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**COMPANY REGISTRATION NUMBER: 04527579**  
**CHARITY REGISTRATION NUMBER: 1094451**

**Swarthmore Education Centre**  
**Company Limited by Guarantee**  
**Financial statements**  
**31st July 2019**



# **Swarthmore Education Centre**

## **Company Limited by Guarantee**

### **Chairs report**

#### **year ended 31st July 2019**

I am privileged to have been appointed as Chair to the Trustee Council for a second year, and I am pleased to present the financial statements covering the period from 1st August 2018 to 31st July 2019.

In presenting these accounts, it is important that we consider Swarthmore's overall performance in relation to the trends in Adult Education across the country. There has been a general decline in the numbers of adults in education over the past ten years, when austerity has been the buzzword. Swarthmore can proudly demonstrate that it has bucked this trend, increasing both the numbers of learners and the range of learners who attend our Centre and benefit from our teaching. Our track record throughout the year has been one of delivering friendly, supportive and inclusive learning across our unique range of courses. This is delivered by some amazing teaching staff, who put building confidence and improved motivation of their students at the heart of everything they do.

Given our financial deficit on 31st July 2018 of £92,585, we commissioned a financial review, which was carried out by Sagars accountants. As an output of that review process, this financial year we put in place a range of improved controls. These included changes in relation to profiling and closer monthly monitoring of income and expenditure, better management and reporting and improvements in our governance mechanisms to set higher standards for both room and tutor utilisation. We also carried out changes to the both the crèche and cafe, with a view to improving both our quality of services and our income. In addition, to support improvements we also invested in new IT systems that have allowed the collection of more accurate data, including the daily monitoring of cash flow.

As a result of all these changes, against an overall annual turnover of £1,510,470 at Swarthmore from 1st August 2018 to 31st July 2019, we ended this financial year in a deficit position of £69,212. Whilst it is still a deficit position, it is improved on last year and it is set against a challenging context of reduced income from the open door contract of £168,767.

During this year we received donations into the brickwork fund, with the aim of initiating the project in August 2019, this included substantial donations from the Wade Trust and the Pilgrim Trust. In addition, the patio area was resurfaced with a resin aggregate bonding. A number of teaching areas have been repainted and updated to provide all of our learners with a refreshed environment. I would like to formally thank our Director at the time, Joanna Stokes, for pursuing external grants and funding to offset the impact of these capital projects which would have been delayed otherwise given our financial position. Joanna's firm but fair hand over the past year has supported Swarthmore putting in place a number of systems that has ensured ongoing improvements and enabled appropriate and timely corrective action to be taken.

Looking forward, the focus will remain on improved teaching quality, increased internal and external communication and better marketing so that we raise our profile and more people become aware of all that Swarthmore has to offer. Alongside this the Trustee Council are working with our new Director to develop and articulate a more detailed strategy for Swarthmore's growth and future development. We plan to modernise and change our governance, by updating the articles of association in line with updated legal requirements, Charity Commission guidance and best practice in organisations similar to our own. There have been considerable changes on the trustee council this year, including some trustees leaving, new chair and members of the finance subcommittee, and new trustees starting. The Trustee Council has benefited from this new blood and new energy as well as the historic knowledge of longer serving council members on our volunteer board. We are moving forward collectively on developing a new and refreshed strategy for Swarthmore over the next five years. Hilary Benn MP agreed to take up the vacant post of President for Swarthmore following debate and a vote on the Trustee Council. We are pleased to have him as our figure head and welcome him on board.

In terms of on-going capital investment, improvements to our hall including mending the leaking roof and a much needed redecoration are planned to progress. Our new Director, Chris Baillie, is working on an exciting new crowd funding scheme that is due to kick off in March 2020. These changes should support improved room utilisation and generate further income.

Swarthmore continues to progress in turbulent times - where the main Government focus has been on Brexit and little else and there has been much political turmoil and distraction. But there is a new, emerging national recognition that this country needs to improve its productivity and competitiveness - and it can only do so through providing lifelong learning for all in community settings such as provided at Swarthmore. So there is a special opportunity emerging for Swarthmore to "*shine bright like a diamond*" - a diamond created by the combination of both time and pressure through our 110 years of teaching experience and the financial pressure as we aim to provide accessible adult education to serve our Leeds learning community well. We are looking forward to another amazing and important year.

Kathryn Julie Badon  
Chair

# **Swarthmore Education Centre**

## **Company Limited by Guarantee**

### **Financial statements**

**year ended 31st July 2019**

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# Swarthmore Education Centre

## Company Limited by Guarantee

### Trustees' annual report (incorporating the director's report) *(continued)*

#### year ended 31st July 2019

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31st July 2019.

#### Reference and administrative details

<b>Registered charity name</b>	Swarthmore Education Centre
<b>Charity registration number</b>	1094451
<b>Company registration number</b>	04527579
<b>Principal office and registered office</b>	Swarthmore Education Centre 2/7 Woodhouse Square Leeds LS3 1AD

#### The trustees

F Matthews	(Served from 21st May 2015 to 12th July 2019)
M Belt	
P Hall	
H Hubbard	(Served from 15th December 2004 to 29th March 2019)
M Walters	
K J Badon	
R J Meara	(Served from 9th March 2018 to 1st February 2019)
P Sinha	(Appointed 31st January 2019)
C J Knight	(Appointed 31st January 2019)
E J Watkins	(Served from 13th December 2017 to 1st February 2019)
C Wigzell	
M F J Woodhead	(Served from 28th January 2016 to 1st February 2019)
I Greenwood	
M Ellis	
D Hodgkinson	(Appointed 28th October 2019)

#### Senior management team

J Stokes  
T Boon  
P Johnson  
A Torbitt  
J Macleod  
A Hill

#### Company secretary

J Stokes (Resigned 9 October 2019)

#### Auditor

Sagars Accountants Ltd  
Chartered accountants &  
statutory auditor  
Gresham House  
5-7 St Paul's Street  
Leeds  
LS1 2JG

# Swarthmore Education Centre

## Company Limited by Guarantee

### Trustees' annual report (incorporating the director's report) *(continued)*

#### year ended 31st July 2019

#### Structure, governance and management

##### Governing Document

Swarthmore is an incorporated company limited by guarantee and the company's Memorandum and Articles of Association are the legal framework upon which our governance is based. It is a registered charity with the Charity Commission. Anyone over the age of 18 can become a member of Swarthmore and there are currently 1288 registered.

##### Appointment of trustees

As set out in the Articles of Association the chair of the trustees is nominated by the Trustee Council. Up to 13 members of the Trustee Council are nominated by the members of the charitable company, up to 2 are appointed by the Leeds Society of Friends and up to one third may be co-opted by the Trustee Council to provide specialist skills, subject to an overall maximum of 15 members.

In accordance with the Articles of Association all officers and co-opted members and one third of elected members of the Management Committee retire at the Annual General Meeting and, being eligible, offer themselves for re-election.

##### Trustee induction and training

New trustees are given an induction pack and inducted by the Chair of Trustees and other members of the Council. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

##### Organisation

The Trustee Council, administers the charity. The Council meets monthly and there are three sub committees covering HR, Health and Safety and Finance who also meet monthly. A Chief Executive is appointed by the Trustees to manage the day to day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance, employment and the activities of the Centre.

##### Our purposes and activities

The purposes of the charity are:

- To provide a learning community for personal development and social activity for those who may have been excluded from mainstream educational opportunities
- To provide opportunities and activities for the benefit of the community based on the recognition of human personality in all people

The vision that shapes our annual activities remains the promotion of education, encouragement to participate through friendly learning whilst ensuring equality of opportunity for all. The charity also has the general aim of contributing to the quality of life of the people of Leeds by expanding their horizons through the provision of exciting, challenging and accessible professional and community courses and events.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance "public benefit: running a charity (PB2)". Swarthmore relies on a combination of public funding and the income from fees and charges to cover its operating costs. Affordability and access to our courses and activities is important to us, and is reflected in our pricing policy set out in detail later in this report.

We endeavour to encourage all within our community to take part in our activities and to attend our cafe and/or to view our exhibitions. The courses we provide are to be enjoyed by all from those young adults attending our full time study programme, or our supported adult classes, through to our daytime and evening classes offering leisure, accredited and non-accredited courses.

The strategies employed to achieve the charity's aims and objectives are to:

- Deliver a broad range of courses, events and exhibitions for the enjoyment and education of our local community;
- Offer opportunities for a broad range of adults to get involved in education, developing their confidence, self-esteem, digital skills, knowledge and understanding;
- Provide facilities for like minded organisations to hold meetings, give talks and hold events at discounted rates for hire of space;
- Provide facilities for our students, staff and members of the public to eat and socialise in our Cafe at affordable prices for all of our community;
- Provide affordable childcare for pre-school children to enable their parents/carers to access courses
- Provide information, advice and guidance to all adults to help them prepare for their next steps to education, employment and volunteering.

Putting these strategies into action we have five major areas of activity which are: educational programmes; hire of facilities,

# Swarthmore Education Centre

## Company Limited by Guarantee

### Trustees' annual report (incorporating the director's report) *(continued)*

#### year ended 31st July 2019

cafe, creche and information, advice and guidance.

#### Educational programmes

We offer an extensive range of courses in the Arts, Languages, Health and Wellbeing, Maths, English and ICT. These range in level from entry to level 3, accredited and non accredited, short and year long courses. We work with partners to deliver courses and activities out in the community to reach groups of people that would not normally access the Centre. We also provide a full time study programme to young adults with learning difficulties who develop skills to improve their independence and support them to progress to further learning, work or volunteering opportunities.

#### Hire of facilities

The Centre has a number of rooms for hire ranging from small meeting rooms to our large hall and art studios. We provide these facilities at discounted rates for charities and community groups so they can hold meetings, events and courses. The Centre is utilised by occasional users as well as long established groups, such as Leeds People's Choir and Gay Abandon who now organise themselves independently.

#### Cafe

The cafe is the social hub of the centre and is a valuable resource to students, members of the public and staff. It also provides an environment for exhibitions.

#### Creche

The creche provides registered childcare for our students, in a lively, safe and stimulating environment for pre-school children. This activity produces limited income but is important to the Centre as it allows adults to return to learning who may otherwise not be able to afford private childcare. This reflects our philosophy of inclusivity for all. The Creche maintained its compliant status in their Ofsted inspection in December 2017.

#### Information, advice and guidance (IAG)

Although we have been delivering high quality, impartial and free IAG to adults through the National Careers Service for over 10 years, we made the difficult decision to end our partnership with the National Careers Service in October 2018, resulting in a redundancy situation for our two advisors. Advice and guidance remains an important part of the Swarthmore offer and is now provided in house.

#### Achievements and performance (excluding Study Programme)

	2018/19	2017/18
Students enrolled onto a course at Swarthmore	1,809	1,795
Courses delivered	362	351
Swarthmore (self financing) students completed and achieved	94.6%	95.0%
Leeds City Council (non-accredited) students completed and achieved	92.0%	94.6%
Leeds City College (accredited) students completed and achieved	88.5%	n/a

#### Study Programme

##### Qualifications

- 33 Functional skills Maths and English exams
- 43 Gateway English and Maths Awards were passed
- 3 x GCSE English
- 3 x GCSE Maths
- 1 x AS level Maths
- 1 x ICT cert. Level 1

Students took units in English and Maths if they were not ready for whole qualifications

##### Gateway accredited course for Employability:

- E3: 11 full awards
- L1: 6 full Awards

(plus students achieved units towards the Award)

One student achieved an Employability award through his creation of an illustrated book – this enabled him to engage with fictional situations through the actions of a fictional character, 'Peter Private'.

# Swarthmore Education Centre

## Company Limited by Guarantee

### Trustees' annual report (incorporating the director's report) (continued)

#### year ended 31st July 2019

Students took part in work placements and in a number of work based projects -Meanwood Farm recycling and gardening, Museums education and exhibition, Sustainable Art, Workshops at the Market

The excellent progress made by students is showcased for families and professionals in the Year book and at the annual Prom.

Students organise and cater for the annual Prom which is attended by a range of professionals, employers and students and families. Students performed their own musical play and exhibition of their work.

Students attended additional specialist courses as part of their individual programme eg ICT, Sign Language, Betty's cake decorating, Food Hygiene.

The study programme was inspected by Ofsted in November 2017 and maintained its grade 2, Good.

#### Destinations

	2018/19	2017/18
Moved on to a supported internship/employment	1	6
Moved to further learning	6	2
Progressed into a job	5	3
Moved into independent living	2	2
Total Students that left the Study Programme	14	13

It was a great honour that Swarthmore received a Rainbow plaque and was part of the Pride City Trail in August and September 2018. We were nominated by the public "due to its importance as a safe and supportive meeting place for the LGBT+ community since the 1970's, and as one of the first meeting place for the Committee for Homosexual Equality." We very proudly display our plaque outside the front entrance.

Student satisfaction remains very high with 95% who would recommend the course to others.

#### Financial Review

Swarthmore Education Centre moved from a significant deficit of £92,585 in 2017/18 to a deficit of £69,212 in 2018/19

The principal sources of income to the Centre were:

- Student Fees of £175,317
- ESFA funding for the Study Programme of £511,012
- Leeds City Council funding of £555,326

The loss of the AEB (Adult Education Budget) budget in 2018/19 resulted in the conclusion of our contract with Open Door Adult Learning Centre. The contract regularly provided income for Swarthmore in the region of £230K per annum, reducing to £168,767 in 2017/18 (final year/run off period) before ceasing entirely. The impact to Swarthmore is fewer accredited courses being delivered and increased financial pressure on the centre. This was partly offset with the commencement of a contract with Leeds City College, generating £47,205 of income as well as an increase in the Leeds City Council contract value.

The support of our partners continues to be essential to maintaining such a varied programme of courses, including Maths, English, a wide variety of arts, computing, health & wellbeing, languages and counselling.

The Centre offers room hire to external customers providing additional revenue from rooms that are not being used for our own courses. This helps to support a number of student support services such as IAG and a Creche. The creation of a new role to manage the room bookings from July 2018 led to an increase of £4,415 in Room Hire revenue (£89,281 in 2018/19 compared to £83,866 in 2017/18)

A review of the café was undertaken in 2018/19 which led to a range of improvements. Implementation of a new menu and updated pricing led to an increase in income of £11,416 and lower costs of £2,306, reducing losses by £13,722 when compared to 2017/18.

Swarthmore continues to explore alternative funding opportunities. A continuing subcontract with Leeds City College, an increase in self finance Courses. Expansion of the provision funded by Leeds City Council as well as approval to deliver English and Maths level 2 for Higher level apprenticeships due to securing ROTAP (Register of Training and Apprenticeship Providers) approval

# **Swarthmore Education Centre**

## **Company Limited by Guarantee**

### **Trustees' annual report (incorporating the director's report) *(continued)***

#### **year ended 31st July 2019**

##### **Our Pricing Policy**

Our pricing policy reflects our strategy of enabling all within our community, whatever their means, to take part in our courses and activities.

- Self financing courses range from as little as £30 for 8 hours (Yoga) and up to £850 for 90 hours (Level 2 Counselling)
- Concessions are offered against the full cost, allowing those in receipt of State Pension, Disability Allowance or Full time students a discount of 25% against course fees.
- Those receiving other qualifying benefits may receive a discount of 50% against course fees
- In addition to Self Financing courses, Swarthmore offers a range of courses funded by Leeds City Council, leading to a significantly lower cost to students, with the highest rate being charged at £3 per hour down to free of charge to the student, if they qualify for certain benefits.

Room Hire charges are similarly tiered:

- Full price rooms varying from £17 to £32 per hour
- Charity rates varying from £12 to £27 per hour
- Community rates varying from £10 to £21 per hour

This structure allows us to meet our charitable purpose of serving the community, while ensuring that a fair price is charged to different types of organisations.

It is the aim of Swarthmore to set prices that are affordable enough to attract students to attend courses, whilst ensuring that enough revenue is generated to make the courses viable. We believe that our courses are exceptional value for money, compared to other organisations, and course fees will continue to be reviewed.

##### **Pay policy for senior staff**

The directors consider the board of trustees and the senior management team as listed on page 1 as comprising the key management personnel of the charity. All trustees give their time freely and no trustee remuneration was paid. The pay of senior staff is reviewed annually.

##### **Reserves Policy and Going Concern**

Reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned emergency repairs and other expenditure. The trustees consider three months of expenditure to be the ideal level of reserves. Based on our current operations, monthly expenditure is estimated to be around £125,000, meaning the reserves to be held at 31st July should exceed £375,000. Current free reserves stand at £199,386, backed up by Fixed Assets of £1,203,166, total unrestricted funds of £1,394,162. This indicates a deficit of £175,614 in current reserves. The trustees acknowledge the policy, and an updated strategic plan is being implemented in 2019/20 to address all areas for improvement, including focussing on quality and the learner experience.

The cash inflow of £58,749 from the operating activities of the charity reflect the restricted levels of funding against increases in wages and operating costs. The trustees are aware of the shortfall in free reserves, and continue to face financial pressure in the year ahead. The trustees have been working closely with the new Director to devise a workable plan to reverse the 2018/19 results and work toward rebuilding reserves while committed to the schedule of projects that will take place in 2019/20.

##### **Plans for future periods**

The Charity has taken action to address the financial position; it has secured contracts for funding, two of which have been increased, student enrolments have risen at the start of the year and a budget has been set for 2019/20.

A major concern for Swarthmore will be the on going financial sustainability given the forthcoming changes in funding allocations due to Devolution and the continued reduction in public funding.

Significant investment continues to be required in the Grade 2 listed building and a 5 year buildings priority schedule has been compiled and is being monitored by the Trustees.

We continue to strengthen our links with the community, external partners and our customers.

##### **Our volunteers**

Swarthmore is fortunate to have a number of volunteers, who are or have been, students at the Centre. Volunteers provide a counselling service for staff and students, valuable in class support to students and they also help maintain our roof terrace plants and flowers for all to enjoy.



# Swarthmore Education Centre

## Company Limited by Guarantee

### Trustees' annual report (incorporating the director's report) *(continued)*

#### year ended 31st July 2019

##### Related parties and co-operation with other organisations

None of our trustees receive remuneration or other benefit from their work with the charity. Any connection between a trustee or senior manager of the charity with any contractual organisation must be disclosed to the full Trustee Council.

##### Risk Management

Financial sustainability is the major financial risk for the charity. A key element in the management of financial risk is a regular review of available liquid funds to settle debts as they fall due and active management of trade debtors and creditors balances to ensure sufficient working capital by the charity. Attention has also been focussed on implementing systems and procedures to mitigate financial risks where possible.

Attention has also been focussed on managing the risk of not providing high quality teaching, learning and assessment to all our students. These risks are managed by ensuring we recruit the right tutors and learning support assistants, providing support and training and having policies and procedures in place to quality assure our provision.

##### Fundraising activities

The Charity does not use any professional fundraiser or commercial participator to carry out activities on the Charity's behalf. Due to the low level of fundraising the Charity undertakes, the Charity is not a participator of any voluntary scheme for regulating fundraising, or any voluntary standard of fundraising for the activities carried out on behalf of the Charity.

##### Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

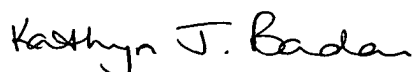
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

##### Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The trustees' annual report and the strategic report were approved on 30<sup>th</sup> January 2020 and signed on behalf of the board of trustees by:



Ms K J Badon  
Trustee

# **Swarthmore Education Centre**

## **Company Limited by Guarantee**

### **Independent auditor's report to the member of Swarthmore Education Centre**

**year ended 31st July 2019**

#### **Opinion**

We have audited the financial statements of Swarthmore Education Centre (the 'charity') for the year ended 31st July 2019 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, 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 FRS 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 charity's affairs as at 31st July 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for 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 charity 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 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees 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.

# **Swarthmore Education Centre**

## **Company Limited by Guarantee**

### **Independent auditor's report to the member of Swarthmore Education Centre *(continued)***

#### **year ended 31st July 2019**

#### **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 trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

# **Swarthmore Education Centre**

## **Company Limited by Guarantee**

### **Independent auditor's report to the member of Swarthmore Education Centre *(continued)***

#### **year ended 31st July 2019**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Use of our report**

This report is made solely to the charity's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.



Susan Seaman BA FCA CIOT (Senior Statutory Auditor)

For and on behalf of  
Sagars Accountants Ltd  
Chartered accountants & statutory auditor  
Gresham House  
5-7 St Paul's Street  
Leeds  
LS1 2JG

30<sup>th</sup> January 2020

# Swarthmore Education Centre

## Company Limited by Guarantee

### Statement of financial activities (including income and expenditure account)

year ended 31st July 2019

	Note	Unrestricted funds £	2019 Restricted funds £	Total funds £	2018 Total funds £
<b>Income and endowments</b>					
Donations and legacies	5	1,531	–	1,531	4,527
Charitable activities	6	1,350,019	–	1,350,019	1,345,071
Other trading activities	7	149,529	–	149,529	132,768
Other income	8	718	8,672	9,391	9,729
<b>Total income</b>		<u>1,501,797</u>	<u>8,672</u>	<u>1,510,470</u>	<u>1,492,095</u>
<b>Expenditure</b>					
Expenditure on raising funds:					
Costs of other trading activities	9	108,956	–	108,956	110,992
Expenditure on charitable activities	10,11	1,466,426	4,299	1,470,726	1,473,688
<b>Total expenditure</b>		<u>1,575,382</u>	<u>4,299</u>	<u>1,579,682</u>	<u>1,584,680</u>
<b>Net expenditure and net movement in funds</b>		<u>(73,585)</u>	<u>4,373</u>	<u>(69,212)</u>	<u>(92,585)</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		1,467,747	23,979	1,491,726	1,584,311
<b>Total funds carried forward</b>		<u>1,394,162</u>	<u>28,352</u>	<u>1,422,514</u>	<u>1,491,726</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 13 to 23 form part of these financial statements.

# Swarthmore Education Centre

## Company Limited by Guarantee

### Statement of financial position

31st July 2019

	Note	2019 £	£	2018 £
<b>Fixed assets</b>				
Tangible fixed assets	17		1,203,166	1,268,531
<b>Current assets</b>				
Debtors	18	256,068		213,374
Cash at bank and in hand		<u>272,167</u>		<u>228,102</u>
		528,235		441,476
<b>Creditors: Amounts falling due within one year</b>	19	<u>306,747</u>		<u>205,444</u>
<b>Net current assets</b>			<u>221,488</u>	<u>236,032</u>
<b>Total assets less current liabilities</b>			<u>1,424,654</u>	<u>1,504,563</u>
<b>Creditors: Amounts falling due after more than one year</b>	20		<u>2,140</u>	<u>12,837</u>
<b>Net assets</b>			<u><u>1,422,514</u></u>	<u><u>1,491,726</u></u>
<b>Funds of the charity</b>				
Restricted funds			28,352	23,979
Unrestricted funds			<u>1,394,162</u>	<u>1,467,747</u>
<b>Total charity funds</b>	22		<u><u>1,422,514</u></u>	<u><u>1,491,726</u></u>

These financial statements were approved by the board of trustees and authorised for issue on 30<sup>th</sup> January 2020, and are signed on behalf of the board by:

*Kathryn J. Badon*

Ms K J Badon  
Trustee  
Co. Number 04527579

The notes on pages 13 to 23 form part of these financial statements.

# **Swarthmore Education Centre**

## **Company Limited by Guarantee**

### **Statement of cash flows**

**year ended 31st July 2019**

	<b>Note</b>	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
Cash generated from operations	<b>25</b>	<u>58,749</u>	<u>(82,299)</u>
Net cash from/(used in) operating activities		<u>58,749</u>	<u>(82,299)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible assets		(16,413)	(42,362)
Proceeds from sale of tangible assets		<u>1,729</u>	<u>-</u>
Net cash used in investing activities		<u>(14,684)</u>	<u>(42,362)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>44,065</b>	<b>(124,661)</b>
<b>Cash and cash equivalents at beginning of year</b>		<u>228,102</u>	<u>352,763</u>
<b>Cash and cash equivalents at end of year</b>		<u>272,167</u>	<u>228,102</u>

The notes on pages 13 to 23 form part of these financial statements.

# **Swarthmore Education Centre**

## **Company Limited by Guarantee**

### **Notes to the financial statements**

#### **year ended 31st July 2019**

##### **1. General information**

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Swarthmore Education Centre, 2/7 Woodhouse Square, Leeds, LS3 1AD.

##### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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 (FRS102) (Charities SORP (FRS102)) and the Charities Act 2011.

Swarthmore Education Centre meets the definition of a public benefit entity under FRS102.

##### **3. Accounting policies**

###### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

###### **Going concern**

As shown in the statement of financial activities there was a significant loss in the year, the Trustees have taken action to address the financial position; it has secured contracts for funding, two of which have been increased, student enrolments have risen at the start of the year and a budget has been set for 2019/20 which shows an improvement in the financial position.

As a result the board is happy that there are no material uncertainties about the charity's ability to continue.

###### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Details of these judgements are set out in the accounting policies.

###### **Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.



# **Swarthmore Education Centre**

## **Company Limited by Guarantee**

### **Notes to the financial statements *(continued)***

#### **year ended 31st July 2019**

#### **3. Accounting policies *(continued)***

##### **Incoming resources**

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

##### **Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

##### **Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

**Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

In accordance with SORP 2000 the Management Committee capitalised freehold land and buildings at 2-5 Woodhouse Square, Leeds gifted on 1 April 2003 at their estimated value to the centre of £1,100,000. Subsequently, there has been £235,297 of improvements to the property.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

**Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	2% straight line
Leasehold property	-	Remaining life of lease
Fixtures and Fittings	-	25% Straight line / 15% reducing balance

**Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

**Financial instruments**

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

# Swarthmore Education Centre

## Company Limited by Guarantee

### Notes to the financial statements *(continued)*

#### year ended 31st July 2019

#### 4. Limited by guarantee

The company is limited by guarantee to the value of £1 per member on winding up.

#### 5. Donations and legacies

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
<b>Donations</b>				
Donations	<u>1,531</u>	<u>1,531</u>	<u>4,527</u>	<u>4,527</u>

#### 6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Skills Funding Agency (via Open Door)	-	-	-
Leeds City Council Adult learning	335,556	-	335,556
Leeds City Council Additional learning support	219,770	-	219,770
Other Grants	47,205	-	47,205
Student fees	175,317	-	175,317
Membership fees	15,451	-	15,451
Sale of educational materials	7,425	-	7,425
Contract income	21,843	-	21,843
Creche	16,440	-	16,440
Education Funding Agency	511,012	-	511,012
Careers West Yorkshire	-	-	-
	<u>1,350,019</u>	<u>-</u>	<u>1,350,019</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Skills Funding Agency (via Open Door)	168,767	-	168,767
Leeds City Council Adult learning	236,825	16,919	253,743
Leeds City Council Additional learning support	176,238	-	176,238
Other Grants	-	-	-
Student fees	213,713	-	213,713
Membership fees	14,484	-	14,484
Sale of educational materials	5,989	-	5,989
Contract income	-	-	-
Creche	-	-	-
Education Funding Agency	475,681	-	475,681
Careers West Yorkshire	36,456	-	36,456
	<u>1,328,153</u>	<u>16,919</u>	<u>1,345,071</u>

# Swarthmore Education Centre

## Company Limited by Guarantee

### Notes to the financial statements *(continued)*

#### year ended 31st July 2019

#### 7. Other trading activities

	Unrestricted Funds £	<b>Total Funds 2019 £</b>	Unrestricted Funds £	<b>Total Funds 2018 £</b>
Cafe income	60,318	60,318	48,902	48,902
Rental income	89,211	89,211	83,866	83,866
	<u>149,529</u>	<u>149,529</u>	<u>132,768</u>	<u>132,768</u>

#### 8. Other income

	Unrestricted Funds £	Restricted Funds £	<b>Total Funds 2019 £</b>
Gain on disposal of tangible fixed assets held for charity's own use	287	–	287
Miscellaneous income	431	8,672	9,104
	<u>718</u>	<u>8,672</u>	<u>9,391</u>

	Unrestricted Funds £	Restricted Funds £	<b>Total Funds 2018 £</b>
Gain on disposal of tangible fixed assets held for charity's own use	–	–	–
Miscellaneous income	9,729	–	9,729
	<u>9,729</u>	<u>–</u>	<u>9,729</u>

#### 9. Costs of other trading activities

	Unrestricted Funds £	<b>Total Funds 2019 £</b>	Unrestricted Funds £	<b>Total Funds 2018 £</b>
Cafe expenses	75,339	75,339	77,645	77,645
Rental expenses	33,617	33,617	33,347	33,347
	<u>108,956</u>	<u>108,956</u>	<u>110,992</u>	<u>110,992</u>

# Swarthmore Education Centre

## Company Limited by Guarantee

### Notes to the financial statements *(continued)*

#### year ended 31st July 2019

#### 10. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Courses	1,092,166	–	1,092,166
Creche	20,551	–	20,551
Support costs	353,709	4,299	358,009
	<u>1,466,426</u>	<u>4,299</u>	<u>1,470,726</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Courses	1,048,459	–	1,048,459
Creche	13,071	–	13,071
Support costs	407,860	4,299	412,158
	<u>1,469,390</u>	<u>4,299</u>	<u>1,473,688</u>

#### 11. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2019 £	Total fund 2018 £
Courses	1,092,166	307,652	1,399,818	1,403,593
Creche	20,551	3,839	24,390	16,781
Governance costs	–	46,518	46,518	53,314
	<u>1,112,717</u>	<u>358,009</u>	<u>1,470,726</u>	<u>1,473,688</u>

#### 12. Analysis of support costs

	Courses £	Creche £	Governance £	Total 2019 £	Total 2018 £
Staff costs	137,871	1,656	33,503	173,030	217,044
Premises	70,615	1,883	–	72,498	79,097
Communications and IT	4,334	197	–	4,531	3,183
General office	1,883	103	10,033	12,019	19,772
Depreciation	44,017	–	–	44,017	71,820
Legal and professional fees	2,822	–	12,840	15,662	21,242
	<u>261,542</u>	<u>3,839</u>	<u>56,376</u>	<u>321,757</u>	<u>412,158</u>

#### 13. Net expenditure

Net expenditure is stated after charging/(crediting):

	2019 £	2018 £
Depreciation of tangible fixed assets	80,049	71,820
Gains on disposal of tangible fixed assets	(287)	–

# Swarthmore Education Centre

## Company Limited by Guarantee

### Notes to the financial statements *(continued)*

#### year ended 31st July 2019

##### 14. Auditors remuneration

	2019 £	2018 £
Fees payable for the audit of the financial statements	<u>6,090</u>	<u>6,090</u>

##### 15. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2019 £	2018 £
Wages and Salaries	1,081,526	1,052,418
Social security costs	75,195	73,376
Employer pension contributions	28,078	21,453
Wages and salaries	<u>1,184,799</u>	<u>1,147,247</u>

The average head count of employees during the year was 83 (2018: 90). The average number of full-time equivalent employees during the year is analysed as follows:

	2019 No.	2018 No.
Number of staff	<u>83</u>	<u>90</u>

No employee received employee benefits of more than £60,000 during the year (2018: Nil).

##### Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £242,781 (2018:£231,977).

##### 16. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees. No expenses were reimbursed to the trustees during the year.

# Swarthmore Education Centre

## Company Limited by Guarantee

### Notes to the financial statements *(continued)*

#### year ended 31st July 2019

#### 17. Tangible fixed assets

	Freehold property £	Long leasehold property £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1st August 2018	1,335,297	188,136	512,257	2,035,690
Additions	–	–	16,413	16,413
Disposals	–	–	(2,964)	(2,964)
<b>At 31st July 2019</b>	<u>1,335,297</u>	<u>188,136</u>	<u>525,706</u>	<u>2,049,139</u>
<b>Depreciation</b>				
At 1st August 2018	371,015	19,660	376,484	767,159
Charge for the year	26,706	5,879	47,464	80,049
Disposals	–	–	(1,235)	(1,235)
<b>At 31st July 2019</b>	<u>397,721</u>	<u>25,539</u>	<u>422,713</u>	<u>845,973</u>
<b>Carrying amount</b>				
<b>At 31st July 2019</b>	<u>937,576</u>	<u>162,597</u>	<u>102,993</u>	<u>1,203,166</u>
At 31st July 2018	<u>964,282</u>	<u>168,476</u>	<u>135,773</u>	<u>1,268,531</u>

#### 18. Debtors

	2019 £	2018 £
Trade debtors	33,766	129,278
Prepayments and accrued income	222,302	84,096
	<u>256,068</u>	<u>213,374</u>

#### 19. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	84,711	83,475
Accruals and deferred income	196,070	101,129
Social security and other taxes	18,012	18,240
Other creditors	7,954	2,600
	<u>306,747</u>	<u>205,444</u>

#### 20. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Trade creditors	<u>2,140</u>	<u>12,837</u>

# Swarthmore Education Centre

## Company Limited by Guarantee

### Notes to the financial statements *(continued)*

#### year ended 31st July 2019

#### 21. Deferred income

	2019 £	2018 £
At 1st August 2018	46,036	67,511
Amount released to income	(46,036)	
Amount deferred in year	66,229	(21,475)
<b>At 31st July 2019</b>	<b>66,229</b>	<b>46,036</b>

Deferred income relates to course fees, membership fees and room bookings paid in advance

#### 22. Analysis of charitable funds

##### Unrestricted funds

	At 1st August 2018 £	Income £	Expenditure £	Transfers £	At 31st July 2019 £
Unrestricted Income Fund	334,989	1,501,797	(1,542,797)	-	293,989
Unrestricted Property Fund	1,132,758	-	(32,585)	-	1,100,173
	<u>1,467,747</u>	<u>1,501,797</u>	<u>(1,575,382)</u>	<u>-</u>	<u>1,394,162</u>

	At 1st August 2017 £	Income £	Expenditure £	Transfers £	At 31st July 2018 £
Unrestricted Income Fund	426,725	1,475,177	(1,549,782)	(17,131)	334,989
Unrestricted Property Fund	1,146,227	-	(30,600)	17,131	1,132,758
	<u>1,572,952</u>	<u>1,475,177</u>	<u>(1,580,382)</u>	<u>-</u>	<u>1,467,747</u>

The unrestricted property fund represents monies held in freehold and leasehold property at the year end.

##### Restricted funds

	At 1st August 2018 £	Income £	Expenditure £	Transfers £	At 31st July 2019 £
UK Online	9,268	-	-	-	9,268
Lift fund	2,091	-	-	(2,091)	-
Leeds City Council Adult learning funding	12,620	-	(4,299)	-	8,321
Spalling brickwork fund	-	8,672	-	2,091	10,763
	<u>23,979</u>	<u>8,672</u>	<u>(4,299)</u>	<u>-</u>	<u>28,352</u>

	At 1st August 2017 £	Income £	Expenditure £	Transfers £	At 31st July 2018 £
UK Online	9,268	-	-	-	9,268
Lift fund	2,091	-	-	-	2,091
Leeds City Council Adult learning funding	-	16,919	(4,299)	-	12,620
Spalling brickwork fund	-	-	-	-	-
	<u>11,359</u>	<u>16,919</u>	<u>(4,299)</u>	<u>-</u>	<u>23,979</u>



# Swarthmore Education Centre

## Company Limited by Guarantee

### Notes to the financial statements *(continued)*

#### year ended 31st July 2019

#### 22. Analysis of charitable funds *(continued)*

The lift fund relates to income specifically generated in order to fund the installation of a lift into 2/7 Woodhouse Square.

During the year it was agreed donations could be spent on the spalling brickwork.

UK Online is a grant from the Tinder Foundation to support specific programmes of digital inclusion activity.

The Brickwork fund is for works to be carried out in the following year. The works in necessary for the upkeep of the building.

Leads City Council Adult learning funding was a grant received to purchase equipment to support Adult learning delivery.

#### 23. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Tangible fixed assets	1,194,776	8,390	1,203,166
Current assets	508,273	19,962	528,235
Creditors less than 1 year	(306,747)	–	(306,747)
Creditors greater than 1 year	(2,140)	–	(2,140)
<b>Net assets</b>	<u>1,394,162</u>	<u>28,352</u>	<u>1,422,514</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Tangible fixed assets	1,255,842	12,689	1,268,531
Current assets	430,186	11,290	441,476
Creditors less than 1 year	(205,444)	–	(205,444)
Creditors greater than 1 year	(12,837)	–	(12,837)
<b>Net assets</b>	<u>1,467,747</u>	<u>23,979</u>	<u>1,491,726</u>

#### 24. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2019 £	2018 £
<b>Financial assets measured at fair value through income and expenditure</b>		
Financial assets measured at fair value through income and expenditure	<u>305,933</u>	<u>369,720</u>
<b>Financial liabilities measured at fair value through income and expenditure</b>		
Financial liabilities measured at fair value through income and expenditure	<u>290,875</u>	<u>200,319</u>

# Swarthmore Education Centre

## Company Limited by Guarantee

### Notes to the financial statements *(continued)*

#### year ended 31st July 2019

#### 25. Cash generated from operations

	2019 £	2018 £
Net expenditure	(69,212)	(92,585)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	80,049	71,820
<i>Changes in:</i>		
Trade and other debtors	(42,694)	(68,533)
Trade and other creditors	90,606	6,999
	<u>58,749</u>	<u>(82,299)</u>

#### 26. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2019 £	2018 £
Later than 1 year and not later than 5 years	<u>38,656</u>	<u>25,481</u>