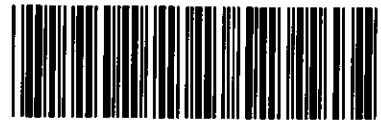


COMPANY REGISTRATION NUMBER: 04527579
CHARITY REGISTRATION NUMBER: 1094451

Swarthmore Education Centre
Company Limited by Guarantee
Financial statements
31 July 2016

THURSDAY



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Swarthmore Education Centre
Company Limited by Guarantee
Financial statements
year ended 31 July 2016

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Swarthmore Education Centre

Company Limited by Guarantee

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

year ended 31 July 2016

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 31 July 2016.

Reference and administrative details

Registered charity name Swarthmore Education Centre

Charity registration number 1094451

Company registration number 04527579

Principal office and registered office Swarthmore Education Centre
2/7 Woodhouse Square
Leeds
LS3 1AD

The trustees

M Belt
A Goundry
P Hall
Dr H Hubbard
A Bowers (Chair)
M Walters
Ms I Shaw
Mr J Barker
Mr G Harper
Mrs J E Towers
Ms C Wigzell
F Mathews (Appointed 21 May 2015)
Mr M F J Woodhead (Appointed 28 January 2016)
Mrs B Randolph-Horn (Resigned 29 February 2016)

Company secretary M Butterworth

Senior management team M Butterworth
A Hill
M Torbitt
J MacLeod
M Spencer
P Johnson

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

Structure, governance and management

The charity is an incorporated company limited by guarantee and is governed by the company's Memorandum and Articles of Association.

As set out in the Articles of Association up to 13 members of the Management Committee 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 Management Committee 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.

Swarthmore Education Centre

Company Limited by Guarantee

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

year ended 31 July 2016

Structure, governance and management *(continued)*

Trustees Recruitment and training

There are thirteen trustees on the Swarthmore Board. They are recruited from the Swarthmore membership, which is made up of students on the whole. In addition some trustees are targeted with particular skills and others from particular organisations.

There is an induction pack available for all new trustees. The director and other relevant members of the Board of Management Team carry out induction. Relevant training is provided as needed free of charge.

Key management personnel

Key management personnel comprises the operations director, Maggie Butterworth and the five members of the senior management team.

The remuneration of key management personnel is set by the Swarthmore Council on an annual basis based upon prior year performance.

Objectives and activities

Swarthmore is a registered charity originally established in 1909, with historic links to the Quaker movement. The centre is one of the oldest Quaker settlements named after the original Quaker meeting place. The centre is one of the oldest independent adult education centres in the country with 1667 part-time student members enrolled in 2015/16. We are committed to user participation.

Swarthmore offers a distinct learning atmosphere characterised by an encouragement of "friendly learning". We offer a unique range of integrated learning opportunities for adults and young people housed under one roof. Over 150 courses per year are offered including Counselling, Arts and Crafts, Computing, Health, Dance and Music as well as English and Maths and a full time up to 3 years Study Programme for High Needs Support young people. There are courses linked to qualifications as well as 'leisure courses'. We offer a wide range of chances to make a first step, improve career prospects, develop confidence and skills, and to make new friends while learning. We also deliver provision across Leeds and have worked in different venues across the city as well as at Swarthmore during 2015/16 targeting those areas with most disadvantages

The centre is committed to providing an integrated learning environment, with a range of targeted courses on offer (for example for people with learning disabilities or people looking to improve their job prospects). There are good reduced rate courses and financial support for students who have difficulty paying fees. Class times are flexible, arranged often around school hours and courses are located in the building to accommodate mobility needs.

Swarthmore is also a community resource, offering meeting space, a venue for conferences and training events, and studios for hire.

The management of Swarthmore is led through the Management Committee otherwise known as 'Swarthmore Council', which comprises student representatives and co-opted members from a number of local organisations. Swarthmore Council has the overall responsibility for the strategic direction and management of the Centre. An operations Director is appointed by the Council to manage the day-to-day activities of the charity.

Swarthmore works in partnership with other organisations on certain projects. These include a number of projects working with other voluntary organisations and local colleges.

The other services which Swarthmore offers are crèche facilities, the cafe and a base for occasional users as well as long established groups who now organise themselves independently.

Swarthmore also offers an independent careers and educational advice service through sub-contracting with Careers Yorkshire and the Humber. The service is available for potential students and the wider community.

There have been no material changes in the overall aims and objectives of the Centre during the year.

Swarthmore Education Centre

Company Limited by Guarantee

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

year ended 31 July 2016

Achievements and performance

Swarthmore has continued to develop relationships with a number of partners and external organisations, with the overall aim of seeking to inspire lives through friendly learning, within a commitment to equality of opportunity.

2015/16 was another challenging year for Swarthmore. The funding increased from the E.F.A. (Education Funding Agency) as this follows a 2 year lagged funding formula and our sub-contracts with Open Door Adult Learning Centre and L.C.C. remained similar to the previous year.

Open Door in Sheffield continued to be the lead provider for the SFA Adult Skills budget grant and Swarthmore continued to be a sub-contractor of Open Door Adult Learning Centre. The total grant was approx. £203,620 (net after management fee deduction) with additional payment of learning loans for students' studying at Level 3 and 4. Challenges included a slightly reduced budget, higher management fee and performance management rules not matching our mode of delivery resulting in over performance by period 8 which was not eligible for funding.

Leeds City Council has contributed during this year the amount of approx. £194,200 for core funding for course delivery for the 12-month period for non-accredited courses which does not include additional income for LSA, volunteers and crèche expenses.

The EFA (Education Funding Agency) contributed approx. £435,881 to support full-time Study programmes for HNS learners aged 16 – 18 (19-24). The Local Authority awarded funding for element 2 and 3 for High Needs Support student numbers over and above the allocation.

The criteria used by Swarthmore to assess success in the reporting period is the number of students engaging with learning programmes at the centre and the variety of programmes on offer to learners as well as the impact on improving students life chances through achievement of their chosen learning programmes.

Achievements against objectives were fully met through managing performance against contracts and through the results of feedback from Learner Surveys. However we must be mindful to make future efficiency plans to ensure Swarthmore will generate a small surplus in the coming year and retain sufficient reserves to provide adequate risk mitigation against potential funding losses.

Plans for future periods

The Council has agreed action to be taken so as to begin a process of identifying alternative funding as well as the core funding above. It has also been agreed that further action will have to be planned for in the coming years with more imminent changes to public spending ahead with the localism agenda and devolutionary powers to LA's with an elected mayor as well as Brexit. The Government's plans to end budgets for third sector providers in July 2017 and changes to the commissioning process will further impact on the sector and Swarthmore.

We will continue to look for new opportunities and partnerships to work with and seek funds to make Swarthmore less reliant on public funding.

Financial review

During the year Swarthmore received grants and donations from various sources. These are set out in notes 5-6 in the accounts.

The attached audited financial statements show a deficit on general funds of £70,236.

In preparing the balance sheet as at 31 July 2016, the freehold land and buildings are included at their deemed estimated value to the Centre less depreciation of £1,009,548. The balance on the balance sheet for Improvements to Leasehold Property at 31 July 2016 is £127,599. There have been no major improvements to the fabric of the building during 2015/16.

The Centre's overall aim is to ensure that any resources which are generated are retained within the organisation to provide improved services. The centre continues to operate in a changing environment, with many conflicting demands on the Centre's resources. As such, the Management Committee (Council) and staff management are aware of the need to prioritise the services that are provided and to ensure that the Centre has sufficient resources to meet any expected demands.

Swarthmore Education Centre

Company Limited by Guarantee

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

year ended 31 July 2016

Reserves Policy and Risk Management

The Management Committee recognises that there is a need to maintain freely available funds (that is those not tied up in fixed assets or designated or restricted funds). In order to assess the required level of free reserves the Management Committee has been undertaking a process of "Risk Mapping" - identifying the risks to which the organisation is exposed and seeking to invest either in mitigating those risks and reducing their likelihood or carrying enough freely available funds to satisfy those risks should they occur. This process is currently on going.

The Management Committee have calculated the level of free reserves (working capital) as at 31st July 2016 to be £312,325. The Management Committee feels that at this time this represents an acceptable balance until the full Risk Mapping exercise is completed.

Public benefit guidance

The trustees confirm that they have referred to the guidance on public benefit issued by the Charity Commission when reviewing the aims and objectives of the charity. The Trustees consider that its activities and achievements carried out during the financial year, and described in this Trustees' Report, have been carried out for the public benefit and satisfy the Charity Commission's requirements.

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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

Swarthmore Education Centre

Company Limited by Guarantee

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

year ended 31 July 2016

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 auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 8TH November 2016 and signed on behalf of the board of trustees by:



A Bowers
Trustee



M Butterworth
Charity Secretary

Swarthmore Education Centre

Company Limited by Guarantee

Independent auditor's report to the members of Swarthmore Education Centre

year ended 31 July 2016

We have audited the financial statements of Swarthmore Education Centre for the year ended 31 July 2016 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charity's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

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. The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2016 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Swarthmore Education Centre

Company Limited by Guarantee

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

year ended 31 July 2016

Matters on which we are required to report by exception

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

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

SAGARS ACCOUNTANTS LTD
Chartered Accountants & Statutory Auditor

Gresham House
5-7 St Paul's Street
Leeds
LS1 2JG

8th November 2016

Sagars Accountants Ltd is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Swarthmore Education Centre

Company Limited by Guarantee

Statement of financial activities (including income and expenditure account)

year ended 31 July 2016

	Note	Unrestricted funds £	2016 Restricted funds £	Total funds £	2015 Total funds £
Income and endowments					
Donations and legacies	5	3,522	68	3,590	5,578
Charitable activities	6	1,169,265	2,000	1,171,265	1,161,850
Other trading activities	7	143,850	–	143,850	164,413
Investment income	8	691	–	691	723
Other income	9	13,180	–	13,180	14,690
Total income		<u>1,330,508</u>	<u>2,068</u>	<u>1,332,576</u>	<u>1,347,254</u>
Expenditure					
Expenditure on raising funds:					
Costs of other trading activities	10	(108,911)	–	(108,911)	(103,368)
Expenditure on charitable activities	11,12	(1,291,833)	(1,975)	(1,293,808)	(1,185,557)
Total expenditure		<u>(1,400,744)</u>	<u>(1,975)</u>	<u>(1,402,719)</u>	<u>(1,288,925)</u>
Net (expenditure)/income and net movement in funds					
		<u>(70,236)</u>	<u>93</u>	<u>(70,143)</u>	<u>58,329</u>
Reconciliation of funds					
Total funds brought forward		<u>1,694,547</u>	<u>11,266</u>	<u>1,705,813</u>	<u>1,647,484</u>
Total funds carried forward		<u>1,624,311</u>	<u>11,359</u>	<u>1,635,670</u>	<u>1,705,813</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

Swarthmore Education Centre

Company Limited by Guarantee

Statement of financial position

31 July 2016

		2016		2015
		£	£	£
Fixed assets				
Tangible fixed assets	18		1,311,986	1,308,036
Current assets				
Debtors	19	203,344		233,641
Cash at bank and in hand		<u>308,011</u>		<u>341,475</u>
		511,355		575,116
Creditors: amounts falling due within one year	20	<u>187,671</u>		<u>177,339</u>
Net current assets			<u>323,684</u>	<u>397,777</u>
Total assets less current liabilities			<u>1,635,670</u>	<u>1,705,813</u>
Net assets			<u>1,635,670</u>	<u>1,705,813</u>
Funds of the charity				
Restricted funds			11,359	11,265
Unrestricted funds			<u>1,624,311</u>	<u>1,694,548</u>
Total charity funds	22		<u>1,635,670</u>	<u>1,705,813</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 8 November 2016, and are signed on behalf of the board by:



A Bowers

Trustee

Company Registration Number: 04527579

The notes on pages 11 to 20 form part of these financial statements.

Swarthmore Education Centre

Company Limited by Guarantee

Statement of cash flows

year ended 31 July 2016

	Note	2016	2015
	25	£	£
Cash generated from operations		48,489	78,015
Interest received		691	723
Net cash from operating activities		<u>49,180</u>	<u>78,738</u>
Cash flows from investing activities			
Purchase of tangible assets		(82,644)	(42,446)
Proceeds from sale of tangible assets		-	367
Net cash used in investing activities		<u>(82,644)</u>	<u>(42,079)</u>
Net (decrease)/increase in cash and cash equivalents		(33,464)	36,659
Cash and cash equivalents at beginning of year		<u>341,475</u>	- 304,816
Cash and cash equivalents at end of year		<u>308,011</u>	<u>341,475</u>

The notes on pages 11 to 20 form part of these financial statements.

Swarthmore Education Centre

Company Limited by Guarantee

Notes to the financial statements

year ended 31 July 2016

1. General information

The charity is 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

There are no material uncertainties about the charity's ability to continue.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 August 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 27.

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 31 July 2016

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 in line 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.

Staff costs, including termination benefits are accrued in the period to which they relate.

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 £226,563 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.

Swarthmore Education Centre

Company Limited by Guarantee

Notes to the financial statements *(continued)*

year ended 31 July 2016

3. Accounting policies *(continued)*

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 charity 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.

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

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Swarthmore Education Centre

Company Limited by Guarantee

Notes to the financial statements *(continued)*

year ended 31 July 2016

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

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 £	Restricted Funds £	Total Funds 2016 £
Donations			
Donations	3,522	68	3,590

	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £
Donations			
Donations	2,947	2,631	5,578

6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Skills Funding Agency (via Open Door)	223,620	–	223,620
Leeds City Council	285,594	–	285,594
Other Grants	–	2,000	2,000
Student fees	168,988	–	168,988
Membership fees	14,616	–	14,616
Sale of educational materials	3,434	–	3,434
Education Funding Agency	435,881	–	435,881
Careers West Yorkshire	37,132	–	37,132
	<u>1,169,265</u>	<u>2,000</u>	<u>1,171,265</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £
Skills Funding Agency (via Open Door)	230,937	–	230,937
Leeds City Council	382,483	–	382,483
Other Grants	1,000	29,950	30,950
Student fees	178,008	–	178,008
Membership fees	10,089	–	10,089
Sale of educational materials	620	–	620
Education Funding Agency	258,745	–	258,745
IGEN	38,600	–	38,600
Careers West Yorkshire	31,418	–	31,418
	<u>1,131,900</u>	<u>29,950</u>	<u>1,161,850</u>

Swarthmore Education Centre

Company Limited by Guarantee

Notes to the financial statements *(continued)*

year ended 31 July 2016

7. Other trading activities

	Unrestricted Funds £	Total Funds 2016 £	Unrestricted Funds £	Total Funds 2015 £
Cafe income	47,968	47,968	53,998	53,998
Rental income	95,882	95,882	110,415	110,415
	<u>143,850</u>	<u>143,850</u>	<u>164,413</u>	<u>164,413</u>

8. Investment income

	Unrestricted Funds £	Total Funds 2016 £	Unrestricted Funds £	Total Funds 2015 £
Bank interest receivable	691	691	723	723

9. Other income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Miscellaneous income	13,180	—	13,180

	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £
Miscellaneous income	13,990	700	14,690

10. Costs of other trading activities

	Unrestricted Funds £	Total Funds 2016 £	Unrestricted Funds £	Total Funds 2015 £
Cafe - purchases	27,279	27,279	30,382	30,382
Cafe - wages and salaries	43,486	43,486	40,844	40,844
Cafe – other expenditure	3,406	3,406	2,245	2,245
Rental – wages	13,271	13,271	12,383	12,383
Rental – other expenditure	21,469	21,469	17,514	17,514
	<u>108,911</u>	<u>108,911</u>	<u>103,368</u>	<u>103,368</u>

Swarthmore Education Centre

Company Limited by Guarantee

Notes to the financial statements *(continued)*

year ended 31 July 2016

11. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Courses	880,626	1,975	882,601
Crèche	14,267	–	14,267
Support costs	396,940	–	396,940
	<u>1,291,833</u>	<u>1,975</u>	<u>1,293,808</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £
Courses	762,531	32,301	794,832
Crèche	14,888	–	14,888
Support costs	366,235	9,602	375,837
	<u>1,143,654</u>	<u>41,903</u>	<u>1,185,557</u>

12. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2016 £	Total fund 2015 £
Courses	882,600	356,283	1,238,883	1,127,916
Crèche	14,267	2,901	17,168	18,810
Governance costs	–	37,757	37,757	38,831
	<u>896,867</u>	<u>396,941</u>	<u>1,293,808</u>	<u>1,185,557</u>

13. Analysis of support costs

	Courses £	Crèche £	Governance costs £	Total 2016 £	Total 2015 £
Staff costs	201,180	1,397	26,983	229,560	205,260
Premises	60,703	1,344	–	62,047	63,189
Communications and IT	2,253	103	–	2,356	2,297
General office	13,452	57	454	13,963	17,138
Governance costs	–	–	10,320	10,320	12,035
Depreciation	78,694	–	–	78,694	75,916
	<u>356,282</u>	<u>2,901</u>	<u>37,757</u>	<u>396,940</u>	<u>375,835</u>

14. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

	2016 £	2015 £
Depreciation of tangible fixed assets	78,694	75,916
Auditor's remuneration	10,320	10,140
Operating leases	<u>1,779</u>	<u>944</u>

Swarthmore Education Centre

Company Limited by Guarantee

Notes to the financial statements *(continued)*

year ended 31 July 2016

15. Auditors remuneration

	2016	2015
	£	£
Fees payable for the audit of the financial statements	<u>10,320</u>	<u>10,140</u>

16. Staff costs

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

	2016	2015
	£	£
Key management personnel		
Wages and salaries	208,450	169,979
Social security costs	14,626	17,467
Other pension costs	2,084	1,700
	<u>225,160</u>	<u>189,146</u>
Other Staff		
Wages and salaries	736,226	652,927
Social security costs	39,052	42,076
Other pension costs	6,586	5,237
	<u>781,864</u>	<u>700,240</u>
Total staff costs	<u>1,007,024</u>	<u>889,386</u>

Included in the above are termination payments totalling £8,840 (2015: nil).

The average head count of employees during the year was 77 (2015: 75).

No employee received employee benefits of more than £60,000 during the year (2015: Nil).

17. 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.

18. Tangible fixed assets

	Freehold property £	Long leasehold property £	Fixtures and fittings £	Total £
Cost				
At 1 August 2015	1,323,924	140,059	385,880	1,849,863
Additions	2,639	–	80,005	82,644
At 31 July 2016	<u>1,326,563</u>	<u>140,059</u>	<u>465,885</u>	<u>1,932,507</u>
Depreciation				
At 1 August 2015	290,537	8,597	242,693	541,827
Charge for the year	26,478	3,863	48,353	78,694
At 31 July 2016	<u>317,015</u>	<u>12,460</u>	<u>291,046</u>	<u>620,521</u>
Carrying amount				
At 31 July 2016	<u>1,009,548</u>	<u>127,599</u>	<u>174,839</u>	<u>1,311,986</u>
At 31 July 2015	<u>1,033,387</u>	<u>131,462</u>	<u>143,187</u>	<u>1,308,036</u>

Swarthmore Education Centre

Company Limited by Guarantee

Notes to the financial statements *(continued)*

year ended 31 July 2016

Capital commitments

	2016	2015
	£	£
Contracted for but not provided for in the financial statements	<u>5,148</u>	<u>11,484</u>

19. Debtors

	2016	2015
	£	£
Trade debtors	171,768	188,614
Prepayments and accrued income	<u>31,576</u>	<u>45,027</u>
	<u>203,344</u>	<u>233,641</u>

20. Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	56,305	54,146
Accruals and deferred income	115,172	107,108
Social security and other taxes	<u>16,194</u>	<u>16,085</u>
	<u>187,671</u>	<u>177,339</u>

21. Deferred income

	2016	2015
	£	£
At 1 August 2015	30,968	27,529
Amount released to income	<u>(30,968)</u>	<u>(27,529)</u>
Amount deferred in year	<u>56,409</u>	<u>30,968</u>
At 31 July 2016	<u>56,409</u>	<u>30,968</u>

Deferred income represents course fees paid in advance of the next academic year.

22. Analysis of charitable funds

Unrestricted funds

	At 1 Aug 2015	Income	Expenditure	At 31 Jul 2016
	£	£	£	£
Unrestricted Income Fund	530,698	1,327,869	(1,370,403)	488,164
Unrestricted Property Fund	<u>1,163,849</u>	<u>2,639</u>	<u>(30,341)</u>	<u>1,136,147</u>
	<u>1,694,547</u>	<u>1,330,508</u>	<u>(1,400,744)</u>	<u>1,624,311</u>

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

Swarthmore Education Centre

Company Limited by Guarantee

Notes to the financial statements *(continued)*

year ended 31 July 2016

22. Analysis of charitable funds *(continued)*

Restricted funds

	At 1 Aug 2015	Income	Expenditure	At 31 Jul 2016
	£	£	£	£
UK Online	9,242	2,000	(1,975)	9,267
Lift fund	2,024	68	–	2,092
	<u>11,266</u>	<u>2,068</u>	<u>(1,975)</u>	<u>11,359</u>

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

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

23. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds 2016
	£	£	£
Tangible fixed assets	1,311,986	–	1,311,986
Current assets	499,996	11,359	511,355
Creditors less than 1 year	(187,671)	–	(187,671)
Net assets	<u>1,624,311</u>	<u>11,359</u>	<u>1,635,670</u>

24. Financial instruments

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

	2016	2015
	£	£
Financial assets measured at amortised cost	<u>479,778</u>	<u>530,089</u>
Financial liabilities measured at amortised cost	<u>187,671</u>	<u>177,339</u>

25. Cash generated from operations

	2016	2015
	£	£
Net (expenditure)/income	(70,143)	58,329
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	78,694	75,916
Other interest receivable and similar income	(691)	(723)
<i>Changes in:</i>		
Trade and other debtors	30,297	(75,912)
Trade and other creditors	10,332	20,405
	<u>48,489</u>	<u>78,015</u>

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Notes to the financial statements *(continued)*

year ended 31 July 2016

26. Operating lease commitments

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

	2016	2015
	£	£
Later than 1 year and not later than 5 years	<u>25,860</u>	<u>2,595</u>

27. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The charity transitioned to FRS 102 on 1 August 2014.

No transitional adjustments were required in the retained funds or income or expenditure for the year.

28. Related party transactions

There have been no related party transactions requiring disclosure during the year to 31 July 2016.