

Registered charity number
1086404

Registered company number
04107837

Open Trust

(A company limited by guarantee)

Trustees' Report and Financial Statements
for the year ended 31 December 2008

SATURDAY



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Open Trust
Report and Financial Statements
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Open Trust

Legal and Administrative Information

Reference and administrative information

| | |
|------------------------------|---|
| Charity name: | Open Trust |
| Charity registration number: | 1086404 |
| Company registration number: | 04107837 |
| Registered office: | 8 Great James Street London WC1N 3DF |
| Operational address: | C/o Bindman & Partners Solicitors 275 Gray's Inn Road London WC1X 8QB |

Directors and Trustees

| | |
|----------------------------------|-------|
| G L Bindman | Chair |
| A H Barnett | |
| D K Elstein | |
| A S L Lapping | |
| A J Harker (pending appointment) | |

Company Secretary

D D C Monro

Independent Auditors

Linn Maggs Goldwin
2-4 Great Eastern Street
London
EC2A 3NT

Bankers

The Cooperative Bank plc
PO Box 101
1 Balloon Street
Manchester
M60 4EP

Solicitors

Monro Fisher Wasbrough
8 Great James Street
London
WC1N 3DF

**Open Trust
Trustees' Report
for the year ended 31 December 2008**

We are pleased to present our report together with the audited financial statements of the charity for the year ended 31 December 2008.

Legal and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, and the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005).

Structure, Governance and Management

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 14 November 2000, and registered as a charity on 30 April 2001. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company, and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

Recruitment and appointment of trustees

The directors of the company are also charity trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. The charity currently has four trustees, one third of which are re-elected annually by the members of the company at the Annual General Meeting.

Trustee induction and training

Trustees are people of wide experience in public life. They are provided with all relevant documents and are fully informed of the activities of the trust.

Risk management

The trustees are aware that supporting global education on the internet means making grants to organisations which are unlikely to have found a sustainable model and trustees assess the risks of the projects they support at the Trustees meetings. They do not feel that they need to have a more fully formulated policy on risk management than this at the present time.

Organisational structure

Because of the small size and limited activities of the trust it is not considered that any formal structure is required. Issues to be decided by the trustees are discussed at meetings or are communicated among trustees by email.

Related parties

The trust provides grant funding to openDemocracy Limited, a company with similar objects to the trust, and with a common director.

The trust also has a wholly owned subsidiary, China Dialogue Limited, although the activities, assets and liabilities of this company were transferred to another registered charity, the China Dialogue Trust on 6 August 2008, and the company became dormant. For this reason, the accounts of China Dialogue Limited have not been consolidated into the accounts of the trust.

The trustees are satisfied that openDemocracy Limited and Chin Dialogue Limited are appropriate recipients of grant funding, and closely monitor the application of the trust's funds within both companies.

Objectives and activities

The object of the Trust, as defined by its Memorandum of Association, is the advancement of education, nationally and internationally, in the social, environmental, political and biological sciences, economics, law, the arts and media communication and other recognised scholarly subjects.

Achievements and performance

The achievement of the Open Trust in the year under review has been to receive and distribute appropriately the funds received by it in accordance with its objectives and responsibilities. The Trust dedicated its modest activities to supporting openDemocracy, the pioneering website dedicated to global education.

Financial review

The charity had net resources expended for the year of £100,945, this result largely representing funds held for distribution at the beginning of the year. At 31 December 2008, the charity had net assets of £166,495, being restricted grants funds held of £152,911 and net free reserves of £13,584. The trustees are satisfied with the financial position of the charity at the year end.

Principal funding sources

These are identified in the accounts of the trust.

Investment policy

Under the Memorandum of Association, the charity has the power to make any investment which the Trustees see fit, after obtaining advice from a financial expert, and having regard to the suitability of investments and the need for diversification. The funds received by the charity during the year under review were not sufficient to justify separate investment, other than to be placed on deposit with the charity's bankers.

Reserves policy

The policy of the trust is to ensure its solvency by disbursing funds only in accordance with any restrictions imposed on them or when they are held without restriction. The trust incurs no liabilities unless they are fully funded.

Future plans

The Open Trust looks forward to seeing progress and development in openDemocracy Limited's educational programs. There are plans for educational campaigns around civil liberties and democracy in the UK as well as new methods to grow activities globally.

Responsibilities of the trustees

Company law requires us as trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the trustees should follow best practice and:

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

We are also responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enables us to ensure that the financial statements comply with the Companies Act 1985. We 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.

**Open Trust
Trustees' Report
for the year ended 31 December 2008**

Trustees

The trustees, who are directors of for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report, are set out on page 1.

In accordance with company law, as the company's directors, we certify that:

- So far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- As the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

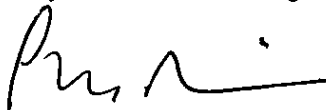
Auditors

A resolution will be proposed at the Annual General meeting that Linn Maggs Goldwin be re-appointed as auditors to the charity for the ensuing year.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the trustees and signed on their behalf on

29 July 2009



Sir Geoffrey Bindman
Chair of the Board of Trustees

Open Trust

Independent auditors' report

Independent auditors' report to the members of Open Trust Limited

We have audited the financial statements of Open Trust Limited for the year ended 31 December 2008, which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention, the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005), and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditors

The Trustees' (who are also the directors of Open Trust Limited for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read other information contained in the Trustees' Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information beyond that referred to in this paragraph.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all 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.

Open Trust
Independent auditors' report

Independent auditors' report to the members of Open Trust Limited
(continued)

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005), of the state of the charity's affairs as at 31 December 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.
- the information given in the Trustees' Annual Report is consistent with the financial statements.

Linn Maggs Goldwin
Linn Maggs Goldwin
Chartered Accountants and Registered Auditors
2-4 Great Eastern Street
London
EC2A 3NT

29th July 2009

Open Trust
Statement of Financial Activities
(incorporating Income and Expenditure Account)
for the year ended 31 December 2008

| | Notes | Unrestricted funds 2008 £ | Restricted funds 2008 £ | Total funds 2008 £ | Total funds 2007 £ |
|---|-------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Incoming resources | | | | | |
| Incoming resources from generated funds: | | | | | |
| <i>Voluntary income:</i> | | | | | |
| Grants and donations | 2 | 2,322 | 291,268 | 293,590 | 749,253 |
| <i>Activities for generating funds:</i> | | | | | |
| Investment income | | 3,320 | - | 3,320 | 2,657 |
| Total incoming resources | | 5,642 | 291,268 | 296,910 | 751,910 |
| Resources expended | | | | | |
| Costs of generating funds | | | | | |
| Costs of generating voluntary income | 3 | 211 | - | 211 | 13,630 |
| Charitable activities | 3 | 481 | 395,283 | 395,764 | 586,523 |
| Governance costs | 3 | 1,880 | - | 1,880 | 1,140 |
| Total resources expended | | 2,572 | 395,283 | 397,855 | 601,293 |
| Net (expenditure)/income for the year | 4 | 3,070 | (104,015) | (100,945) | 150,617 |
| Transfers between funds | | (8,489) | 8,489 | - | - |
| Net movement in funds | | (5,419) | (95,526) | (100,945) | 150,617 |
| Fund balances 1 January 2008 | | 19,003 | 248,437 | 267,440 | 116,823 |
| Fund balances at 31 December 2008 | 11 | 13,584 | 152,911 | 166,495 | 267,440 |

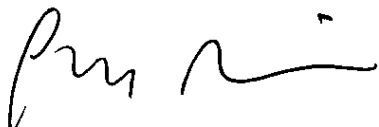
The statement of financial activities includes all gains or losses for the year. All incoming resources and resources expended derive from continuing activities.

Open Trust
Balance Sheet
as at 31 December 2008

| | Notes | 2008 £ | 2007 £ |
|---|-------|----------------|----------------|
| Fixed assets | | | |
| Investments | 7 | 4 | 4 |
| Current assets | | | |
| Debtors | 8 | 793 | 31,527 |
| Cash at bank | | 166,944 | 237,094 |
| | | <u>167,737</u> | <u>268,621</u> |
| Creditors: amounts falling due within one year | 9 | <u>1,246</u> | <u>1,185</u> |
| Net current assets | | 166,491 | 267,436 |
| Net assets | 10 | <u>166,495</u> | <u>267,440</u> |
| Charity funds | 11 | | |
| Unrestricted general fund | | 13,584 | 19,003 |
| Restricted funds | | 152,911 | 248,437 |
| Total funds | | <u>166,495</u> | <u>267,440</u> |

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

The financial statements were approved by the Board of Trustees on *24 July 2009*



G L Bindman
Chair of the Board of Trustees

Open Trust
Notes to the Accounts
for the year ended 31 December 2008

1 Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the previous year.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005).

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are funds which are to be used in accordance with the specific restrictions imposed by donors which have been raised by the charity for particular purposes. The aim and use of each fund is set out in Note 11 to the financial statements.

Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Costs of generating funds comprise the costs associated with securing voluntary income.

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable.

Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes VAT which cannot be recovered, and is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the statement of financial activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. estimated usage, as set out in Note 3.

Group accounts

The financial statements contain information about Open Trust as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 248 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as the group it heads qualifies as a small group.

Fixed asset investments

Investments in subsidiary undertakings are included in the accounts at cost, and are revalued to the balance sheet value of the subsidiary at the balance sheet date.

Open Trust
Notes to the Accounts
for the year ended 31 December 2008

| 2 Grants and donations received | Unrestricted funds | Restricted funds | Total funds | Total funds |
|---|---------------------------|-------------------------|--------------------|--------------------|
| | 2008 | 2008 | 2008 | 2007 |
| | £ | £ | £ | £ |
| Open Society Institute | - | 79,994 | 79,994 | 219,994 |
| Atlantic Philanthropies | - | 70,000 | 70,000 | 220,000 |
| David & Elaine Potter Charitable Foundation | - | 35,000 | 35,000 | 57,500 |
| The Tedworth Charitable Trust | - | 22,400 | 22,400 | - |
| Stichting Hivos | - | 19,139 | 19,139 | - |
| Esmee Fairbairn Foundation | - | 15,000 | 15,000 | 22,500 |
| Joseph Rowntree | - | 10,000 | 10,000 | - |
| Polden Puckham Charitable Trust | - | 10,000 | 10,000 | - |
| Barrow Cadbury Trust | - | 7,220 | 7,220 | - |
| J B H Jackson | - | 5,000 | 5,000 | - |
| JRSST Trust | - | 5,000 | 5,000 | - |
| Wainwright Trust | - | 3,000 | 3,000 | - |
| CAF Charities Aid | - | 1,220 | 1,220 | - |
| Rothschilds | - | 1,000 | 1,000 | - |
| Steadman | - | 1,000 | 1,000 | - |
| Tennant | - | 1,000 | 1,000 | - |
| Siftung Open Society | - | - | - | 119,987 |
| The Estate of Norah Jones | - | - | - | 44,132 |
| IDS Limited | - | - | - | 15,000 |
| Reed Foundation | - | - | - | 12,500 |
| Cornwell Charitable Trust | - | - | - | 5,000 |
| Others | 748 | 5,295 | 6,043 | 32,584 |
| Gift Aid tax relief | 1,574 | - | 1,574 | 56 |
| | 2,322 | 291,268 | 293,590 | 749,253 |

| 3 Resources expended | Cost of generating funds | Grants made | Governance | Total | Total |
|---|---------------------------------|--------------------|-------------------|----------------|----------------|
| | 2008 | 2008 | 2008 | 2008 | 2007 |
| | | £ | £ | £ | £ |
| Costs directly allocated to activities | | | | | |
| <i>Grants made:</i> | | | | | |
| openDemocracy Limited | | 236,097 | | 236,097 | 511,908 |
| China Dialogue Limited | | 129,987 | | 129,987 | 73,137 |
| Countryside Alliance | | 29,199 | | 29,199 | - |
| Legal fees | | | | - | 13,383 |
| Support costs allocated to activities | | | | | |
| Administrator's fees | | | | - | 1,000 |
| Bank charges | | 481 | | 481 | 478 |
| Collection charges | 211 | | | 211 | 247 |
| Audit fees | | | 1,266 | 1,266 | 1,140 |
| Legal and secretarial costs | | | 614 | 614 | - |
| Total resources expended | 211 | 395,764 | 1,880 | 397,855 | 601,293 |

Open Trust
Notes to the Accounts
for the year ended 31 December 2008

4 Net (expenditure)/income for the year

| | 2008 £ | 2007 £ |
|--|--------------|--------------|
| This is stated after charging: | | |
| Auditors' remuneration for statutory audit | <u>1,177</u> | <u>1,146</u> |

5 Trustee remuneration

No trustee received any remuneration during the year (2007: Nil)

No trustee was reimbursed for expenses during the year (2007: Nil).

6 Taxation

As a registered charity, Open Trust is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or Section 256 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 charity.

The charity is registered for Gift Aid with HM Revenue & Customs under reference number XR53593.

7 Fixed asset investments

| | Investments in subsidiary undertakings £ |
|---------------------|---|
| Cost | |
| At 1 January 2008 | 4 |
| At 31 December 2008 | <u>4</u> |

The company holds 20% or more of the share capital of the following companies:

| Company | Country of registration or incorporation | Shares held Class | % |
|------------------------|---|----------------------|-----|
| China Dialogue Limited | England and Wales | Ordinary | 100 |

China Dialogue Limited is dormant.

8 Debtors

| | 2008 £ | 2007 £ |
|--------------------------|------------|---------------|
| Donations receivable | - | 30,736 |
| Gift Aid tax recoverable | 282 | 56 |
| Interest receivable | 511 | 735 |
| | <u>793</u> | <u>31,527</u> |

Open Trust
Notes to the Accounts
for the year ended 31 December 2008

9 Creditors: amounts falling due within one year

| | 2008 £ | 2007 £ |
|---|--------------|--------------|
| Amounts owed to group undertakings - China Dialogue Limited | 4 | 4 |
| Accrued expenses | 1,242 | 1,181 |
| | <u>1,246</u> | <u>1,185</u> |

10 Analysis of net assets between funds

| | General funds £ | Restricted funds £ | Total funds £ |
|-------------------------|-----------------------|--------------------------|---------------------|
| Fixed asset investments | 4 | - | 4 |
| Current assets | 14,827 | 152,910 | 167,737 |
| Current liabilities | (1,246) | - | (1,246) |
| | <u>13,585</u> | <u>152,910</u> | <u>166,495</u> |

11 Movement in funds

| | At 1 Jan 08 £ | Incoming resources £ | Outgoing resources £ | Transfers £ | At 31 Dec 08 £ |
|--|---------------------|----------------------------|----------------------------|----------------|----------------------|
| Unrestricted funds: | | | | | |
| General funds | 19,003 | 5,642 | (2,572) | (8,489) | 13,584 |
| Restricted funds: | | | | | |
| openDemocracy Limited - general | 97,701 | 235,268 | (206,097) | 10,039 | 136,911 |
| openDemocracy Limited - China Dialogue | 13 | - | - | (13) | - |
| openDemocracy Limited - Convention on Modern Liberty | - | 46,000 | (30,000) | - | 16,000 |
| China Dialogue Limited | 119,987 | 10,000 | (129,987) | - | - |
| Countryside Alliance | 30,736 | - | (29,199) | (1,537) | - |
| Total restricted funds | <u>248,437</u> | <u>291,268</u> | <u>(395,283)</u> | <u>8,489</u> | <u>152,911</u> |
| Total funds | <u>267,440</u> | <u>296,910</u> | <u>(397,855)</u> | <u>-</u> | <u>166,495</u> |

Purposes of restricted funds

The restricted funds represent funds received from donors to be passed on to the organisations shown for the purposes shown.

12 Transaction with related parties

During the year, grants of £129,987 (2007: £73,137) were paid to China Dialogue Limited, the company's wholly owned subsidiary.

Grants of £281,267 (2007: £525,290) were made to openDemocracy Limited, a company of which A H Barnett is a director. £Nil (2007: £140,000) of this total was ultimately passed on to China Dialogue Limited, the company's wholly owned subsidiary.

The trustees consider both companies to be appropriate recipients of grant funding.