

BRITISH ASSOCIATION FOR OPEN LEARNING

Company no. 2374570

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1996



BRITISH ASSOCIATION FOR OPEN LEARNING

YEAR ENDED 31ST MARCH 1996

DIRECTORS

C. Jeffries (appointed 5.1.96)
Mrs. I. Cooke
G.S. Grandison (resigned 28.6.95)
E. Polden (resigned 31.10.94)
P. Sinclair
G. Toplis (appointed 5.1.96)
Mrs. J. Warren (appointed 5.1.96)
D.J. Willetts
A.B. Haldane
D. Evans (appointed 5.1.96)
Ms. M. Adolphus (appointed 5.1.96)
Mrs. J. Robinson (appointed 5.1.96)
B.W. Drowley (resigned 31.3.96)
A.G.A. Elliot (appointed 5.1.96)

COMPANY SECRETARY

P. Sinclair

AUDITORS

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

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BRITISH ASSOCIATION FOR OPEN LEARNING

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST MARCH 1996

The directors have pleasure in presenting their annual report and financial statements for the year ended 31st March 1996.

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.

Business activities

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

Chairman's Annual Report

Since taking the role of Chair in January 1996 I have attempted to review the work of BAOL and revisit our mission. The time spent has been rewarding and the resulting achievements would not have happened without the help of my fellow Board members, the General Manager, Treasurer and the BAOL administration. I would like to personally thank all of them for their enthusiasm and support throughout this period of change.

This I think, must be one of the most challenging times for many of us involved in the world of the Open Learning where in difficult times we are attempting to address technological changes and developments in order to move forward into "The Information Age".

Following my initiation the Treasurer and I reviewed the financial position of BAOL and together with the General Manager, we developed a Business Plan and budget to take us into 1996/97. This establishes part of our strategic planning process.

BRITISH ASSOCIATION FOR OPEN LEARNING

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST MARCH 1996

We looked seriously at the strengths and weaknesses of our financial systems and with the help of our Accountants introduced measures to improve credit control and ensure the timely and accurate production of accounting information. We have now appointed a team of accountants who will work in conjunction with BAOL staff to ensure the systems are put in place, this will improve management reporting to the Board and aid future development opportunities.

1996 saw the retirement of two of our Board members, Brian Drowley and Geoff Topliss, both individuals provided continuing support to the work of the organisation throughout their terms in office. I would like to personally thank them on behalf of the Board for all their hard work. I would also like to thank our new Board members who have brought with them new ideas and experience which has proved invaluable at the strategic planning stages and look forward to working with them during my term as Chair.

One of the first priorities for the Board during 1996/97 is to develop an improved service for our existing members and to attract new members into BAOL. With this in mind the Board have decided to appoint a new member of the permanent staff who will have direct responsibility for marketing BAOL services including the operation of the On Line BAOL Electronic Network which will provide networking for all members as part of their subscription fee and will play a key role in communication services to the BAOL office and between members.

The most exciting event of the forthcoming year which BAOL will host in conjunction with the University of Oxford is the "Open Learning in an Information Age" conference early in October. Much of the hard work and ideas were developed by Clive Jeffries - Vice Chair, who provides me with unstinting support. We hope this conference will put BAOL at the leading edge in terms of demonstrating the technology available and providing a forum for BAOL and non BAOL delegates to exchange information knowledge and issues. We have received full support from the DFEE and our European partners for the event. I feel sure this will lead to achieving some long term goals for us to further develop.

Alongside our objective to expand our membership during 1996/97 BAOL will undertake projects formerly approved by the Board to ensure, continuity, address cost implications and meet BAOL strategic aims. In June 1996 the DFEE launched a new "Innovation in Training Initiative". BAOL members were invited to bid for the work and as this is part of a three year initiative, we are sure interesting collaborative ventures between open learning practitioners and TEC's will evolve. The Company Secretary has introduced a new form of contract to ensure clarity and fairness for all parties when undertaking work on behalf of BAOL.

In addition to the "Innovation In Training Initiative", a further exciting development to encourage the introduction of Quality Standards in Open Learning for all open learning organisations to achieve will be undertaken. This will be supported by the DFEE and developed by BAOL alongside other recognised practitioners.

BRITISH ASSOCIATION FOR OPEN LEARNING

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST MARCH 1996

The Board have also established a working party to look at the issue of qualifications which will enhance this work greatly and once again put BAOL in a leading position in the area of Quality.

Looking into the future we see a strategic role for BAOL in Europe. We hope shortly after the conference to visit key players in Brussels for discussion purposes. This will involve the Chair, Vice Chair and if possible the DFEE. It is critical for us to develop a role in Europe but to ensure BAOL is secure in the UK market.

Lastly but not least I have to mention in the BAOL General Manager, Brian Merison, who many of you have worked with over the past few years. Brian has secured our position with the DFEE and the open learning market. Through his commitment and hard work we will I know achieve even more over the next few years.

It is our intention to free Brian, as far as possible from the day to day issues, to concentrate his efforts on the development of project work and more direct involvement at Project Manager level. This is an attempt to control finances where possible and maximise the position of BAOL.

None of this can be achieved without you - The BAOL Membership.

Irene Cooke
Chair BAOL

BRITISH ASSOCIATION FOR OPEN LEARNING

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST MARCH 1996

Directors

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

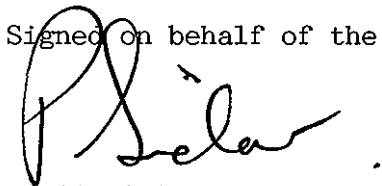
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Auditors

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.

In preparing this report, the directors have taken advantage of the special exemptions applicable to small companies.

Signed on behalf of the board



P. Sinclair

Date: 19th August 1996

**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

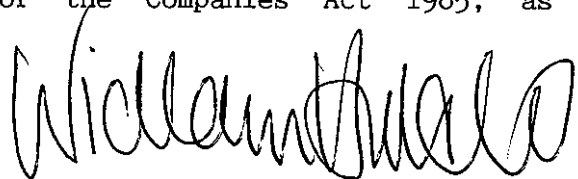
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 state of the company's affairs as at 31st March 1996 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985, as applicable to small companies.

19th August 1996
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 1996

	Notes	1996	1995
		£	£
INCOME	2	194,215	304,785
Direct costs		(115,712)	(184,146)
GROSS PROFIT		78,503	120,639
Net operating expenses	3	(91,967)	(108,634)
	4	(13,464)	12,005
Other interest receivable and similar income		<u>311</u>	<u>871</u>
(DEFICIT)/SURPLUS OF INCOME OVER EXPENDITURE		<u>(13,153)</u>	<u>12,876</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 deficit for the year.

BRITISH ASSOCIATION FOR OPEN LEARNING

BALANCE SHEET

31ST MARCH 1996

	Notes	1996 £	1995 £
FIXED ASSETS			
Tangible assets	6	8,238	<u>14,091</u>
CURRENT ASSETS			
Stocks	7	-	5,923
Debtors	8	17,569	56,383
ECU account		6,059	5,433
Cash at bank and in hand		<u>93,410</u>	<u>60,485</u>
		117,038	128,224
CREDITORS: Amounts falling due within one year	9	<u>(70,281)</u>	<u>(74,167)</u>
NET CURRENT ASSETS		<u>46,757</u>	<u>54,057</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>54,995</u>	<u>68,148</u>
CAPITAL AND RESERVES			
Profit and loss account	11	<u>54,995</u>	<u>68,148</u>
		<u>54,995</u>	<u>68,148</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: 19th August 1996

.....
C. Jeffries (appointed 5.1.96)
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 1996

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.

(d) Work in Progress

The above represents work carried out on ongoing contracts and uninvoiced at the balance sheet date. The valuation is based on the fixed contract price.

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

	1996 £	1995 £
Net operating expenses consists of:		
Administrative expenses	<u>91,967</u>	<u>108,634</u>
	<u>91,967</u>	<u>108,634</u>

BRITISH ASSOCIATION FOR OPEN LEARNING

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1996

4 (DEFICIT) OF INCOME OVER EXPENDITURE

Operating deficit is stated after charging:	1996	1995
	£	£
Administrative expenses including:		
Hire of vehicles	5,394	9,907
Depreciation	4,175	5,961
Auditors' remuneration	<u>1,500</u>	<u>2,500</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 1995	16,565	5,679	2,878	3,581	28,703
Additions at cost	113	-	-	524	637
Applicable to disposals	(2,400)	(826)	(44)	-	(3,270)
At 31st March 1996	<u>14,278</u>	<u>4,853</u>	<u>2,834</u>	<u>4,105</u>	<u>26,070</u>
DEPRECIATION					
At 1st April 1995	11,220	1,800	448	1,145	14,613
Charge for the year	2,897	480	360	438	4,175
Released by disposals	(801)	(146)	(9)	-	(956)
At 31st March 1996	<u>13,316</u>	<u>2,134</u>	<u>799</u>	<u>1,583</u>	<u>17,832</u>
NET BOOK VALUE					
At 31st March 1996	<u>962</u>	<u>2,719</u>	<u>2,035</u>	<u>2,522</u>	<u>8,238</u>
At 31st March 1995	<u>5,345</u>	<u>3,879</u>	<u>2,431</u>	<u>2,436</u>	<u>14,091</u>

7 STOCKS

	1996	1995
	£	£
Work in progress	<u>-</u>	<u>5,923</u>

8 DEBTORS

	1996	1995
	£	£
Trade debtors	16,235	53,996
Other debtors	96	78
Prepayments and accrued income	<u>1,238</u>	<u>2,309</u>
	<u>17,569</u>	<u>56,383</u>

BRITISH ASSOCIATION FOR OPEN LEARNING

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1996

9	CREDITORS: Amounts falling due within one year	1996	1995
		£	£
	Bank loans and overdrafts	2,436	2
	ECU account	6,059	5,433
	Trade creditors	7,351	19,396
	Other creditors	<u>54,435</u>	<u>49,336</u>
		<u>70,281</u>	<u>74,167</u>

10 LEASE COMMITMENTS

Annual commitments under operating leases

	Land & Buildings 1996	Other Assets 1996	Land & Buildings 1995	Other Assets 1995
Operating leases expiring:	£	£	£	£
Within one year	<u>5,352</u>	<u>4,177</u>	<u>5,352</u>	<u>4,177</u>
Annual commitments at 31st March 1996	<u>5,352</u>	<u>4,177</u>	<u>5,352</u>	<u>4,177</u>

11 INCOME AND EXPENDITURE ACCOUNT

	£
At 1st April 1995	68,148
Deficit for the year (page 6)	<u>(13,153)</u>
At 31st March 1996	<u>54,995</u>

12 SHARE CAPITAL

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