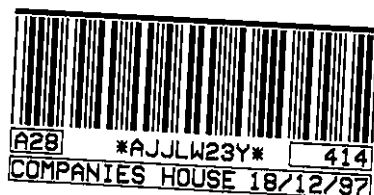


BRITISH ASSOCIATION FOR OPEN LEARNING

Company no. 2374570

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1997



BRITISH ASSOCIATION FOR OPEN LEARNING

YEAR ENDED 31ST MARCH 1997

DIRECTORS

C. Jeffries
Mrs. I. Cooke
O.D. McLeod (appointed 2.10.96)
P.J. Shufflebotham (appointed 2.10.96)
P. Sinclair (resigned 2.10.96)
G. Toplis (resigned 2.10.96)
Mrs. J. Warren
D.J. Willetts (resigned 2.10.96)
A.B. Haldane (resigned 2.10.96)
D. Evans
Ms. M. Adolphus
Mrs. J. Robinson
Mrs. H. Bullough (appointed 19.2.97)
A.G.A. Elliot

COMPANY SECRETARY

P. Sinclair

AUDITORS

Wickham, Hunt & Co.
Gregans House,
34, Bedford Road,
Hitchin, Herts.

INDEX TO FINANCIAL STATEMENTS

Page No.

1	Report of the Directors
5	Report of the Auditors
6	Income and Expenditure Account
7	Balance Sheet
8 - 10	Notes to the Financial Statements

BRITISH ASSOCIATION FOR OPEN LEARNING

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST MARCH 1997

The directors have pleasure in presenting their annual report and financial statements for the year ended 31st March 1997.

The company is a registered charity and is limited by guarantee. In the event of liquidation the liability of members is limited to £10.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They also have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Review of the business

The company is principally engaged in the promotion of open learning, and to provide members with a nationally recognised federation.

Chairman's Annual report

In many ways I find this an easier report to produce than last year, when I was comparatively new to the role as Chair of BAOL. At that time there seemed many issues to face and systems to establish and limits on the resource available to achieve some of the goals we had set for ourselves.

I now look back to review what we have achieved as a Board of Directors, together with a greater involvement of our members and I think I can say we have certainly moved forward as an Association. We have addressed many of the more urgent issues and responded to members requests for tangible benefits of belonging to BAOL. We are more secure financially and can demonstrate a small operating surplus in our end of year figures. This is a result of the efforts of Board members, who have given great commitment to both myself as Chair and to our General Manager and his staff.

BRITISH ASSOCIATION FOR OPEN LEARNING

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST MARCH 1997

BAOL can now offer real benefits to its members, and hopefully this helps to generate opportunities for members to address the issues of importance in the world of Open Learning and obviously to exchange ideas and expertise. Our services continue to include the Open Learning Today journal re-launched earlier this year, which will hopefully help to provide valuable insight into a whole range of activities undertaken by BAOL members and highlights the growth and development in Open Learning particularly in the Corporate sector.

Following the success of our first National Conference in 1996 in collaboration with Oxford University, the BAOL Board undertook to make this a regular event. Using feedback from previous delegates, plans are now well ahead for the next Conference which is due to take place in April 1998, again in Oxford, and to include many distinguished speakers well recognised in the field of Open Learning both in the UK and overseas.

Throughout 1997 the General Manager has worked hard to establish stronger links with both existing and new members. He has introduced a series of workshops offering members opportunities to meet and exchange ideas on a regular basis. These workshops are promoted directly to members through the BAOL Bulletin and have been extremely well attended by the membership.

Dialogue with the DfEE and other policy makers has continued and contracts with major organisations involved in Open Learning i.e Open Distance Learning Quality Council, British Quality Foundation, Open University and others have helped to develop relationships and represent the views of BAOL members. Links have been further developed with Scottish Enterprise via Judith Warren, a BAOL Director based in Edinburgh. Both Judith and Brian Merison attended the Best Practices Exhibition in Glasgow which has led to great interest in Scotland and a forthcoming workshop to be hosted in Scotland during October.

We were also delighted to welcome Sarah Bell to the BAOL office in her role as Marketing and Information Co-ordinator. She joins Brian Merison and Anne Fraser as a permanent member of the team and will undertake a major initiative to promote BAOL on a much wider scale than before. Sarah has already produced a Marketing Plan for BAOL and will take responsibility for the production of new promotion materials and will be very involved in the launch of the Quest project.

This is the first National Quality Assurance System for Open Learning in the U.K and has been part funded by the DfEE and will allow both BAOL members and non-members to achieve recognition for their expertise. It is the intention to officially launch this initiative at the BAOL Conference in April 1998, and to present awards to successful organisations who will have been involved in piloting the programme. This will raise the profile of BAOL and will provide the opportunity to maintain the lead on quality on open and flexible learning both in the UK and overseas. The General Manager and myself have been approached by a number of organisations external to BAOL who have expressed interest in the development. The BAOL Board see this as key to our future development.

BRITISH ASSOCIATION FOR OPEN LEARNING

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST MARCH 1997

Many of the members took the opportunity to register and use the BAOL OnLine system we established using First Class software, and offering a closed e mail system to subscribers as part of their subscription. We will maintain this system, but in October we are planning the launch of the BAOL Web site. This will allow those members unable to access the First Class system an opportunity to use a route via an Internet link. As part of the plan to establish a communications strategy for BAOL we will use the new Web site to promote BAOL. Additionally the site will be used to provide information relating to the BAOL Conference both for bookings and information.

Within the internal administration at Head Office we are installing a computerised financial/database system which will be used by administrative staff to control information to further improve management control. This in turn will make financial savings for BAOL by the reduced need for external support from the Accountants currently employed to undertake the work.

BAOL now has an infrastructure which puts it in a strong position for the future. We must now build the membership to secure the position. This will not be a simple task but with the enthusiasm and dedication of the staff and Board of Directors I believe we can achieve our goals.

Irene Cooke
Chair BAOL

Directors

The directors during the year under review, none of whom were interested in the company's shares during the year, were:

C. Jeffries
Mrs. I. Cooke
O.D.McLeod (appointed 2.10.96)
P.J. Shufflebotham (appointed 2.10.96)
P. Sinclair (resigned 2.10.96)
G. Toplis (resigned 2.10.96)
Mrs. J. Warren
D.J. Willetts (resigned 2.10.96)
A.B. Haldane (resigned 2.10.96)
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A.G.A. Elliot

BRITISH ASSOCIATION FOR OPEN LEARNING

REPORT OF THE DIRECTORS

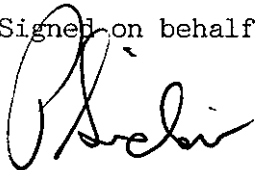
FOR THE YEAR ENDED 31ST MARCH 1997

Auditors

The auditors, Messrs. Wickham, Hunt & Co., are willing to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

This directors' report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the board



P. Sinclair

Date: 22nd August 1997

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
BRITISH ASSOCIATION FOR OPEN LEARNING**

We have audited the financial statements on pages 6 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the charitable company's state of affairs as at 31st March 1997 and of its incoming resources and application of resources, including its income and expenditure in the year then ended, and have been properly prepared in accordance with the provisions of the Companies Act 1985.

22nd August 1997
Gregans House,
34, Bedford Road,
Hitchin, Herts.



WICKHAM, HUNT & CO
Registered Auditors
Chartered Accountants

BRITISH ASSOCIATION FOR OPEN LEARNING

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED
31ST MARCH 1997

	Notes	1997	1996
		£	£
INCOME	2	274,979	194,215
Direct costs		(169,839)	(115,712)
GROSS PROFIT		105,140	78,503
Net operating expenses	3	(100,610)	(91,967)
	4	4,530	(13,464)
Other interest receivable and similar income		<u>1,422</u>	<u>311</u>
SURPLUS/(DEFICIT) OF INCOME OVER EXPENDITURE		<u>5,952</u>	<u>(13,153)</u>

The company has neither acquired or commenced any new business activities in the year nor discontinued any operations and it has no recognised gains or losses other than the surplus for the year.

BRITISH ASSOCIATION FOR OPEN LEARNING

BALANCE SHEET

31ST MARCH 1997

	Notes	1997 £	1996 £
FIXED ASSETS			
Tangible assets	6	6,252	<u>8,238</u>
CURRENT ASSETS			
Debtors	7	55,371	17,569
ECU account		5,248	6,059
Cash at bank and in hand		<u>102,103</u>	<u>93,410</u>
		162,722	117,038
CREDITORS: Amounts falling due within one year	8	<u>(108,027)</u>	<u>(70,281)</u>
NET CURRENT ASSETS		<u>54,695</u>	<u>46,757</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>60,947</u>	<u>54,995</u>
CAPITAL AND RESERVES			
Profit and loss account	10	<u>60,947</u>	<u>54,995</u>
		<u>60,947</u>	<u>54,995</u>

Statement by the directors

In preparing these financial statements, we have taken advantage of the special exemptions applicable to small companies and we do so on the grounds that this company is entitled to the benefit of those special exemptions as a small company.

Approved by the board on: 22nd August 1997

.....
C. Jeffries

Directors

.....
Mrs. I. Cooke

The notes set out on pages 8 to 10 form part of these financial statements

BRITISH ASSOCIATION FOR OPEN LEARNING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1997

1 ACCOUNTING POLICIES

(a) Basis of accounting

These financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

(b) Depreciation

Depreciation is calculated to write off the cost or valuation, less estimated residual values, of tangible fixed assets over their estimated useful lives to the business. The annual depreciation rates and methods are as follows:

Computer equipment	- 3 years straight line basis
Office equipment	- 15% reducing balance method
Fixtures and fittings	- 15% reducing balance method
Exhibition equipment	- 15% reducing balance method

(c) Foreign currencies

Transactions in foreign currencies are translated into sterling at the rates of exchange current at the dates of the transactions or at the contracted rate if the transaction is covered by a forward exchange contract.

Assets and liabilities denominated in a foreign currency are translated at the balance sheet date at the exchange rate ruling on that day or if appropriate at the forward contract rate. Resulting exchange gains and losses are taken to the profit and loss account.

2 INCOME

Income is derived from invoiced subscriptions, conferences, courses, project management and consultancy fees excluding value added tax.

3 ANALYSIS OF NET OPERATING EXPENSES

	1997 £	1996 £
Net operating expenses consists of:		
Administrative expenses	<u>100,610</u>	<u>91,967</u>
	<u>100,610</u>	<u>91,967</u>

BRITISH ASSOCIATION FOR OPEN LEARNING

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1997

4 SURPLUS/(DEFICIT) OF INCOME OVER EXPENDITURE

Operating surplus/(deficit) is after charging:	1997	1996
	£	£
Administrative expenses including:		
Hire of vehicles	2,302	5,394
Depreciation	1,986	4,175
Auditors' remuneration	<u>1,750</u>	<u>1,500</u>

5 TAXATION

No provision for taxation is required within these accounts as in accordance with section 505 of the Income and Corporation Taxes Act 1988, the charity is exempt from corporation tax.

6 TANGIBLE FIXED ASSETS

	Computer equipment	Office equipment	Fixtures and fittings	Exhibition equipment	Total
COST	£	£	£	£	£
At 1st April 1996	<u>14,278</u>	<u>4,853</u>	<u>2,834</u>	<u>4,105</u>	<u>26,070</u>
At 31st March 1997	<u>14,278</u>	<u>4,853</u>	<u>2,834</u>	<u>4,105</u>	<u>26,070</u>
DEPRECIATION					
At 1st April 1996	13,316	2,135	799	1,583	17,833
Charge for the year	<u>896</u>	<u>407</u>	<u>305</u>	<u>377</u>	<u>1,985</u>
At 31st March 1997	<u>14,212</u>	<u>2,542</u>	<u>1,104</u>	<u>1,960</u>	<u>19,818</u>
NET BOOK VALUE					
At 31st March 1997	<u>66</u>	<u>2,311</u>	<u>1,730</u>	<u>2,145</u>	<u>6,252</u>
At 31st March 1996	<u>962</u>	<u>2,719</u>	<u>2,035</u>	<u>2,522</u>	<u>8,238</u>

7 DEBTORS

	1997	1996
	£	£
Trade debtors	53,013	16,235
Other debtors	96	96
Prepayments and accrued income	<u>2,262</u>	<u>1,238</u>
	<u>55,371</u>	<u>17,569</u>

8 CREDITORS: Amounts falling due within one year

	1997	1996
	£	£
Bank loans and overdrafts	2,139	2,436
ECU account	5,248	6,059
Trade creditors	37,317	7,351
Other creditors	<u>63,323</u>	<u>54,435</u>
	<u>108,027</u>	<u>70,281</u>

BRITISH ASSOCIATION FOR OPEN LEARNING

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1997

9 LEASE COMMITMENTS

Annual commitments under operating leases

	Land & Buildings 1997 £	Other Assets 1997 £	Land & Buildings 1996 £	Other Assets 1996 £
Operating leases expiring:				
Within one year	5,796	-	5,352	4,177
Within 2-5 years	-	3,854	-	-
Annual commitments at 31st March 1997	<u>5,796</u>	<u>3,854</u>	<u>5,352</u>	<u>4,177</u>

10 INCOME AND EXPENDITURE ACCOUNT

	£
At 1st April 1996	54,995
Surplus for the year (page 6)	<u>5,952</u>
At 31st March 1997	<u>60,947</u>

11 SHARE CAPITAL

The company is limited by guarantee and therefore has no share capital.