SWARTHMORE EDUCATION CENTRE

England & Wales · Charity number 1094451

Details

Other names	SWARTHMORE
Status	Registered
Legal form	Charitable company
Company number	04527579
Registered	2002-10-31
Register	View on the Charity Commission register

Contact

Address	Swarthmore Education Centre 2-7 Woodhouse Square Leeds LS3 1AD
Phone	01132432210
Email	info@swarthmore.org.uk
Website	www.swarthmore.org.uk

Activities

Objects: THE OBJECTS OF THE COMPANY SHALL BE TO PROMOTE THE EDUCATION OF THE RESIDENTS OF LEEDS AND SURROUNDING AREAS THROUGH THE PROVISION OF AN EDUCATIONAL ESTABLISHMENT, AND IN PARTICULAR BUT NOT EXCLUSIVELY:(A) TO PROVIDE A LEARNING COMMUNITY FOR PERSONAL DEVELOPMENT AND SOCIAL ACTIVITY FOR THOSE WHO MAY HAVE BEEN EXCLUDED FROM MAINSTREAM EDUCATIONAL OPPORTUNITIES;(B) TO PROVIDE OPPORTUNITIES AND ACTIVITIES FOR THE BENEFIT OF THE COMMUNITY BASED ON THE RECOGNITION OF THE SKILLS AND EXPERIENCE WHICH ALL PEOPLE BRING.

Activities: Swarthmore is a centre for lifelong learning, with community projects, family learning sessions and children's activities.

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Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** LEEDS AND SURROUNDING AREA, WEST YORKSHIRE.
- Leeds City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£1,962,035	£1,941,863	£1,279,681	78
2024-07-31	£1,937,942	£1,929,844	£1,259,509	48
2023-07-31	£1,756,093	£1,826,517	£1,251,411	45
2022-07-31	£1,606,870	£1,705,794	£1,321,835	77
2021-07-31	£1,500,507	£1,513,672	£1,420,759	74

Trustees

Name	Role	Appointed
Kathryn Julie Badon	Chair	2017-12-13
Christine Lord		2025-02-21
Cllr Eleanor Frances Thomson		2024-07-24
Dr Elizabeth Judith Watkins		2021-02-24
Eileen Jacqueline Exeter		2023-04-25
Mark David Giles Blundell		2025-02-20
Nigel Hussain Mohammed Zaman		2020-02-27

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SWARTHMORE EDUCATION CENTRE

England & Wales - Charity number 1094451

Accounts

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Registered number: 04527579
Charity number: 1094451

SWARTHMORE EDUCATION CENTRE

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2025

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SWARTHMORE EDUCATION CENTRE
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SWARTHMORE EDUCATION CENTRE

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 JULY 2025

Trustees	Ms K J Badon, Chair Mr N H Zaman Dr E J Watkins Mr I Greenwood (resigned 11 April 2025) Mrs S J Taylor Miss E J Exeter Ms C A Reed (resigned 27 January 2025) Cllr E F Thomson Ms C Lord (appointed 21 February 2025) Dr M Hollow (appointed 20 February 2025) Mr M D G Blundell (appointed 20 February 2025) Ms F Hodgson (appointed 20 February 2025, resigned 19 September 2025)
Company registered number	04527579
Charity registered number	1094451
Registered office	2/7 Woodhouse Square Leeds LS3 1AD
Company secretary	C Baillie
Senior management team	C Baillie P Johnson J Macleod M Ciesluk
Independent auditors	AAB Audit & Accountancy Limited Gresham House 5-7 St Pauls Street Leeds LS1 2JG

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SWARTHMORE EDUCATION CENTRE

(A company limited by guarantee)

CHAIR'S STATEMENT
FOR THE YEAR ENDED 31 JULY 2025

As I complete my eighth year as Chair of Trustees at Swarthmore, I reflect again on a very challenging year but one that as an organisation we have continued to manage well. We have looked forward positively, reaching out more into the deprived communities across the city and addressed all additional requirements imposed mainly by a range of external bodies at both a national and local level. Our turnover has remained relatively stable increasing very slightly from £1.94m in 23/24 to £1.96m in 24/25. All great testimony to our resilience as an organisation, our stability through difficult times and the continuous improvements we put in place in our financial, IT and HR systems. These systems have helped us to manage things better through changing and complex times. Despite facing several rising costs, including the NI increases, I am very pleased to be able to report that we closed this financial year with a small surplus of just over £20,000, thus exceeding our projections. Our reserves remain slightly lower than in an ideal situation, something we continue to review as trustees, but we are pleased to have retained our current reserve levels.

At our 2024 AGM we promised to continue to pursue our strategy, launched the year before, including continuing to value and support our workforce. Without our staff we are unable to deliver against our objectives, and we value highly their commitment and the dedication shown by all of our staff. This year saw the launch of our staff consultative forum. This has enabled feedback into both the organisation's HR considerations and our strategy through staff representatives from each area with our Director and Trustee representatives. This is in addition to our termly staff meetings and the staff development and training days.

The stated objectives of our charity are to promote the education of the residents of Leeds and surrounding areas through provision of an educational establishment, and particularly, but not exclusively;

1. to provide a learning community for personal development and social activity for those who may have been excluded from mainstream opportunities;
2. to provide opportunities and activities for the benefit of the community based on the recognition of the skills and experience which all people bring.

We have continued to show our genuine commitment to these objectives with the second year of our "Creative Communities" project, funded by the National Lottery. This culminated in a very special event at the Leeds City Museum with representatives from Hunslet, Belle-Isle, Middleton, and Holbeck all in attendance, sharing their work. It was a very moving event and very clear that the project had a deep and lasting impact on those communities, so something we would hope to replicate wider across the city. For the third year we had "warm space" funding, which provided vital support during winter to vulnerable groups of people who are struggling with heating costs. We also maintained and grew our Hardship Fund, which offers crucial support for students unable to afford to go to courses or for course materials.

We met our obligations under the Government's Coronavirus Business Interruption Loan Scheme (CBILS) that we received during COVID, maintaining our repayments despite the high interest rate. We are on track to pay this off as required by June 2027.

This year we also saw the launch of "Café No.5" which was a new concept looking to franchise our cafe to a new entrepreneurial team. They have been able to deliver high quality lunches to our study programme students, improved the environment with fresh plants and offering additional services such barbecues in the warm weather, alongside good quality food for all. This has seen an increase in footfall to the cafe and brought in people from the NHS, Candlelighters and other local businesses. It has been a good improvement to this service, whilst also reducing the challenges to our own staff and giving them more time to focus on our key role of delivering education.

So, in conclusion this has been a stable and successful year, when we have delivered fully against our objectives, reached out wider into the community into deprived areas, and still ended the year in a financially positive position, despite all the challenges. This coming year will certainly hold further challenges, and we are gearing up to draw more on corporate support to enable us to continue to improve our educational services and deliver fully against our stated objectives.

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CHAIR'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2025

Many thanks to everyone who has supported us, including the Inner Wheel Leeds Club and Schofield Money for their interest and monies to Swarthmore Adult Education Centre.

Ms K J Badon
Date: 20 January 2026

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SWARTHMORE EDUCATION CENTRE

(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2025

The Trustees present their annual report together with the audited financial statements of the Swarthmore Education Centre for the year 1 August 2024 to 31 July 2025. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Charitable Purpose

The objects of the company shall be to promote the education of the residents of Leeds and surrounding areas through the provision of an educational establishment, and in particular but not exclusively:

(a) to provide a learning community for personal development and social activity for those who may have been excluded from mainstream educational opportunities;

(b) to provide opportunities and activities for the benefit of the community based on the recognition of the skills and experience which all people bring.

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.

Public Benefit

The Board of Trustees has carefully considered the Charity Commission's guidance on public benefit, particularly regarding the advancement of education, in setting and reviewing the Centre's strategic objectives. This guidance outlines the necessity for all registered charities to explicitly demonstrate how their aims and activities provide public benefit.

Swarthmore Education Centre's mission is deeply rooted in delivering tangible public benefits through education and community engagement. These benefits are achieved through a variety of initiatives and services that embody our commitment to inclusivity, accessibility, and lifelong learning. Key examples include:

- High-Quality Teaching: Providing excellent educational opportunities that empower learners of all age and backgrounds.
- Information, Advice, and Guidance: Supporting individuals in navigating their educational and career pathways.
- Widening Participation and Tackling Social Exclusion: Actively engaging underrepresented and disadvantaged groups to ensure no one is left behind.
- Comprehensive Student Support: Offering tailored assistance for students, particularly those with physical disabilities or learning difficulties, to help them achieve their potential.
- Vocational Support: Equipping learners with practical skills and opportunities to enhance their employability and career progression.

The Centre's effectiveness in delivering these public benefits is evidenced throughout the Report of the Board of Trustees. These achievements highlight the Centre's unwavering dedication to creating a positive impact on individuals and communities across Leeds and beyond.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2025

Main Activities

Swarthmore's focus remained in line with the business strategy, aimed at increasing the range of full cost courses and the utilisation of affordable room hire. We continued to increase our course offer and further developed our workshop offer, reaching a new audience. We saw a decrease in room hire income partly due to losing two key customers in the period.

We provide a full-time study programme for young adults with learning difficulties who develop skills to improve their independence and support them to progress to further learning, work or volunteering opportunities. The ESFA contract increased this year, enabling us to support 82 students within the programme. Flexible learning enables students to access education in a way and at a pace that suits their needs.

We offer an extensive range of courses in the Arts, Crafts, Health and Wellbeing, Maths, English and ESOL. We offer a range of supported courses for those students requiring additional support for their learning. 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. This year we focussed on raising the profile and income for Swarthmore through Corporate Funding and activities.

Our centre has a diverse range of rental spaces, including specialist art facilities, small, medium and large rooms, and a Hall. This allows us to accommodate a wide range of needs and requirements in the community. We offer discounted rates, specifically tailored for charities and local groups seeking venues for meetings, events, and educational courses. Our facilities continue to be embraced by occasional users and established groups.

In July 2025 we completed our Creative Communities project in South Leeds. An evaluation was undertaken at the end of the project, highlighting the positive outcomes across two years.

In January 2025 we were allocated £19,872 from the National Lottery to provide an inclusive Arts Project (Arts United) for adults with additional learning needs.

During the winter months Swarthmore once again accessed a small amount of funding to enable us to become a designated warm space for the city. This provided funds for users to access a free hot drink and soup in a warm and friendly environment.

Strategies Employed

Business Strategy

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

- Deliver a broad range of courses, projects, events and exhibitions for the enjoyment and education of our local community.
- Offer opportunities for adults to get involved in education, personal enrichment, developing their confidence, self-esteem, employability, digital skills, knowledge and understanding.
- Provide facilities for organisations and individuals who share our values to hire space to facilitate meetings, talks and hold events at discounted rates.
- Provide facilities for our students, staff and members of the public to eat, drink and socialise in our Cafe at affordable prices.
- Provide information, advice and guidance to all adults to help them prepare for their next steps to education, employment and volunteering.

The Finance Committee explored opportunities for the organisation to ensure future success. It was identified that the greatest opportunities to generate surplus funds would be from growth of Income rather than cost cutting exercises. The main areas were highlighted as having the greatest impact:

- The diversity and availability of Swarthmore's own courses, resulting in a drive to recruit more/new tutors/talent.

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- Expanding the range of courses, allowing us to run workshops and taster sessions, introducing potential new students to the centre and its specialist art facilities.
- Improving facilitation of Room hire to utilise space not being used for classes/workshops.

In addition to the new sources of Income, it is necessary to build upon Swarthmore's reputation and to raise awareness of the centre, focussing on the range of courses, the talent of Tutors, and the facilities and spaces available for multiple uses. More resource has been added to support marketing, events, and social media engagement.

Grant Making/Funding

Hardship Fund

The Hardship Fund continues to play a vital role in removing financial barriers to learning for our students. It provides targeted support for those who may otherwise be unable to access education due to personal or economic circumstances. Funding is allocated to cover course and workshop fees—either in full or in part—and to assist with essential costs such as bus fares and lunches.

Entirely sustained through donations, the fund is used solely to support learners experiencing financial hardship, ensuring that opportunity and participation remain at the heart of Swarthmore's mission.

This year, staff member Amy Smith undertook an impressive challenge to raise money specifically for the Hardship Fund. Amy paddle-boarded the length of the Llangollen Canal—travelling from England to Wales and back, a distance of around 90 miles—and raised an outstanding £864.43. Contributions like these allow us to respond flexibly to individual circumstances and ensure that learners who need support can continue to access education at Swarthmore.

Corporate Funding

In response to changes in external funding eligibility, we launched a new Corporate Funding initiative to secure essential financial support for adults with additional learning needs. This initiative aims to ensure that these learners can continue accessing high-quality classes at the Centre, despite reductions in traditional funding streams. It represents an important step in diversifying our income and strengthening the long-term sustainability of our provision.

Volunteers

Swarthmore is fortunate to be supported by a dedicated group of volunteers who make an invaluable contribution to the life of the Centre. This year, volunteers played a central role in our funded projects, including Creative Communities and Arts United, where they supported participants during sessions, assisted with group activities, and helped create a welcoming and inclusive environment. Their presence increased the level of individual support available and enabled staff to deliver more responsive, engaging sessions for learners with a wide range of needs.

We are also grateful for the contribution of our Pottery Department volunteer, who has provided support throughout the year. His input has strengthened the quality of the department and enriched the overall experience for users of the pottery studio.

The generosity, time, and commitment of our volunteers strengthen every aspect of our community. Their contribution enables us to extend our reach, deepen our impact, and maintain Swarthmore as a warm, supportive, and inclusive place to learn.

The Trustee Council is also made up entirely of volunteers who bring their skills and knowledge to support the Governance of the Centre.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2025

Achievements and Performance

Review of Achievements

Study Programme

Our Study Programme expanded this year, enabling 82 students with additional needs to access tailored learning and support. Students benefited from individual learning plans, meaningful work experience and a broad range of enrichment activities designed to build confidence, independence and social skills.

Nineteen students completed the programme this year, with 13 progressing to positive destinations including volunteering, supported internships and further learning. We are proud of two students who completed A-level Sociology, achieving grades A and B—an exceptional accomplishment that reflects both their hard work and the high-quality support provided by the team.

The continued growth and strong outcomes of the Study Programme demonstrate Swarthmore's commitment to inclusive education and to supporting young people to achieve their full potential.

Adult Learning

Our Adult Learning provision is delivered through a combination of Leeds City Council Tailored Learning contracts, Leeds City College Adult Skills Budget provision, and Swarthmore's own full-cost courses and workshops. This blended offer enables us to reach a wide and diverse community of learners with varying needs, interests and learning preferences.

Provision spans supported learning, English, Maths, ESOL, arts and crafts, wellbeing courses and a growing programme of short workshops. The expansion of our workshop offer this year has created new pathways for learners to engage with Swarthmore—providing flexible, accessible opportunities for adults to develop skills, build confidence and connect with others.

Room Hire

Our room hire provision offers affordable, accessible facilities for the wider community, serving corporate organisations, charities and individuals. Although growth was lower than anticipated this year—due to the unexpected loss of two key hirers late in the year—we continue to provide a valued resource for external groups. We are reviewing our pricing structure for the coming year to ensure our offer remains both competitive and accessible.

Projects

Lottery funding has played a vital role in widening our reach and strengthening our community impact. This year we delivered two significant projects—Creative Communities (2023–2025) and the Arts United Project—which together engaged local residents, supported adults with additional needs and created meaningful opportunities for creativity, wellbeing and social connection.

Hardship Fund

This fund was established in 2025 to support individuals experiencing financial hardship. It is funded by a designation of 10% of the year's unrestricted surplus. The Trustees review the fund level annually to ensure that the allocation is appropriate and that the Charity maintains sufficient free reserves for its core operations.

Impact on Beneficiaries

Creative Communities

Creative Communities was a two-year, National Lottery-funded project delivered in South Leeds, designed to engage residents furthest from education and training in areas affected by poverty and social exclusion.

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The project exceeded its reach targets. Against a target of 200 participants, 300 people applied, 182 attended at least one workshop, and a further 125 engaged through community residencies. We worked with 22 volunteers, 10 of whom were former participants; one subsequently gained paid employment at Swarthmore as a Learning Support Assistant.

Volunteers consistently reported increased confidence, reduced social anxiety, and a renewed sense of purpose. Their lived experience of mental health challenges added genuine value to the peer support offered within workshops, enhancing wellbeing for participants and strengthening community cohesion.

Creative Communities built lasting relationships with local organisations and ensured public visibility of participants' work. Artwork was displayed in 11 community venues, including mosaics, rag-rugging pieces, photo montages, masks, the Belle Isle Tapestry and the Celebrating Hunslet artwork. The 12-week exhibition at Leeds City Museum further boosted participants' self-esteem and encouraged engagement with a major cultural and educational space.

The project has left a strong legacy. Participants formed their own independent sewing group in Belle Isle; many have progressed into new activities, volunteering or employment; and volunteers have moved on to further volunteering, college or work. Swarthmore's profile has grown across South Leeds, with ongoing conversations about future collaborations.

Overall, Creative Communities demonstrated significant impact on wellbeing, confidence, cultural engagement and community connection, with sustained benefits beyond the life of the project.

Arts United

Arts United was a six-month, National Lottery-funded creative programme for adults with additional learning needs, designed to promote diversity, inclusion and personal expression. Running from January to July, the project offered two weekly sessions for 20 participants, supported by four volunteers.

The project delivered significant benefits in confidence, wellbeing and creative skill development. Participants engaged in a wide range of artistic mediums, with many reporting that the sessions provided a vital sense of calm, focus and personal achievement. Seven cultural visits—to venues including Leeds Art Gallery, the Henry Moore Institute, the Stanley & Audrey Burton Gallery and Leeds City Museum—broadened access to local cultural resources and provided inspiration for their work.

Strong relationships developed between participants, staff and volunteers, creating a supportive and inclusive environment that many described as transformative. The project culminated in a celebration event and an exhibition featuring over 130 artworks, showcasing the creativity and progress of everyone involved.

Arts United reinforced Swarthmore's role as a welcoming and inclusive centre for adults with additional needs, with positive feedback highlighting the impact of both the programme and the supportive culture of the organisation.

Key Performance Indicators (KPIs)

Main achievements of the Charity

In March we had a successful monitoring visit from Ofsted, for our Study Programme provision. This followed the initial inspection in November 2023. Significant progress was made in three of the areas, and reasonable progress was made in the other two areas. The published report is available via the Ofsted website. The outcome of this report reflected the hard work and commitment of our staff, and following this visit a full inspection will likely take place in 2026.

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Study programme:

Passed Accredited Quals	2024/25	2023/24
AS Levels	2	3
GCSE	0	6
Award Health and Care	0	2
Functional Skills L2	6	1
Functional Skills Entry and Level 1	26	16
Leavers	19	1

Our Study Programme students work towards a range of accredited units, which can build to a full qualification where appropriate. Functional Skills English is delivered over an extended period, and this year 22 students successfully completed all or part of their qualification. This reflects their hard work and the steady progress made across the year.

Adult Learning

	2024/25	2023/24
Number of Unique Students enrolled onto a course at Swarthmore	574	646
Number of Enrolments onto Courses at Swarthmore	1,449	1,453
Number of Courses delivered	175	182
Number of students on Workshops	324	219
Percentage of Swarthmore (self-financing) students completed and achieved	87.99%	91.60%
Percentage of Leeds City Council (non-accredited) students completed and achieved	82.40%	83.50%
Percentage of Leeds City College (accredited) students completed and achieved	52.9%	77.10%

Our Adult Learning provision includes both subcontracted delivery and our own full-cost courses and workshops. Workshop attendance has continued to grow steadily throughout the year, reflecting increased demand for flexible and creative short-course learning.

Leeds City Council provision saw a small decrease of 1% in completion and achievement, while Leeds City College provision declined to 52.9%. This was largely due to the introduction of qualification-based routes for some supported learning students, a number of whom were not yet ready to pass external exams. In addition, some learners undertaking the Digital Skills Functional Skills qualification found the requirements challenging. These outcomes will inform how we shape and adapt provision moving forward to ensure it remains accessible and appropriately matched to learner needs.

In April 2025 we were once again shortlisted for Educate North Community Engagement Award – HE/FE Sector Award, a testament to the hard work and impact of the centre.

In September 2024, Café No. 5 launched fully, providing a new menu for our students and community as well as the essential provision of free school meals to eligible students in the study programme.

We continued to promote our exhibition space in the Café, successfully attracting a new and varied selection of contributors.

Financial Position

Swarthmore Education Centre finished with a surplus of £20,170 in the Year to 31st July 2025 compared to a surplus of £8,098 in the previous year.

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In 2023/24 Staff costs increased by almost £100K, due to wage reviews and changes in staffing levels.

In April 2025, the National Living Wage increased by over 6.7% at £0.77 per hour. At the same time, the threshold at which employers pay National Insurance Contributions reduced from £9,100 to £5,000, and the rate of Employers National Insurance Contributions increased from 13.8% to 15%. The combined impact of these increases led to additional staff costs of approximately £75,000 annually.

We are already aware that the National Living Wage will increase by a further 4.1% or £0.50 per hour from April 2026, placing further pressure on resources, meaning that we are unable to keep pace with applying the same level of pay increases across all roles.

Direct Costs are increasing at a faster rate than Revenues increase, but careful management of overheads, changes in outsourced service providers and reductions in utility bills help to offset the changes leading to a small increase in the Net surplus.

Risk management

Financial sustainability is the major financial risk for the charity, especially in the context of a Cost of Living Crisis. 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 continued to be focussed on implementing systems and procedures to mitigate financial risks where possible.

Another principal risk relates to keeping up to date with the rapid progress in technology and ensuring resilience to all “Cyber” related risks. During the year, we completed a migration of files to the cloud, upgraded our server and eliminated bottlenecks in our local network. Swarthmore maintains its Cyber Essentials PLUS accreditation (a government backed scheme setting high standards for security) and is undergoing a comprehensive Technology Review to ensure it is well placed for future challenges.

Principal funding

The principal sources of income to the Centre were:

- ESFA funding for the Study Programme of £1,077,829(£1,008,976 in 2023/24).
- Leeds City Council funding of £570,045, including £301,568 Funding for Inclusion relating to the Study Programme. (£520,270 in 2023/24, including £257,325 Funding for Inclusion relating to the Study Programme).
- Student Fees of £120,321 including workshop income of £12,809. (£123,831 in 2023/24)

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

Swarthmore continues to explore opportunities for additional funding, building upon its relationship with Leeds City Council, and continuing relationships with funders such as The National Lottery. Over £200K of funding was granted by The National Lottery Community Fund in July 2023 to run a 2-year project. An additional £19,872 was allocated by the National Lottery to fund the Arts United Project which ran from January to July 2025. Pressure to retain existing funding streams while establishing new sources continued to be a challenge throughout the year.

Reserves Policy

The Trustees acknowledge the critical role reserves play in ensuring the financial stability and sustainability of the organisation. Our Reserves Policy establishes that the Centre will maintain unrestricted free reserves equivalent to a minimum of 1 to 3 months of operating expenditure. This prudent approach ensures the Centre can continue to support its core activities and respond effectively to unforeseen financial challenges.

Based on our current operations, monthly expenditure is estimated to be around £165,000, meaning the reserves to be held at 31st July should be within the range of £165,000 to £495,000. Current free reserves stand

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at £220,350, backed up by Fixed Assets of £1,050,162 out of total unrestricted funds of £1,270,513. The trustees acknowledge the policy, and continue to address all areas for improvement, including focussing on quality and the learner experience.

The implementation of the Business Strategy to develop revenue streams will continue, and is expected to generate an increase in reserves, while also addressing ways to offset further increases in wages and costs that are expected to continue.

Going concern

The directors consider the charitable company to be a going concern, and the financial statements have been prepared on that basis.

In coming to this conclusion, the directors have considered:

- Our on-going effective management of the continuing economic pressures (particularly with regard to increases in NI contributions and the National Living Wage);
- The need to remain competitive by ensuring we can attract and retain skilled staff (leading to our ongoing review of salary levels);
- The impact of the Autumn 2025 budget statement, and changes in the national minimum wage.

Although there is a financial impact to the organisation, management have taken steps to mitigate this by controlling costs, improving cashflow and maintaining efficiencies and a clearer focus on our delivery.

There are clear signs that the growth ambition described in Swarthmore's 3-year business strategy has improved its financial position to date, and it will continue to be reviewed to ensure it can influence our planning in the year ahead.

Plans for future periods

We continue to focus on the areas set out in the business strategy. We will continue increase our Workshop offer in line with improving our range of courses on offer. The intention is to introduce new learners to the centre, raising awareness of the centre and the full range of delivery on offer.

To complement our existing delivery, we created a new role dedicated to improving the Quality across the Centre.

Our Study Programme will continue to deliver education to our students, maintaining funding for 82 students, with increased focus on progression for students when they complete their time with us. New roles were created in the Study Programme with a specific focus on sourcing work placements, supporting students, and preparing them for their onward journey after leaving Swarthmore.

We are reassessing the rooms and spaces available to hire, ensuring that they are not only fit for purpose, but offer a welcoming and attractive environment available for the community to use. Room hire pricing is also under review to ensure that the facility remains affordable for its users, while continuing to generate enough funds to support the centre and contribute to overheads.

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

In August 2025 we were allocated £14,500 to run a Living Well project at the Centre, aimed at supporting adults with additional learning needs to participate in health and well being activities, designed to improve their overall physical and mental well being. The project will run over one full year, with two courses taking place each term.

Information and advice

We continued to provide high quality, impartial and free information and advice to our prospective students throughout the year. We maintained the Matrix standard this year.

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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 (Swarthmore full cost) courses continues to focus on growth.
- In addition to Self-Financing courses, Swarthmore offers a range of courses funded by Leeds City Council (these fees are set by the Council).
- Swarthmore is committed to maintaining prices that strike a balance between affordability for students and the financial viability of our courses. We understand the importance of making education financially accessible. To further this commitment, we established the Hardship Fund and looked to Corporate Sponsorship to assist those facing financial challenges.

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 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, with the last increase in April 2025.

Structure, governance and management

Constitution

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 once enrolled on a Swarthmore course, and there are currently 602 registered members.

There was a review of the Memorandum and Articles of Association during the 2022/23 Financial Year to ensure that they remain fit for purpose. The updated version was submitted to Companies House on 14 March 2023.

Methods of appointment or election 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 1 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.

Organisational structure and decision-making policies

The Trustee Council administers the charity. The Council meets monthly and there are currently three sub-committees covering Finance (who also meet monthly), and HR and Health & Safety (who aim to meet termly). 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 the delegation approved by the Trustees, for operational matters including finance, employment, and the activities of the Centre.

Policies adopted for the induction and training of Trustees

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. Online training will be made available, and it is expected that this will improve accessibility for trustees to take up relevant training.

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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. In the current year no such related party transactions were reported.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the Trustees' report including the strategic 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 Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its incoming resources and application of resources, including its 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Ms K J Badon
Trustee
Date: 20 January 2026

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SWARTHMORE EDUCATION CENTRE

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SWARTHMORE EDUCATION CENTRE

Opinion

We have audited the financial statements of Swarthmore Education Centre (the 'charitable company') for the year ended 31 July 2025 which comprise the statement of financial activities, the balance sheet, the 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 Financial Reporting Standard 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 charitable company's affairs as at 31 July 2025 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SWARTHMORE EDUCATION CENTRE (CONTINUED)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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
- sufficient accounting records have not been kept; 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.
- the trustees were not entitiled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SWARTHMORE EDUCATION CENTRE (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS102) 2019 and the Education and Skills Funding Agency.

We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context were Charities Commission Regulations and Health and Safety and safeguarding considerations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be

- Timing and completeness of income recognition;
- Compliance with relevant laws and regulations which directly impact the financial statements and those that the company needs to comply with for the purpose of trading.
- Management override of controls to manipulate the charities financial statements
- Classification of income and expenditure into restricted funds.

Our audit procedures to respond to these risks included:

- enquiries of management and the Trustees about their own identification and assessment of the risks of irregularities,
- sample testing on the posting of journals,
- reviewing accounting estimates for biases,
- reviewing contracts and carrying out detailed substantive testing on the completeness of income, and fund allocation
- reading minutes of meetings of those charged with governance; and

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- obtaining confirmation from the trustees that there was no regulatory correspondence with the Charity Commission or other regulatory bodies.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, 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 AAB Audit & Accountancy Limited
Gresham House
5-7 St Pauls Street
Leeds
LS1 2JG

Date: 20 January 2026

AAB Audit & Accountancy Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

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SWARTHMORE EDUCATION CENTRE

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 JULY 2025

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:					
Donations and legacies	4	914	117,074	117,988	104,730
Charitable activities	5	1,786,862	-	1,786,862	1,712,737
Other trading activities	6	42,435	-	42,435	117,543
Other income	7	14,750	-	14,750	2,932
Total income		1,844,961	117,074	1,962,035	1,937,942
Expenditure on:					
Raising funds		37,719	-	37,719	88,923
Charitable activities	8	1,773,620	130,524	1,904,144	1,840,921
Total expenditure		1,811,339	130,524	1,941,863	1,929,844
Net income/(expenditure)		33,622	(13,450)	20,172	8,098
Transfers between funds	17	(726)	726	-	-
Net movement in funds		32,896	(12,724)	20,172	8,098
Reconciliation of funds:					
Total funds brought forward		1,237,617	21,892	1,259,509	1,251,411
Net movement in funds		32,896	(12,724)	20,172	8,098
Total funds carried forward		1,270,513	9,168	1,279,681	1,259,509

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 21 to 37 form part of these financial statements.

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SWARTHMORE EDUCATION CENTRE
(A company limited by guarantee)
REGISTERED NUMBER: 04527579

BALANCE SHEET
AS AT 31 JULY 2025

	Note		2025 £		2024 £
Fixed assets					
Tangible assets	13		1,050,162		1,069,653
			1,050,162		1,069,653
Current assets					
Debtors	14	175,834		158,780	
Cash at bank and in hand		238,967		301,544	
		414,801		460,324	
Current liabilities					
Creditors: amounts falling due within one year	15	(162,514)		(212,511)	
Net current assets			252,287		247,813
Total assets less current liabilities			1,302,449		1,317,466
Creditors: amounts falling due after more than one year	16		(22,768)		(57,957)
Total net assets			1,279,681		1,259,509
Charity funds					
Restricted funds	17		9,168		21,892
Unrestricted funds	17		1,270,513		1,237,617
Total funds			1,279,681		1,259,509

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006. However, an audit is required in accordance with section 144 of the Charities Act 2011. The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Ms K J Badon
Trustee
Date: 20 January 2026

The notes on pages 21 to 37 form part of these financial statements.

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SWARTHMORE EDUCATION CENTRE
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash provided by operating activities	20	10,353	184,102
Cash flows from investing activities			
Purchase of tangible fixed assets		(46,162)	(26,647)
Net cash used in investing activities		(46,162)	(26,647)
Cash flows from financing activities			
Repayments of borrowing		(26,768)	(23,274)
Net cash used in financing activities		(26,768)	(23,274)
Change in cash and cash equivalents in the year		(62,577)	134,181
Cash and cash equivalents at the beginning of the year		301,544	167,363
Cash and cash equivalents at the end of the year	21	238,967	301,544

The notes on pages 21 to 37 form part of these financial statements

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

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. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: 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 (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Swarthmore Education Centre meets the definition of a public benefit entity under FRS 102.

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.

2.2 Going concern

The directors consider the charitable company to be a going concern, and the financial statements have been prepared on that basis. In coming to this conclusion, the directors have considered:

• Our on-going effective management of the continuing economic pressures (particularly with regard to increased energy prices and increase in NI contributions);
• The need to remain competitive by ensuring we can attract and retain skilled staff (leading to our ongoing review of salary levels);
• The impact of the Autumn 2025 budget statement, and changes in the national minimum wage.

Although there is a financial impact to the organisation, management have taken steps to mitigate this by controlling costs, improving cashflow and maintaining efficiencies and a clearer focus on our delivery. There are clear signs that the growth ambition described in Swarthmore's 3-year business strategy has improved its financial position to date, and it will continue to be reviewed to ensure it can influence our planning in the year ahead.

2.3 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.

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2. Accounting policies (continued)

2.4 Income

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.

2.5 Expenditure

All expenditure is inclusive of irrecoverable VAT.

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.

2.6 Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

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2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

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 £283,328 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.

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.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives .

Depreciation is provided on the following bases:

Freehold property	- 2% Straight line
Leasehold property	- Remaining life of the lease
Fixtures and fittings	- 25% Straight line/ 15% Reducing balance

2.8 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.

2.9 Operating leases

Rentals paid under operating leases are charged to the statement of financial activities on a straight-line basis over the lease term.

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2. Accounting policies (continued)

2.10 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2.11 Fund accounting

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

3. Limited by guarantee

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

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4. Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Donations	914	5,750	6,664
Grants	-	111,324	111,324
	914	117,074	117,988

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Donations	194	4,455	4,649
Grants	-	100,081	100,081
	194	104,536	104,730

5. Income from charitable activities

	Unrestricted funds 2025 £	Total funds 2025 £
Leeds City Council Adult Learning	268,477	268,477
Leeds City Council Additional Learning Support	301,568	301,568
Other grants	11,207	11,207
Student fees	120,322	120,322
Membership fees	5,767	5,767
Sale of education materials	1,270	1,270
	-	-
Education Funding Agency	1,077,829	1,077,829
Income from Accreditation services	422	422
	1,786,862	1,786,862

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5. Income from charitable activities (continued)

	Unrestricted funds 2024 £	Total funds 2024 £
Leeds City Council Adult Learning	262,945	262,945
Leeds City Council Additional learning support	257,325	257,325
Other Grants	38,284	38,284
Student fees	123,831	123,831
Membership fees	6,039	6,039
Sale of educational materials	2,245	2,245
Tutoring services provided to community	13,092	13,092
Education Funding Agency	1,008,976	1,008,976
	1,712,737	1,712,737

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2025 £	Total funds 2025 £
Cafe income	2,691	2,691
Rental income	39,744	39,744
	42,435	42,435

	Unrestricted funds 2024 £	Total funds 2024 £
Cafe income	37,563	37,563
Rental income	79,980	79,980
	117,543	117,543

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7. Other incoming resources

	Unrestricted funds 2025 £	Total funds 2025 £
Miscellaneous income	14,750	14,750

	Unrestricted funds 2024 £	Total funds 2024 £
Miscellaneous income	2,932	2,932

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
Courses	1,444,331	78,680	1,523,011
Governance costs	-	2,795	2,795
Support costs	329,289	49,049	378,338
	1,773,620	130,524	1,904,144

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Courses	1,386,989	39,250	1,426,239
Support costs	362,921	51,761	414,682
	1,749,910	91,011	1,840,921

Docusign Envelope ID: 41E0C5A0-C641-4EC6-9DDB-4F1741EEF380

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

9. Analysis of expenditure by activities

	Activities undertaken directly 2025 £	Support costs 2025 £	Total funds 2025 £
Courses	1,432,401	90,610	1,523,011
Governance costs	2,795	-	2,795
Support costs	-	378,338	378,338
	1,435,196	468,948	1,904,144

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £
Courses	1,345,325	80,914	1,426,239
Support costs	-	414,683	414,683
	1,345,325	495,597	1,840,921

Analysis of support costs

	Governance 2025 £	Courses 2025 £	Total funds 2025 £
Staff costs	63,653	149,648	213,301
Depreciation	-	65,653	65,653
Premises	-	114,943	114,943
Communications and IT	-	8,578	8,578
General office	-	36,523	36,523
Legal and professional fees	26,957	2,993	29,950
	90,610	378,338	468,948

Docusign Envelope ID: 41E0C5A0-C641-4EC6-9DDB-4F1741EEF380

9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Governance 2024 £	Courses 2024 £	Total funds 2024 £
Staff costs	65,094	125,786	190,880
Depreciation	-	71,219	71,219
Premises	-	167,549	167,549
Communication and IT	-	10,579	10,579
General office	-	35,686	35,686
Legal and professional fees	15,820	3,864	19,684
	80,914	414,683	495,597

10. Auditors' remuneration

	2025 £	2024 £
Fees payable to the company's auditor for the audit of the company's annual accounts	12,150	11,300
Fees payable to the company's auditor in respect of:		
Preparation of statutory accounts	1,800	1,700

11. Staff costs

	2025 £	2024 £
Wages and salaries	1,329,296	1,284,297
Social security costs	108,254	105,474
Other pension costs	33,622	34,065
	1,471,172	1,423,836

The average head count of employees during the year was 67 (2024: 80).

The average number of persons employed by the company during the year was as follows:

	2025 No.	2024 No.
Number of staff (full-time employee)	47	48

Docusign Envelope ID: 41E0C5A0-C641-4EC6-9DDB-4F1741EEF380

11. Staff costs (continued)

No employee received remuneration amounting to more than £60,000 in either year.
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 £191,980 (2024: £219,369).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2024 - £NIL).

During the year ended 31 July 2025, no Trustee expenses have been incurred (2024 - £NIL).

13. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 August 2024	1,383,329	188,136	677,951	2,249,416
Additions	-	-	46,162	46,162
At 31 July 2025	1,383,329	188,136	724,113	2,295,578
Depreciation				
At 1 August 2024	533,916	51,513	594,334	1,179,763
Charge for the year	27,666	4,939	33,048	65,653
At 31 July 2025	561,582	56,452	627,382	1,245,416
Net book value				
At 31 July 2025	821,747	131,684	96,731	1,050,162
At 31 July 2024	849,413	136,623	83,617	1,069,653

Docusign Envelope ID: 41E0C5A0-C641-4EC6-9DDB-4F1741EEF380

14. Debtors

	2025 £	2024 £
Due within one year		
Trade debtors	18,486	72,211
Other debtors	204	-
Prepayments and accrued income	157,144	86,569
	175,834	158,780

15. Creditors: Amounts falling due within one year

	2025 £	2024 £
Bank loans	31,229	22,808
Trade creditors	24,373	51,342
Other taxation and social security	29,976	27,572
Other creditors	8,308	9,670
Accruals and deferred income	68,628	101,119
	162,514	212,511

The bank loan included in creditors falling due in less than one year is secured by the company. The security is by a fixed and floating charge over all assets and undertakings of the company.

	2025 £	2024 £
Deferred income at 1 August 2024	67,156	63,416
Resources deferred during the year	20,170	67,156
Amounts released from previous periods	(67,156)	(63,416)
	20,170	67,156

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

16. Creditors: Amounts falling due after more than one year

	2025 £	2024 £
Bank loans	22,768	57,957

The bank loan included in creditors falling due in after more than one year is secured by the company. The security is by a fixed and floating charge over all assets and undertakings of the company.

Docusign Envelope ID: 41E0C5A0-C641-4EC6-9DDB-4F1741EEF380

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

17. Statement of funds

Statement of funds - current year

	Balance at 1 August 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2025 £
Unrestricted funds					
Designated funds					
Hardship fund	-	-	-	3,362	3,362
General funds					
Unrestricted Income fund	231,621	1,844,961	(1,811,339)	(4,088)	261,155
Unrestricted Property fund	1,005,996	-	-	-	1,005,996
	1,237,617	1,844,961	(1,811,339)	(4,088)	1,267,151
Total Unrestricted funds	1,237,617	1,844,961	(1,811,339)	(726)	1,270,513

	Balance at 1 August 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2025 £
Restricted funds					
National Lottery Grant - Creative Communities	18,601	91,452	(110,779)	726	-
Hardship Fund	3,291	2,560	(3,043)	-	2,808
Arts United	-	19,872	(16,702)	-	3,170
Corporate funding	-	1,940	-	-	1,940
Inner wheel	-	1,250	-	-	1,250
	21,892	117,074	(130,524)	726	9,168

	Balance at 1 August 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2025 £
Total of funds	1,259,509	1,962,035	(1,941,863)	-	1,279,681

Docusign Envelope ID: 41E0C5A0-C641-4EC6-9DDB-4F1741EEF380

17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 August 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2024 £
Unrestricted funds					
Unrestricted Income fund	216,982	1,833,406	(1,838,833)	20,066	231,621
Unrestricted Property fund	1,005,996	-	-	-	1,005,996
	1,222,978	1,833,406	(1,838,833)	20,066	1,237,617

	Balance at 1 August 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2024 £
Restricted funds					
UK Online	9,268	-	-	(9,268)	-
National Lottery Grant - Creative Communities	1,511	-	(66)	(1,445)	-
Adidas project	277	-	-	(277)	-
Community grant - Art at the Heart	8,870	-	-	(8,870)	-
National Lottery Community Fund	8,301	100,081	(89,781)	-	18,601
Leeds Mind	206	-	-	(206)	-
Hardship Fund	-	4,455	(1,164)	-	3,291
	28,433	104,536	(91,011)	(20,066)	21,892

	Balance at 1 August 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2024 £
Total of funds	1,251,411	1,937,942	(1,929,844)	-	1,259,509

Docusign Envelope ID: 41E0C5A0-C641-4EC6-9DDB-4F1741EEF380

17. Statement of funds (continued)

Designated Hardship Fund - This fund was established in 2025 to support individuals experiencing financial hardship. It is funded by a designation of 10% of the year's unrestricted surplus. The Trustees review the fund level annually to ensure that the allocation is appropriate and that the Charity maintains sufficient free reserves for its core operations.

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

Creative Communities - 2 year project delivering free creative workshops in South Leeds and promoting Pride in Place.

Hardship Fund - Following the Cost of Living Crisis, the Hardship Fund was created from Donations solely for the benefit of supporting Students who would otherwise be unable to afford to access Education at the centre.

Arts United - Arts united is a fun and creative project for adults aged 19 and over who have additional learning support needs.

Corporate Funding - To fund our Supported Learning Programme, promoting confidence, independence, and community connection by providing creative, confidence building classes.

Docusign Envelope ID: 41E0C5A0-C641-4EC6-9DDB-4F1741EEF380

18. Summary of funds

Summary of funds - current year

	Balance at 1 August 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2025 £
Designated funds	-	-	-	3,362	3,362
General funds	1,237,617	1,844,961	(1,811,339)	(4,088)	1,267,151
Restricted funds	21,892	117,074	(130,524)	726	9,168
	1,259,509	1,962,035	(1,941,863)	-	1,279,681

Summary of funds - prior year

	Balance at 1 August 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2024 £
General funds	1,222,978	1,833,406	(1,838,833)	20,066	1,237,617
Restricted funds	28,433	104,536	(91,011)	(20,066)	21,892
	1,251,411	1,937,942	(1,929,844)	-	1,259,509

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	1,050,162	-	1,050,162
Current assets	405,633	9,168	414,801
Creditors due within one year	(154,093)	-	(154,093)
Creditors due in more than one year	(31,189)	-	(31,189)
Total	1,270,513	9,168	1,279,681

Docusign Envelope ID: 41E0C5A0-C641-4EC6-9DDB-4F1741EEF380

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	1,069,653	-	1,069,653
Current assets	438,432	21,892	460,324
Creditors due within one year	(212,511)	-	(212,511)
Creditors due in more than one year	(57,957)	-	(57,957)
Total	1,237,617	21,892	1,259,509

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2025 £	2024 £
Net income for the year (as per Statement of Financial Activities)	20,172	8,098
Adjustments for:		
Depreciation charges	65,653	71,218
Decrease/(increase) in debtors	(16,850)	105,441
Decrease in creditors	(58,622)	(655)
Net cash provided by operating activities	10,353	184,102

21. Analysis of cash and cash equivalents

	2025 £	2024 £
Cash in hand	238,967	301,544
Total cash and cash equivalents	238,967	301,544

Docusign Envelope ID: 41E0C5A0-C641-4EC6-9DDB-4F1741EEF380

22. Analysis of changes in net debt

	At 1 August 2024	Cash flows	At 31 July 2025
	£	£	£
Cash at bank and in hand	301,544	(62,577)	238,967
Debt due within 1 year	(22,808)	(8,421)	(31,229)
Debt due after 1 year	(57,957)	35,189	(22,768)
	220,779	(35,809)	184,970

23. Operating lease commitments

At 31 July 2025 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2025	2024
	£	£
Not later than 1 year	5,484	5,172
Later than 1 year and not later than 5 years	7,719	11,645
	13,203	16,817

SWARTHMORE EDUCATION CENTRE

England & Wales - Charity number 1094451

Accounts

Registered number: 04527579
Charity number: 1094451

SWARTHMORE EDUCATION CENTRE

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2024

SWARTHMORE EDUCATION CENTRE
(A company limited by guarantee)

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SWARTHMORE EDUCATION CENTRE

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 JULY 2024

Trustees	Mr N H Zaman Ms C L Walker (resigned 3 December 2023) Ms K J Badon Mrs P Sinha (resigned 30 July 2024) Dr E J Watkins Mr I Greenwood Mrs S L Taylor Miss L R Huxley (resigned 30 January 2024) Miss E J Exeter Ms R J Lucas (resigned 2 April 2024) Ms C A Reed (appointed 21 February 2024) Cllr E F Thomson (appointed 24 July 2024)
Company registered number	04527579
Charity registered number	1094451
Registered office	2/7 Woodhouse Square Leeds LS3 1AD
Company secretary	C Baillie
Senior management team	C Baillie P Johnson J Macleod S Emmett (resigned 10 May 2024) M Ciesluk
Independent auditors	Sagars Accountants Ltd Gresham House 5-7 St Pauls Street Leeds LS1 2JG

SWARTHMORE EDUCATION CENTRE

(A company limited by guarantee)

CHAIR'S STATEMENT
FOR THE YEAR ENDED 31 JULY 2024

As I complete my seventh year as Chair of Trustees at Swarthmore, I am proud to reflect on a year that, while not without challenges, has been one of growth and resilience. Despite facing rising costs and the need to balance pay increases, I am pleased to report that we closed the year with a small financial surplus of £8,098, exceeding our expectations.

Building on the recovery and growth of previous years, 2023/24 has seen Swarthmore continue to develop as a vibrant organisation. At our 2023 AGM, we outlined a bold business strategy, prioritising investment in staff and the expansion of our adult education courses. I am delighted to see this strategy yielding results, with increased room hire income supported by enhanced marketing efforts and improved facilities. We also introduced LED lighting, significantly reducing both our carbon footprint and utility costs, and established a clearer, prioritised capital investment programme.

Our turnover has grown from £1.75m to £1.94m, a testament to our strategic investments. We've also strengthened our commitment to inclusivity through initiatives like the "Creative Communities" project, funded by the National Lottery, which brought learning opportunities to underserved areas in Leeds, including Hunslet, Belle-Isle, Middleton, and Holbeck. Additionally, our "warm space" funding provided vital support during winter, offering a welcoming environment for those struggling with heating costs.

A highlight of the year was the launch of our Hardship Fund, which provided crucial support for students unable to afford courses or materials. This initiative embodies Swarthmore's mission of lifelong learning for all. Alongside these efforts, we achieved significant savings by streamlining software, licensing, and service contracts, contributing to our positive financial outcome.

We continued to meet our obligations under the Government's Coronavirus Business Interruption Loan Scheme (CBILS), maintaining repayments despite the 8% interest rate.

This year also marked a heartfelt farewell to our café team, who collectively served Swarthmore for 45 years. While their retirement closes one chapter, it opens an exciting opportunity for future improvements to this service.

Our successes this year reflect the dedication and hard work of our staff, managers, and trustees, all of whom have contributed to building a positive and forward-looking culture. With learners firmly at the heart of everything we do, I am confident Swarthmore will continue to thrive, delivering exceptional lifelong learning opportunities for adults across Leeds.

Well done to everyone for an incredible team effort.

Julie Badon
Date: 30 January 2025

SWARTHMORE EDUCATION CENTRE

(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2024

The Trustees present their annual report together with the audited financial statements of the Swarthmore Education Centre for the year 1 August 2023 to 31 July 2024. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

Policies and objectives

The objects of the company shall be to promote the education of the residents of Leeds and surrounding areas through the provision of an educational establishment, and in particular but not exclusively: (a) to provide a learning community for personal development and social activity for those who may have been excluded from mainstream educational opportunities; (b) to provide opportunities and activities for the benefit of the community based on the recognition of the skills and experience which all people bring.

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.

Swarthmore's focus remained in line with the business strategy, aimed at increasing full cost courses and room hire income. During the year we increased our course offer and developed our workshop offer (using Eventbrite) targeting a new audience. We saw a steady increase in Room hire income and promoted rooms for hire through a targeted discount for first time users.

In September 2023 we started our first Creative Communities workshops in South Leeds following a successful recruitment and marketing campaign. A review was undertaken at the end of the first year, with changes made to the delivery model for 2024/25 (2nd year).

As part of our business strategy, we focussed on building our student base by delivering a range of workshops across the arts, bookable through Eventbrite.

In April 2024 we were shortlisted for Educate North Third Sector Award, a testament to the hard work and impact of the centre.

We continued to promote our exhibition space in the Café, successfully attracting a new and varied selection of contributors.

In May 2024 our Café closed temporarily following the departure of the Cafe staff. Following agreed changes in the model, we engaged the services of a local Chef/external business to continue the essential provision of free school meals to eligible students in the study programme for the remainder of the year. Work started in the summer to ensure that the café could open fully for the start of the new term.

Alongside the launch of the new website in October 2023, the Swarthmore Hardship Fund was established and promoted. In its first year, the funds donated/raised were over £4,000. We received 30 applications to the fund and allocated over £1,600 to support students to access courses and workshops. The website improved accessibility for our students and an increase in volume of traffic to the site. We improved course enrolment experience for students and introduced workshops, accessed via Eventbrite.

Objectives and activities (continued)

We continue to build our social media presence and followers including recently adopting the TikTok platform.

In November and December, we underwent two separate OFSTED inspections for our Leeds City Council Subcontract provision and for our ESFA funded Study Programme provision. The report from the Leeds City Council provision graded them as outstanding in all areas and the report for the ESFA provision graded overall as requires improvement, with behaviours and attitudes and personal development graded as good. Although disappointed with the outcome from the inspection we have implemented improvements across the provision and anticipate a monitoring visit in early 2025.

During the winter months Swarthmore accessed a small amount of funding to enable us to become a designated warm space for the city. This provided funds for users to access a free hot drink and soup and funded a support worker to signpost people for further support.

During the spring of 2024 we completed the installation of LED Lighting across the centre aimed at improving the learning environment and reducing both costs and our carbon footprint.

In April 2024 we updated our Pay structure across the organisation following a comprehensive pay review. This took into account the increases to the National Minimum Wage, increasing annual staff costs by approximately £65K.

Public Benefit

The Board of Trustees has carefully considered the Charity Commission's guidance on public benefit, particularly regarding the advancement of education, in setting and reviewing the Centre's strategic objectives. This guidance outlines the necessity for all registered charities to explicitly demonstrate how their aims and activities provide public benefit.

Swarthmore Education Centre's mission is deeply rooted in delivering tangible public benefits through education and community engagement. These benefits are achieved through a variety of initiatives and services that embody our commitment to inclusivity, accessibility, and lifelong learning. Key examples include:

- High-Quality Teaching: Providing excellent educational opportunities that empower learners of all ages and backgrounds.
- Advice, Information, and Guidance: Supporting individuals in navigating their educational and career pathways.
- Widening Participation and Tackling Social Exclusion: Actively engaging underrepresented and disadvantaged groups to ensure no one is left behind.
- Comprehensive Student Support: Offering tailored assistance for students, particularly those with physical disabilities or learning difficulties, to help them achieve their potential.
- Vocational Support: Equipping learners with practical skills and opportunities to enhance their employability and career progression.

The Centre's effectiveness in delivering these public benefits is evidenced throughout the Report of the Board of Trustees. These achievements highlight the Centre's unwavering dedication to creating a positive impact on individuals and communities across Leeds and beyond.

Strategies employed

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

- Deliver a broad range of courses, projects, events and exhibitions for the enjoyment and education of our local community.
- Offer opportunities for adults to get involved in education, personal enrichment, developing their confidence, self-esteem, employability, digital skills, knowledge and understanding.
- Provide facilities for organisations and individuals who share our values to hire space to facilitate

Objectives and activities (continued)

meetings, talks and hold events at discounted rates.
- Provide facilities for our students, staff and members of the public to eat and socialise in our Cafe at affordable prices.
- Provide information, advice and guidance to all adults to help them prepare for their next steps to education, employment and volunteering.

The Finance Committee explored opportunities for the organisation to ensure future success. It was identified that the greatest opportunities to generate surplus funds would be from growth of Income rather than cost cutting exercises. The main areas were highlighted as having the greatest impact:

- The diversity and availability of Swarthmore's own courses, resulting in a drive to recruit more/new tutors/talent.
- Expanding the range of courses, allowing us to run workshops and taster sessions, introducing potential new students to the centre and its specialist art facilities.
- Improving facilitation of Room hire to utilise space not being used for classes/workshops.

In addition to the new sources of Income, it is necessary to build upon Swarthmore's reputation and to raise awareness of the centre, focussing on the range of courses, the talent of Tutors, and the facilities and spaces available for multiple uses. More resource has been added to support marketing, events, and social media engagement.

Adult Education programmes

We offer an extensive range of courses in the Arts, Crafts, Health and Wellbeing, Maths, English and ESOL. These range in level from entry to GCSE, accredited and non-accredited, short courses and workshops. We offer a range of supported courses for those students requiring additional support for their learning. 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. This year we have continued to focus on recruiting new tutors to facilitate a greater range of workshops and courses.

Study Programme

We provide a full-time study programme for young adults with learning difficulties who develop skills to improve their independence and support them to progress to further learning, work or volunteering opportunities. The ESFA contract increased this year, enabling us to support 80 students within the programme. Flexible learning enables students to access education in a way and at a pace that suits their needs.

Volunteers

Swarthmore is fortunate to have volunteers, who this year provided invaluable support to our funded projects, such as the Creative Communities project.

The Trustee Council is also made up entirely of volunteers who bring their skills and knowledge to support the Governance of the Centre.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

Objectives and activities (continued)

Hire of facilities

Our centre has a diverse range of rental spaces, including specialist art facilities, small, medium and large rooms, and a Hall. This allows us to accommodate a wide range of needs and requirements in the community. We offer discounted rates, specifically tailored for charities and local groups seeking venues for meetings, events, and educational courses. Our facilities continue to be embraced by occasional users and established groups like the Trade Unions Council, Little London and Woodhouse Neighbourhood Group and Leeds People's Choir.

We continued to review our room rental fees and remain competitive and economically viable. We saw an increase in room hire bookings this year following our promotion of 25% discount for new bookings.

Cafe

In May 2024 our in house Café service came to an end due to staffing. A suitable alternative was sourced and will commence fully at the start of the 2024/25 academic year.

Information and advice

We continued to provide high quality, impartial and free information and advice to our prospective students throughout the year. We maintained the Matrix standard this year.

Strategic report

Achievements and performance

Main achievements of the company

	2023/24	2022/23
Number of Unique Students enrolled onto a course at Swarthmore	646	698
Number of Enrolments onto Courses at Swarthmore	1453	1581
Number of Courses delivered	182	165
Number of students on Workshops	219	n/a
Percentage of Swarthmore (self-financing) students completed and achieved	91.6%	80.1%
Percentage of Leeds City Council (non-accredited) students completed and achieved	83.5%	79.1%
Percentage of Leeds City College (accredited) students completed and achieved	77.1%	67.2%

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

Strategic report (continued)

Achievements and performance (continued)

Fundraising activities and income generation

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.

This year, Grant Funding from the National Lottery Community Fund continued to provide access to Swarthmore to those in the community who have not previously engaged, such as those in the most deprived areas of the city.

Our focus for fundraising this year was via the Hardship Fund which was developed to support those in our community to have equal access to courses and workshops at the centre.

Financial review

Reserves Policy and Going concern

The Centre acknowledges the critical role reserves play in ensuring the financial stability and sustainability of the organisation. Our Reserves Policy establishes that the Centre will maintain unrestricted free reserves equivalent to a minimum of 1 to 3 months of operating expenditure. This prudent approach ensures the Centre can continue to support its core activities and respond effectively to unforeseen financial challenges.

Based on our current operations, monthly expenditure is estimated to be around £165,000, meaning the reserves to be held at 31st July should be within the range of £165,000 to £495,000. Current free reserves stand at £167,964, backed up by Fixed Assets of £1,069,653 out of total unrestricted funds of £1,237,617. The trustees acknowledge the policy, and continue to address all areas for improvement, including focussing on quality and the learner experience.

The implementation of the Business Strategy to develop revenue streams will continue, and is expected to generate an increase in reserves, while also addressing ways to offset further increases in wages and costs that are expected to continue.

Surplus/Deficit

Swarthmore Education Centre finished with a surplus of £8,098 in the Year to 31st July 2024 compared to a deficit of £70,424 in the previous year. This year we have exceeded our initial forecast of a £20K deficit, and have ended the year in a positive financial position.

In 2023/24 we saw total revenue increase by £181K compared to the previous year. Staff costs increased by almost £60K, due to wage reviews and changes in staffing levels.

Risk management

Financial sustainability is the major financial risk for the charity, especially in the context of a Cost of Living Crisis. 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 continued to be focussed on implementing systems and procedures to mitigate financial risks where possible.

Principal funding

The principal sources of income to the Centre were:

- ESFA funding for the Study Programme of £1,008,976 (£953,270 in 2022/23)
- Leeds City Council funding of £520,270, including £257,325 Funding for Inclusion relating to the Study Programme. (£460,300 in 2022/23, including £201,219 Funding for Inclusion relating to the Study Programme).
- Student Fees of £123,831, including workshop income of £11,416. (£94,995 in 2022/23)

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

Swarthmore continues to explore opportunities for additional funding, building upon its relationship with Leeds City Council, and establishing new relationships with funders such as The National Lottery. Over £200K of funding was granted by The National Lottery Community Fund in July 2023 to run a 2-year project. Pressure to retain existing funding streams while establishing new sources continued to be a challenge throughout the year.

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 (Swarthmore full cost) courses continues to focus on growth.
- In addition to Self-Financing courses, Swarthmore offers a range of courses funded by Leeds City Council (these fees are set by the Council).
- Swarthmore is committed to maintaining prices that strike a balance between affordability for students and the financial viability of our courses. We understand the importance of making education financially accessible. To further this commitment, we have established a Hardship Fund to assist those facing financial challenges.

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 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, with the last increase in April 2024.

Structure, governance and management

Constitution

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 once enrolled on a Swarthmore course, and there are currently 602 registered members.

There was a review of the Memorandum and Articles of Association during the 2022/23 Financial Year to ensure that they remain fit for purpose. The updated version was submitted to Companies House on 14 March 2023.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

Structure, governance and management (continued)

Methods of appointment or election 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 1 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.

Organisational structure and decision-making policies

The Trustee Council administers the charity. The Council meets monthly and there are currently three sub-committees covering Finance (who also meet monthly), and HR and Health & Safety (who aim to meet termly). 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 the delegation approved by the Trustees, for operational matters including finance, employment, and the activities of the Centre.

Policies adopted for the induction and training of Trustees

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. Online training will be made available, and it is expected that this will improve accessibility for trustees to take up relevant training.

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. In the current year no such related party transactions were reported.

Plans for future periods

We continue to focus on the areas set out in the business strategy. We have continued to see a steady growth in adult learning delivery and room hire. Our Study Programme continued to deliver education to our students, maintaining funding for 80 students, and remains fully subscribed.

Our plan is to continue to increase our full cost offer, promoting the facilities at the centre to increase room hire income, and accessing additional funds where we are able. Recruitment and retention of staff remains a key factor in the success of the Centre, as plans for further growth continue.

We continue to review costs and fees on a termly basis.

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the Trustees' report including the strategic 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 Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its incoming resources and application of resources, including its 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Sagars Accountants Ltd, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 30 January 2025 and signed on their behalf by:

Ms K J Badon
Trustee

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SWARTHMORE EDUCATION CENTRE

Opinion

We have audited the financial statements of Swarthmore Education Centre (the 'charitable company') for the year ended 31 July 2024 which comprise the statement of financial activities, the balance sheet, the 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 Financial Reporting Standard 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 charitable company's affairs as at 31 July 2024 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SWARTHMORE EDUCATION CENTRE (CONTINUED)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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
- sufficient accounting records have not been kept; 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SWARTHMORE EDUCATION CENTRE (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS102) 2019 and the Education and Skills Funding Agency.

We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context were Charities Commission Regulations and Health and Safety and safeguarding considerations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be with regards to the timing of recognition of income and the override of controls by management.

Our audit procedures to respond to these risks included:

- enquiries of management and the Trustees about their own identification and assessment of the risks of irregularities,
- sample testing on the posting of journals,
- reviewing accounting estimates for biases,
- reviewing contracts and carrying out detailed substantive testing on the completeness of income,
- reading minutes of meetings of those charged with governance; and
- obtaining confirmation from the trustees that there was no regulatory correspondence with the Charity Commission or other regulatory bodies.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SWARTHMORE EDUCATION CENTRE (CONTINUED)

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, 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
Gresham House
5-7 St Pauls Street
Leeds
LS1 2JG

30 January 2025

Sagars Accountants Ltd are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

SWARTHMORE EDUCATION CENTRE

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 JULY 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Donations and legacies	4	194	104,536	104,730	24,358
Charitable activities	5	1,712,737	-	1,712,737	1,598,282
Other trading activities	6	117,543	-	117,543	119,916
Other income	7	2,932	-	2,932	13,537
Total income		1,833,406	104,536	1,937,942	1,756,093
Expenditure on:					
Raising funds		88,923	-	88,923	87,178
Charitable activities	8	1,749,910	91,011	1,840,921	1,739,339
Total expenditure		1,838,833	91,011	1,929,844	1,826,517
Net (expenditure)/income		(5,427)	13,525	8,098	(70,424)
Transfers between funds	17	20,066	(20,066)	-	-
Net movement in funds		14,639	(6,541)	8,098	(70,424)
Reconciliation of funds:					
Total funds brought forward		1,222,978	28,433	1,251,411	1,321,835
Net movement in funds		14,639	(6,541)	8,098	(70,424)
Total funds carried forward		1,237,617	21,892	1,259,509	1,251,411

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 18 to 33 form part of these financial statements.

SWARTHMORE EDUCATION CENTRE

(A company limited by guarantee)
REGISTERED NUMBER: 04527579

BALANCE SHEET
AS AT 31 JULY 2024

	Note		2024 £		2023 £
Fixed assets					
Tangible assets	13		1,069,653		1,114,225
			1,069,653		1,114,225
Current assets					
Debtors	14	158,780		264,221	
Cash at bank and in hand		301,544		167,363	
		460,324		431,584	
Creditors: amounts falling due within one year	15	(212,511)		(213,166)	
Net current assets			247,813		218,418
Total assets less current liabilities			1,317,466		1,332,643
Creditors: amounts falling due after more than one year	16		(57,957)		(81,232)
Total net assets			1,259,509		1,251,411
Charity funds					
Restricted funds	17		21,892		28,433
Unrestricted funds	17		1,237,617		1,222,978
Total funds			1,259,509		1,251,411

The financial statements were approved and authorised for issue by the Trustees on 30 January 2025 and signed on their behalf by:

Ms K J Badon
Trustee

The notes on pages 18 to 33 form part of these financial statements.

SWARTHMORE EDUCATION CENTRE
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash provided by operating activities	20	184,102	51,673
Cash flows from investing activities			
Purchase of tangible fixed assets		(26,647)	(27,040)
Net cash used in investing activities		(26,647)	(27,040)
Cash flows from financing activities			
Repayments of borrowing		(23,274)	(21,014)
Net cash used in financing activities		(23,274)	(21,014)
Change in cash and cash equivalents in the year		134,181	3,619
Cash and cash equivalents at the beginning of the year		167,363	163,744
Cash and cash equivalents at the end of the year	21	301,544	167,363

The notes on pages 18 to 33 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

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. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: 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 (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Swarthmore Education Centre meets the definition of a public benefit entity under FRS 102.

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.

2.2 Going concern

The directors consider the charitable company to be a going concern, and the financial statements have been prepared on that basis. In coming to this conclusion, the directors have considered:

• The residual impact of Covid-19; continuing economic pressures (particularly with regard to energy prices);
• The Cost of Living Crisis (leading to a need to review salary levels);
• The impact of the Autumn budget statement on National Insurance Contributions and the minimum wage.

Although there is a financial impact to the organisation, management have taken steps to mitigate this by controlling costs or passing these on where it is unavoidable. There are clear signs the growth ambition described in Swarthmore's 3-year business strategy has improved its financial position, and it will continue to influence its plans in the year ahead.

2.3 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.

2. Accounting policies (continued)

2.4 Income

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.

2.5 Expenditure

All expenditure is inclusive of irrecoverable VAT.

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.

2.6 Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

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 £283,328 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.

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.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives .

Depreciation is provided on the following bases:

Freehold property	- 2% Straight line
Leasehold property	- Remaining life of the lease
Fixtures and fittings	- 25% Straight line/ 15% Reducing balance

2.8 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.

2.9 Operating leases

Rentals paid under operating leases are charged to the statement of financial activities on a straight-line basis over the lease term.

2. Accounting policies (continued)

2.10 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2.11 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.

3. Limited by guarantee

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

4. Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Donations	194	4,455	4,649
Grants	-	100,081	100,081
	194	104,536	104,730

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Donations	1,283	-	1,283
Grants	-	23,075	23,075
	1,283	23,075	24,358

5. Income from charitable activities

	Unrestricted funds 2024 £	Total funds 2024 £
Leeds City Council Adult Learning	262,945	262,945
Leeds City Council Additional Learning Support	257,325	257,325
Other grants	38,284	38,284
Student fees	123,831	123,831
Membership fees	6,039	6,039
Sale of education materials	2,245	2,245
Tutoring services provided to community	13,092	13,092
Education Funding Agency	1,008,976	1,008,976
	1,712,737	1,712,737

5. Income from charitable activities (continued)

	Unrestricted funds 2023 £	Total funds 2023 £
Leeds City Council Adult Learning	259,081	259,081
Leeds City Council Additional learning support	201,219	201,219
Other Grants	54,773	54,773
Student fees	94,995	94,995
Membership fees	6,626	6,626
Sale of educational materials	4,141	4,141
Tutoring services provided to community	24,177	24,177
Education Funding Agency	953,270	953,270
	1,598,282	1,598,282

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2024 £	Total funds 2024 £
Cafe income	37,563	37,563
Rental income	79,980	79,980
	117,543	117,543

	Unrestricted funds 2023 £	Total funds 2023 £
Cafe income	40,939	40,939
Rental income	78,977	78,977
	119,916	119,916

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

7. Other incoming resources

	Unrestricted funds 2024 £	Total funds 2024 £
Miscellaneous income	2,932	2,932

	Unrestricted funds 2023 £	Total funds 2023 £
Miscellaneous income	13,537	13,537

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Courses	1,386,989	39,250	1,426,239
Support costs	362,921	51,761	414,682
	1,749,910	91,011	1,840,921

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Courses	1,310,351	10,113	1,320,464
Support costs	418,348	527	418,875
	1,728,699	10,640	1,739,339

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

9. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £
Courses	1,345,325	80,914	1,426,239
Support costs	-	414,683	414,683
	1,345,325	495,597	1,840,921

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Courses	1,249,604	70,860	1,320,464
Support costs	-	418,875	418,875
	1,249,604	489,735	1,739,339

Analysis of support costs

	Governance 2024 £	Courses 2024 £	Total funds 2024 £
Staff costs	-	125,786	125,786
Depreciation	-	71,219	71,219
Premises	-	167,549	167,549
Communications and IT	-	10,579	10,579
General office	-	35,686	35,686
Legal and professional fees	-	3,864	3,864
Governance costs	80,914	-	80,914
	80,914	414,683	495,597

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Governance 2023 £	Courses 2023 £	Total funds 2023 £
Staff costs	-	145,405	145,405
Depreciation	-	70,286	70,286
Premises	-	148,011	148,011
Communication and IT	-	9,548	9,548
General office	-	43,329	43,328
Legal and professional fees	-	2,296	2,296
Governance costs	70,860	-	70,860
	70,860	418,875	489,735

10. Auditors' remuneration

	2024 £	2023 £
Fees payable to the company's auditor for the audit of the company's annual accounts	11,300	10,500

11. Staff costs

	2024 £	2023 £
Wages and salaries	1,284,297	1,236,219
Social security costs	105,474	96,018
Other pension costs	34,065	31,689
	1,423,836	1,363,926

The average head count of employees during the year was 80 (2023: 71).

The average number of full-time equivalent employees during the year is analysed as follow:

	2024 No.	2023 No.
Number of staff	48	45

11. Staff costs (continued)

No employee received remuneration amounting to more than £60,000 in either year.

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 £219,369 (2023: £212,764).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 July 2024, Trustee travel expenses totalling £nil have been incurred (2023 - £ NIL).

13. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 August 2023	1,370,668	188,136	663,964	2,222,768
Additions	12,661	-	13,987	26,648
At 31 July 2024	1,383,329	188,136	677,951	2,249,416
Depreciation				
At 1 August 2023	506,418	46,390	555,736	1,108,544
Charge for the year	27,498	5,123	38,598	71,219
At 31 July 2024	533,916	51,513	594,334	1,179,763
Net book value				
At 31 July 2024	849,413	136,623	83,617	1,069,653
At 31 July 2023	864,250	141,746	108,228	1,114,224

14. Debtors

	2024 £	2023 £
Due within one year		
Trade debtors	72,211	90,203
Prepayments and accrued income	86,569	174,018
	158,780	264,221

15. Creditors: Amounts falling due within one year

	2024 £	2023 £
Bank loans	22,808	22,808
Trade creditors	51,342	51,344
Other taxation and social security	27,572	26,562
Other creditors	9,670	8,295
Accruals and deferred income	101,119	104,157
	212,511	213,166

The bank loan included in creditors falling due in less than one year is secured by the company. The security is by a fixed and floating charge over all assets and undertakings of the company.

	2024 £	2023 £
Deferred income at 1 August 2023	63,416	24,109
Resources deferred during the year	67,156	63,416
Amounts released from previous periods	(63,416)	(24,109)
	67,156	63,416

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

16. Creditors: Amounts falling due after more than one year

	2024 £	2023 £
Bank loans	57,957	81,232

The bank loan included in creditors falling due in after more than one year is secured by the company. The security is by a fixed and floating charge over all assets and undertakings of the company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

17. Statement of funds

Statement of funds - current year

	Balance at 1 August 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2024 £
Unrestricted funds					
Unrestricted Income fund	216,982	1,833,406	(1,838,833)	20,066	231,621
Unrestricted Property fund	1,005,996	-	-	-	1,005,996
	1,222,978	1,833,406	(1,838,833)	20,066	1,237,617

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

	Balance at 1 August 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2024 £
Restricted funds					
UK Online	9,268	-	-	(9,268)	-
National Lottery Grant (Be More)	1,511	-	(66)	(1,445)	-
Adidas project	277	-	-	(277)	-
Community grant - Art at the Heart	8,870	-	-	(8,870)	-
National Lottery Community Fund	8,301	100,081	(89,781)	-	18,601
Leeds Mind	206	-	-	(206)	-
Hardship Fund	-	4,455	(1,164)	-	3,291
	28,433	104,536	(91,011)	(20,066)	21,892

	Balance at 1 August 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2024 £
Total of funds	1,251,411	1,937,942	(1,929,844)	-	1,259,509

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

17. Statement of funds (continued)

The Trustees have reviewed the restricted funds balances that have been in place for a number of years and obtained confirmation that the funds have been spent in prior years on the project for which each fund was designated. Transfers have been made from restricted to unrestricted to correct the fund balances at the year end date.

Creative Communities - 2 year project delivering free creative workshops in South Leeds and promoting Pride in Place.

Hardship Fund - Following the Cost of Living Crisis, the Hardship Fund was created from Donations solely for the benefit of supporting Students who would otherwise be unable to afford to access Education at the centre.

Statement of funds - prior year

	Balance at 1 August 2022 £	Income £	Expenditure £	Balance at 31 July 2023 £
Unrestricted funds				
Unrestricted Income fund	270,496	1,733,018	(1,786,532)	216,982
Unrestricted Property fund	1,035,341	-	(29,345)	1,005,996
	1,305,837	1,733,018	(1,815,877)	1,222,978

	Balance at 1 August 2022 £	Income £	Expenditure £	Balance at 31 July 2023 £
Restricted funds				
UK Online	9,268	-	-	9,268
Community grant - Art at the Heart	-	10,000	(8,489)	1,511
Adidas project	1,386	-	(1,109)	277
Community grant - Art at the Heart	5,344	3,709	(183)	8,870
National Lottery Community Fund	-	8,366	(65)	8,301
Leeds Mind	-	1,000	(794)	206
	15,998	23,075	(10,640)	28,433

	Balance at 1 August 2022 £	Income £	Expenditure £	Balance at 31 July 2023 £
Total of funds	1,321,835	1,756,093	(1,826,517)	1,251,411

17. Statement of funds (continued)

18. Summary of funds

Summary of funds - current year

	Balance at 1 August 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2024 £
General funds	1,222,978	1,833,406	(1,838,833)	20,066	1,237,617
Restricted funds	28,433	104,536	(91,011)	(20,066)	21,892
	1,251,411	1,937,942	(1,929,844)	-	1,259,509

Summary of funds - prior year

	Balance at 1 August 2022 £	Income £	Expenditure £	Balance at 31 July 2023 £
General funds	1,305,837	1,733,018	(1,815,877)	1,222,978
Restricted funds	15,998	23,075	(10,640)	28,433
	1,321,835	1,756,093	(1,826,517)	1,251,411

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	1,069,653	-	1,069,653
Current assets	438,432	21,892	460,324
Creditors due within one year	(212,511)	-	(212,511)
Creditors due in more than one year	(57,957)	-	(57,957)
Total	1,237,617	21,892	1,259,509

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	1,114,224	-	1,114,224
Current assets	403,152	28,432	431,584
Creditors due within one year	(213,166)	-	(213,166)
Creditors due in more than one year	(81,232)	-	(81,232)
Total	1,222,978	28,432	1,251,410

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2024 £	2023 £
Net income/expenditure for the period (as per Statement of Financial Activities)	8,098	(70,424)
Adjustments for:		
Depreciation charges	71,218	70,286
Decrease/(increase) in debtors	105,441	(23,920)
Increase/(decrease) in creditors	(655)	75,731
Net cash provided by operating activities	184,102	51,673

21. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand	301,544	167,363
Total cash and cash equivalents	301,544	167,363

22. Analysis of changes in net debt

	At 1 August 2023	Cash flows	At 31 July 2024
	£	£	£
Cash at bank and in hand	167,363	134,181	301,544
Debt due within 1 year	(22,808)	-	(22,808)
Debt due after 1 year	(81,232)	23,275	(57,957)
	63,323	157,456	220,779

23. Operating lease commitments

At 31 July 2024 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024	2023 (As restated)
	£	£
Not later than 1 year	5,172	5,172
Later than 1 year and not later than 5 years	11,645	16,817
	16,817	21,989

SWARTHMORE EDUCATION CENTRE

England & Wales - Charity number 1094451

Accounts

Registered number: 04527579
Charity number: 1094451

SWARTHMORE EDUCATION CENTRE

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

SWARTHMORE EDUCATION CENTRE
(A company limited by guarantee)

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SWARTHMORE EDUCATION CENTRE

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 JULY 2023

Trustees	Mr N H Zaman Ms C L Walker Ms K J Badon Mrs S Sinha Dr E J Watkins Mr I Greenwood Mrs S L Taylor Miss L R Huxley Miss E J Exeter (appointed 25 April 2023) Ms R J Lucas (appointed 22 February 2023)
Company registered number	04527579
Charity registered number	1094451
Registered office	2/7 Woodhouse Square Leeds LS3 1AD
Company secretary	C Baillie
Senior management team	P Johnson A Torbitt J Macleod C Baillie S Emmett
Independent auditors	Sagars Accountants Ltd Gresham House 5-7 St Pauls Street Leeds LS1 2JG

SWARTHMORE EDUCATION CENTRE

(A company limited by guarantee)

CHAIR'S STATEMENT
FOR THE YEAR ENDED 31 JULY 2023

In my sixth year as Chair at Swarthmore and one in which we sought to put COVID behind us, face the cost-of-living crisis headlong and move from "striving to thriving" - I believe we have made immense progress.

In recognition of the hard work of our staff all Trustees agreed the need to increase pay by circa 5% across the board. Alongside that our income increased by £150,000, moving from £1.6m to £1.75m turnover. This included more students in adult education classes, more room hire, better coffee bar income, and a range of other additional income including our "*Art at the Heart*", "*Be More*" and "*Creative Communities*", all aimed at improving educational opportunities for those most disadvantaged in our communities. We reduced costs for our software and licensing, telephony and contracting out services. All very positive stuff.

However, that was counterbalanced by the increases in utility costs of £65,000 and the 8% interest charge on the Government's Coronavirus Business Interruption Loan Scheme (CBILS) that we needed to enable us to get through COVID. This has resulted in us being in a deficit position at the end of the year.

For the second year in a row, we were awarded the Education North award for our excellent community engagement. We offered a warm spaces opportunity for those in the community who were struggling in the cost-of-living crisis. In addition, we offered a series of unwind sessions to support the mental health of both our staff and students. A wide range of capital improvements have taken place to the building including hall refurbishment, reception area, and painting and updating across all rooms.

I am greatly encouraged by the improved relations with external partners, which has resulted in the money coming in much quicker to the organisation. There is also a very positive ethos and increased energy from our management right through to our staff on the ground, creating a new culture that is striving to make continuous improvements, be the best and maintain and ensure there is a forward-thinking philosophy.

I feel that we are well placed to face the real challenges of the 2023/24 financial year with greater confidence and compassion as we continue to support our staff and students to do, and be, their best for lifelong learning across the city of Leeds.

Julie Badon
Date: 21 February 2024

SWARTHMORE EDUCATION CENTRE

(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2023

The Trustees present their annual report together with the audited financial statements of the Swarthmore Education Centre for the year 1 August 2022 to 31 July 2023. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

Policies and objectives

The objects of the company shall be to promote the education of the residents of Leeds and surrounding areas through the provision of an educational establishment, and in particular but not exclusively:
(a) to provide a learning community for personal development and social activity for those who may have been excluded from mainstream educational opportunities;
(b) to provide opportunities and activities for the benefit of the community based on the recognition of the skills and experience which all people bring.

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.

Swarthmore’s focus moved from recovering from the Impact of Covid to mitigating the financial risks presented by the emerging Cost of Living Crisis. A greater number and range of courses were made available for students to attend, as well as further exploration for new revenue streams, including Grants for Projects. The result was the successful allocation of funding for the BeMore project, the Unwind project, and confirmation of significant funding for a 2 year project called Creative Communities.

Objectives and activities (continued)

In April 2022, we won the Educate North Digital Education and Development Award for our Swarthmore Connected project. A proud achievement for our work during the pandemic.

We placed extra resource into promoting our exhibition space in the Café, successfully attracting a new and varied selection of contributors. Hosting launch evenings promoted the space and raised awareness of Swarthmore.

Strategies employed

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

- Deliver a broad range of courses, projects, events and exhibitions for the enjoyment and education of our local community.
- Offer opportunities for adults to get involved in education, personal enrichment, developing their confidence, self-esteem, employability, digital skills, knowledge and understanding.
- Provide facilities for organisations and individuals who share our values to hire space to facilitate meetings, talks and hold events at discounted rates.
- Provide facilities for our students, staff and members of the public to eat and socialise in our Cafe at affordable prices.
- Provide information, advice and guidance to all adults to help them prepare for their next steps to education, employment and volunteering.

The Finance Committee explored opportunities for the organisation to ensure future success. It was identified that the greatest opportunities to generate surplus funds would be from growth of Income rather than cost cutting exercises. The main areas were highlighted as having the greatest impact:

- The diversity and availability of Swarthmore's own courses, resulting in a drive to recruit more/new tutors/talent.
- Expanding the range of courses, allowing us to run workshops and taster sessions, introducing potential new students to the centre and its specialist art facilities.
- Improving facilitation of Room hire to utilise space not being used for classes/workshops.

In addition to the new sources of Income, it is necessary to build upon Swarthmore's reputation and to raise awareness of the centre, focussing on the range of courses, the talent of Tutors, and the facilities and spaces available for multiple uses. More resource would be added to support marketing, events, and social media engagement.

Alongside word of mouth, an improvement in the use of social media, has proven an efficient and effective way to raise awareness to a much wider audience.

The Website is to be redeveloped/refreshed to make it more accessible and easier to navigate when looking for information or to enrol on courses or workshops.

Adult Education programmes

We offer an extensive range of courses in the Arts, Crafts, Languages, Health and Wellbeing, Maths, English and ESOL. These range in level from entry to level 3, accredited and non-accredited, short courses and year long courses. We offer a range of supported courses for those students requiring additional support for their learning. 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. This year we have focussed on recruiting new tutors to facilitate a greater range of workshops and courses.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Objectives and activities (continued)

Study Programme

We provide a full-time study programme for young adults with learning difficulties who develop skills to improve their independence and support them to progress to further learning, work or volunteering opportunities. The ESFA contract increased this year, enabling us to support 80 students within the programme. Flexible learning enables students to access education in a way and at a pace that suits their needs.

At the end of the Academic Year there was a change in Management, as after a long career developing the study programme, Amanda Torbitt retired from her role as Manager. We were pleased that an internal candidate, Malgorzata Ciesluk, was successfully appointed to that role which has provided continuity for both the team and the students.

Volunteers

Swarthmore is fortunate to have a number of volunteers, who this year provided invaluable support to our funded projects, such as Art at the Heart and BeMore.

Several of our volunteers went on to successfully apply for roles as Learning Support Assistants at the centre.

The Trustee Council is also made up entirely of volunteers who bring their skills and knowledge to support the Governance of the Centre.

Hire of facilities

Our centre has a diverse range of rental spaces, including specialist art facilities, small, medium and large rooms, and a Hall. This allows us to accommodate a wide range of needs and requirements in the community. We offer discounted rates, specifically tailored for charities and local groups seeking venues for meetings, events, and educational courses. Our facilities continue to be embraced by both occasional users and established groups like the Trade Unions Council, Little London and Woodhouse Neighbourhood Group and Leeds People's Choir.

We continued to review our room rental fees and remain competitive and economically viable. We saw an increase in room hire bookings this year.

Cafe

The cafe is the social hub of the Centre and a valuable resource to students, members of the public and staff. It also provides an environment for exhibitions. Swarthmore provided a “warm space” using funding from [Voluntary Action Leeds] with the Café providing a hot meal and a drink for those most affected by the impact of the Cost of Living Crisis.

Information and advice

We continued to provide high quality, impartial and free information and advice to our prospective students throughout the year. We maintained the Matrix standard this year.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Strategic report

Achievements and performance

Main achievements of the company

	2022/23	2021/22	2020/21
Students enrolled onto a course at Swarthmore	847	771	555
Courses delivered	165	176	171
Swarthmore (self-financing) students completed and achieved	80.1%	77.4%	n/a
Leeds City Council (non-accredited) students completed and achieved	79.1%	70.1%	84.6%
Leeds City College (accredited) students completed and achieved	67.2%	55.2%	78.3%

Fundraising activities and income generation

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.

This year, the focus for fundraising was to provide access to Swarthmore to those in the community who have not previously engaged, such as refugees and asylum seekers, and those in areas of the city who face financial hardship.

At the end of the financial year a new Hardship Fund was developed to support those in our community to have equal access to courses and workshops at the centre.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Strategic report (continued)

Financial review

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 £150,000, meaning the reserves to be held at 31st July should exceed £450,000. Current free reserves stand at £108,754, backed up by Fixed Assets of £1,114,224 out of total unrestricted funds of £1,222,978. This indicates a deficit of £341,246 in current reserves. The trustees acknowledge the policy, and continue to address all areas for improvement, including focussing on quality and the learner experience.

The implementation of the Business Strategy to develop revenue streams will continue, and is expected to drive an increase in reserves, while also addressing ways to offset further increases in wages and costs that are expected to continue.

Swarthmore's forecast on future income, and the related cash flow, is based, as always, on a conservative and prudent approach. The Business Strategy launched last year is being used to guide business growth, and there are a series of opportunities that are likely to generate £200,000 in the next financial year. These have not yet been included in the forecast as they are not yet fully agreed and awarded, but there is a strong belief that these and other opportunities will lead to a significant increase in new business over the next twelve months.

Swarthmore's overall financial position therefore is highly likely to improve and, whilst reserves are currently lower than it would wish, the growth plans are beginning to bear fruit, and we are confident that Swarthmore remains a going concern.

Deficit

Swarthmore Education Centre finished with a deficit of £70,423 in the Year to 31st July 2023 compared to a deficit of £98,924 in the previous year.

Improvements in revenue generation saw total income at around £150K more than the previous year, which in an ordinary year may have seen Swarthmore generate a small surplus, however in 2022/23 the increases in staff salaries following an increase in Minimum Wage, utility costs going up by over 300%, and general supplies seeing significant increases as the Cost of Living Crisis impacted adversely on the surplus/deficit position for the year.

Risk management

Financial sustainability is the major financial risk for the charity, especially in the context of a Cost of Living Crisis. 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 continued to be focussed on implementing systems and procedures to mitigate financial risks where possible.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Principal funding

The principal sources of income to the Centre were:

- ESFA funding for the Study Programme of £953,270
- Leeds City Council funding of £460,300 (Includes Funding for Inclusion)
- Student Fees of £94,995

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

Swarthmore continues to explore opportunities for additional funding, building upon its relationship with Leeds City Council, and establishing new relationships with funders such as The National Lottery. Over £200K of funding was granted by The National Lottery Community Fund to run a 2-year project. Pressure to retain existing funding streams while establishing new sources continued to be a challenge throughout the year.

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 (Swarthmore full cost) courses resumed in September 2021 and their attendance continues to grow.
- In addition to Self-Financing courses, Swarthmore offers a range of courses funded by Leeds City Council. (Free in the previous year, the charges resumed in 2021).
- Swarthmore is committed to maintaining prices that strike a balance between affordability for students and the financial viability of our courses. We understand the importance of making education financially accessible. To further this commitment, we have established a Hardship Fund to assist those facing financial challenges.

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 offer value for money, 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 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, with the last increase in April 2023.

Structure, governance and management

Constitution

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 once enrolled on a Swarthmore course, and there are currently 527 registered members.

There was a review of the Memorandum and Articles of Association during the year to ensure that they remain fit for purpose. The updated version was submitted to Companies House on 14 March 2023.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Structure, governance and management (continued)

Methods of appointment or election 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 1 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.

Organisational structure and decision-making policies

The Trustee Council administers the charity. The Council meets monthly and there are currently three sub-committees covering HR, Health and Safety and Finance who also meet regularly. 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 the delegation approved by the Trustees, for operational matters including finance, employment, and the activities of the Centre.

Policies adopted for the induction and training of Trustees

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. Online training will be made available and it is expected that this will improve accessibility for trustees to take up relevant training.

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. In the current year no such related party transactions were reported.

Plans for future periods

Financial year 2022/23 saw the launch of our three-year business strategy, "Surviving to Thriving". We have made a good and solid foundation in this first year, growing in all areas of our delivery including the study programme, adult education and our secondary business including room hire and cafe.

Swarthmore will continue to nurture our growth through effective partnerships with our commissioners and stakeholders. The human resource strategy will be published, and positive steps taken to put in place a joint consultative committee. Our capital investment plan will enable us to invest wisely and ensure efficient and effective delivery in this area.

Whilst we recognise the current financial climate is not an easy one, the long-term prospects for Swarthmore are good as we have put in place the right policies and systems to continue to deliver high quality education for all, based on a strong values culture that is respectful of diversity.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the Trustees' report including the strategic 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 Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its incoming resources and application of resources, including its 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Sagars Accountants Ltd, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 21 February 2024 and signed on their behalf by:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SWARTHMORE EDUCATION CENTRE

Opinion

We have audited the financial statements of Swarthmore Education Centre (the 'charitable company') for the year ended 31 July 2023 which comprise the statement of financial activities, the balance sheet, the 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 Financial Reporting Standard 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 charitable company's affairs as at 31 July 2023 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SWARTHMORE EDUCATION CENTRE (CONTINUED)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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
- sufficient accounting records have not been kept; 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SWARTHMORE EDUCATION CENTRE (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS102) 2019 and the Education and Skills Funding Agency.

We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context were Charities Commission Regulations and Health and Safety and safeguarding considerations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be with regards to the timing of recognition of income and the override of controls by management.

Our audit procedures to respond to these risks included:

- enquiries of management and the Trustees about their own identification and assessment of the risks of irregularities,
- sample testing on the posting of journals,
- reviewing accounting estimates for biases,
- reviewing contracts and carrying out detailed substantive testing on the completeness of income,
- reading minutes of meetings of those charged with governance; and
- obtaining confirmation from the trustees that there was no regulatory correspondence with the Charity Commission or other regulatory bodies.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SWARTHMORE EDUCATION CENTRE (CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, 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
Gresham House
5-7 St Pauls Street
Leeds
LS1 2JG

21 February 2024

Sagars Accountants Ltd are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

SWARTHMORE EDUCATION CENTRE

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 JULY 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	4	1,283	23,075	24,358	23,810
Charitable activities	5	1,598,282	-	1,598,282	1,499,602
Other trading activities	6	119,916	-	119,916	80,333
Other income	7	13,537	-	13,537	3,125
Total income		1,733,018	23,075	1,756,093	1,606,870
Expenditure on:					
Raising funds		87,178	-	87,178	74,440
Charitable activities	8	1,728,699	10,640	1,739,339	1,631,354
Total expenditure		1,815,877	10,640	1,826,517	1,705,794
Net movement in funds		(82,859)	12,435	(70,424)	(98,924)
Reconciliation of funds:					
Total funds brought forward		1,305,837	15,998	1,321,835	1,420,759
Net movement in funds		(82,859)	12,435	(70,424)	(98,924)
Total funds carried forward		1,222,978	28,433	1,251,411	1,321,835

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 18 to 33 form part of these financial statements.

SWARTHMORE EDUCATION CENTRE

(A company limited by guarantee)
REGISTERED NUMBER: 04527579

BALANCE SHEET
AS AT 31 JULY 2023

	Note		2023 £		2022 £
Fixed assets					
Tangible assets	13		1,114,225		1,157,471
			1,114,225		1,157,471
Current assets					
Debtors	14	264,221		240,301	
Cash at bank and in hand		167,363		163,744	
		431,584		404,045	
Creditors: amounts falling due within one year	15	(213,166)		(137,435)	
Net current assets			218,418		266,610
Total assets less current liabilities			1,332,643		1,424,081
Creditors: amounts falling due after more than one year	16		(81,232)		(102,246)
Total net assets			1,251,411		1,321,835
Charity funds					
Restricted funds	17		28,433		15,998
Unrestricted funds	17		1,222,978		1,305,837
Total funds			1,251,411		1,321,835

The financial statements were approved and authorised for issue by the Trustees on 21 February 2024 and signed on their behalf by:

The notes on pages 18 to 33 form part of these financial statements.

SWARTHMORE EDUCATION CENTRE
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	20	51,673	(29,579)
Cash flows from investing activities			
Purchase of tangible fixed assets		(27,040)	(36,516)
Net cash used in investing activities		(27,040)	(36,516)
Cash flows from financing activities			
Repayments of borrowing		(21,014)	(23,045)
Net cash used in financing activities		(21,014)	(23,045)
Change in cash and cash equivalents in the year		3,619	(89,140)
Cash and cash equivalents at the beginning of the year		163,744	252,884
Cash and cash equivalents at the end of the year	21	167,363	163,744

The notes on pages 18 to 33 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

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. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: 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 (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Swarthmore Education Centre meets the definition of a public benefit entity under FRS 102.

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.

2.2 Going concern

The directors consider the charitable company to be a going concern and the financial statements have been prepared on that basis. In coming to this conclusion, the directors have considered the residual impact of Covid-19, and the increasing pressures of the Cost of Living crisis through both significant increases in energy costs and the need to meet future wage demands in order to remain competitive and provide a quality education delivery. Recognising that there is a financial impact to the organisation of these decisions, our management have taken two major steps to mitigate the impact by (a) increased controls on costs and (b) passing these on where possible. The three-year business strategy, shared at the 2023 AGM, continues to be used as a basis to further strengthen Swarthmore’s financial position for the period ahead.

2.3 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.

2. Accounting policies (continued)

2.4 Income

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.

2.5 Expenditure

All expenditure is inclusive of irrecoverable VAT.

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.

2.6 Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

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 £270,668 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.

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.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives .

Depreciation is provided on the following bases:

Freehold property	- 2% Straight line
Leasehold property	- Remaining life of the lease
Fixtures and fittings	- 25% Straight line/ 15% Reducing balance

2.8 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.

2.9 Operating leases

Rentals paid under operating leases are charged to the statement of financial activities on a straight-line basis over the lease term.

2. Accounting policies (continued)

2.10 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2.11 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.

3. Limited by guarantee

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

4. Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Donations	1,283	-	1,283
Grants	-	23,075	23,075
	1,283	23,075	24,358

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Donations	5,251	-	5,251
Grants	-	17,090	17,090
Government Coronavirus Job Retention Scheme grant	1,469	-	1,469
	6,720	17,090	23,810

5. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £
Leeds City Council Adult Learning	259,081	259,081
Leeds City Council Additional Learning Support	201,219	201,219
Other grants	54,773	54,773
Student fees	94,995	94,995
Membership fees	6,626	6,626
Sale of education materials	4,141	4,141
Tutoring services provided to community	24,177	24,177
Education Funding Agency	953,270	953,270
	1,598,282	1,598,282

5. Income from charitable activities (continued)

	Unrestricted funds (As restated) 2022 £	Total funds 2022 £
Leeds City Council Adult Learning	254,629	254,629
Leeds City Council Additional learning support	189,171	189,171
Other Grants	38,587	38,587
Student fees	100,084	100,084
Membership fees	6,938	6,938
Sale of educational materials	3,743	3,743
Tutoring services provided to community	23,477	23,477
Education Funding Agency	882,973	882,973
	1,499,602	1,499,602

The split of income in the comparative has been amended. There is no impact on the net movement in funds of the company.

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2023 £	Total funds 2023 £
Cafe income	40,939	40,939
Rental income	78,977	78,977
	119,916	119,916

	Unrestricted funds 2022 £	Total funds 2022 £
Cafe income	29,375	29,375
Rental income	50,958	50,958
	80,333	80,333

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

7. Other incoming resources

	Unrestricted funds 2023 £	Total funds 2023 £
Miscellaneous income	13,537	13,537

	Unrestricted funds 2022 £	Total funds 2022 £
Miscellaneous income	3,125	3,125

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Courses	1,239,491	10,113	1,249,604
Governance costs	70,860	-	70,860
Support costs	418,348	527	418,875
	1,728,699	10,640	1,739,339

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Courses	1,206,109	1,293	1,207,402
Governance costs	69,670	-	69,670
Support costs	353,816	466	354,282
	1,629,595	1,759	1,631,354

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

9. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Courses	1,249,604	-	1,249,604
Governance costs	-	70,860	70,860
Support costs	-	418,875	418,875
	1,249,604	489,735	1,739,339

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Courses	1,207,402	-	1,207,402
Governance costs	-	69,669	69,669
Support costs	-	354,282	354,282
	1,207,402	423,951	1,631,354

Analysis of support costs

	Governance 2023 £	Courses 2023 £	Total funds 2023 £
Staff costs	-	145,405	145,405
Depreciation	-	70,286	70,286
Premises	-	148,011	148,011
Communications and IT	-	9,548	9,548
General office	-	43,329	43,329
Legal and professional fees	-	2,296	2,296
Governance costs	70,860	-	70,860
	70,860	418,875	489,735

9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Governance 2022 £	Courses 2022 £	Total funds 2022 £
Staff costs	-	143,440	143,440
Depreciation	-	72,629	72,629
Premises	-	112,783	112,783
Communication and IT	-	11,068	11,068
General office	-	12,550	12,550
Legal and professional fees	-	1,812	1,812
Governance costs	69,669	-	69,669
	69,669	354,282	423,951

10. Auditors' remuneration

	2023 £	2022 £
Fees payable to the company's auditor for the audit of the company's annual accounts	10,500	9,500

11. Staff costs

	2023 £	2022 £
Wages and salaries	1,236,219	1,172,360
Social security costs	96,018	91,348
Other pension costs	31,689	28,557
	1,363,926	1,292,265

Included within staff costs are statutory redundancy, termination and settlement payments made during the year totalling £nil (2022 - £23,936).

The average head count of employees during the year was 71 (2022: 77).

The average number of full-time equivalent employees during the year is analysed as follow:

	2023 No.	2022 No.
Number of staff	45	45

11. Staff costs (continued)

No employee received remuneration amounting to more than £60,000 in either year.

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 £212,764 (2022: £214,992).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 July 2023, Trustee travel expenses totalling £nil have been incurred (2022 - £ 21).

13. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 August 2022	1,367,482	188,136	640,110	2,195,728
Additions	3,186	-	23,854	27,040
At 31 July 2023	1,370,668	188,136	663,964	2,222,768
Depreciation				
At 1 August 2022	479,009	41,267	517,981	1,038,257
Charge for the year	27,408	5,123	37,755	70,286
At 31 July 2023	506,417	46,390	555,736	1,108,543
Net book value				
At 31 July 2023	864,251	141,746	108,228	1,114,225
At 31 July 2022	888,473	146,869	122,129	1,157,471

14. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	90,203	18,971
Other debtors	-	2,571
Prepayments and accrued income	174,018	218,759
	264,221	240,301

15. Creditors: Amounts falling due within one year

	2023 £	2022 £
Bank loans	22,808	22,808
Trade creditors	51,344	38,204
Other taxation and social security	26,562	21,126
Other creditors	8,295	3,562
Accruals and deferred income	104,157	51,735
	213,166	137,435

The bank loan included in creditors falling due in less than one year is secured by the company. The security is by a fixed and floating charge over all assets and undertakings of the company.

	2023 £	2022 £
Deferred income at 1 August 2022	24,109	19,797
Resources deferred during the year	63,416	24,109
Amounts released from previous periods	(24,109)	(19,797)
	63,416	24,109

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

16. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Bank loans	81,232	102,246

The bank loan included in creditors falling due in after more than one year is secured by the company. The security is by a fixed and floating charge over all assets and undertakings of the company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

17. Statement of funds

Statement of funds - current year

	Balance at 1 August 2022 £	Income £	Expenditure £	Balance at 31 July 2023 £
Unrestricted funds				
Unrestricted Income fund	270,496	1,733,018	(1,786,532)	216,982
Unrestricted Property fund	1,035,341	-	(29,345)	1,005,996
	1,305,837	1,733,018	(1,815,877)	1,222,978

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

	Balance at 1 August 2022 £	Income £	Expenditure £	Balance at 31 July 2023 £
Restricted funds				
UK Online	9,268	-	-	9,268
National Lottery Grant (Be More)	-	10,000	(8,489)	1,511
Adidas project	1,386	-	(1,109)	277
Community grant - Art at the Heart	5,344	3,709	(183)	8,870
National Lottery Community Fund	-	8,366	(65)	8,301
Leeds Mind	-	1,000	(794)	206
	15,998	23,075	(10,640)	28,433

	Balance at 1 August 2022 £	Income £	Expenditure £	Balance at 31 July 2023 £
Total of funds	1,321,835	1,756,093	(1,826,517)	1,251,411

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

National Lottery funding relates to grants received to help with the impact of the Covid-19 pandemic on the ability to provide learning to students.

Adidas Project relates to promoting inclusion of females in sport.

Community Grant - Art at the heart relates to community art based project for refugees.

Creative Communities - 2 year project delivering free creative workshops in South Leeds and promoting Pride in Place.

Leeds Mind - Lunch time tasters for students and staff to help promote mental health and well-being.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 August 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2022 £
Unrestricted funds					
Unrestricted Income fund	343,212	1,589,780	(1,668,560)	6,064	270,496
Unrestricted Property fund	1,067,815	-	(32,474)	-	1,035,341
	1,411,027	1,589,780	(1,701,034)	6,064	1,305,837

	Balance at 1 August 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2022 £
Restricted funds					
UK Online	9,268	-	-	-	9,268
National Lottery Grant (Be More)	464	-	(464)	-	-
Adidas project	-	1,606	(220)	-	1,386
Community grant - Art at the Heart	-	15,484	(4,076)	(6,064)	5,344
	9,732	17,090	(4,760)	(6,064)	15,998

	Balance at 1 August 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2022 £
Total of funds	1,420,759	1,606,870	(1,705,794)	-	1,321,835

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

18. Summary of funds

Summary of funds - current year

	Balance at 1 August 2022 £	Income £	Expenditure £	Balance at 31 July 2023 £
General funds	1,305,837	1,733,018	(1,815,877)	1,222,978
Restricted funds	15,998	23,075	(10,640)	28,433
	1,321,835	1,756,093	(1,826,517)	1,251,411

Summary of funds - prior year

	Balance at 1 August 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2022 £
General funds	1,411,027	1,589,780	(1,701,034)	6,064	1,305,837
Restricted funds	9,732	17,090	(4,760)	(6,064)	15,998
	1,420,759	1,606,870	(1,705,794)	-	1,321,835

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	1,114,224	-	1,114,224
Current assets	403,152	28,432	431,584
Creditors due within one year	(213,166)	-	(213,166)
Creditors due in more than one year	(81,232)	-	(81,232)
Total	1,222,978	28,432	1,251,410

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	1,157,471	-	1,157,471
Current assets	388,047	15,998	404,045
Creditors due within one year	(137,435)	-	(137,435)
Creditors due in more than one year	(102,246)	-	(102,246)
Total	1,305,837	15,998	1,321,835

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net expenditure for the year (as per Statement of Financial Activities)	(70,424)	(98,924)
Adjustments for:		
Depreciation charges	70,286	72,629
Decrease/(increase) in debtors	(23,920)	29,601
Increase/(decrease) in creditors	75,731	(32,885)
Net cash provided by/(used in) operating activities	51,673	(29,579)

21. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	167,363	163,744
Total cash and cash equivalents	167,363	163,744

22. Analysis of changes in net debt

	At 1 August 2022	Cash flows	At 31 July 2023
	£	£	£
Cash at bank and in hand	163,744	3,619	167,363
Debt due within 1 year	(26,368)	(4,735)	(31,103)
Debt due after 1 year	(102,246)	21,014	(81,232)
	35,130	19,898	55,028

23. Operating lease commitments

At 31 July 2023 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023	2022
	£	£
Not later than 1 year	21,989	5,695

SWARTHMORE EDUCATION CENTRE

England & Wales - Charity number 1094451

Accounts

Registered number: 04527579
Charity number: 1094451

SWARTHMORE EDUCATION CENTRE

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

SWARTHMORE EDUCATION CENTRE
(A company limited by guarantee)

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SWARTHMORE EDUCATION CENTRE

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 JULY 2022

Trustees	Mr P Hall (resigned 31 March 2022) Ms A W M Katung (resigned 31 May 2022) Mrs D Hodgkinson (resigned 31 March 2022) Dr E J Roberts (resigned 31 December 2021) Mr N H Zaman Ms C L Walker Ms K J Badon Mrs S Sinha Dr E J Watkins Ms C Wigzell (resigned 31 March 2022) Mr I Greenwood Ms M Ellis (resigned 31 March 2022) Mr J L Arnison (appointed 31 March 2022, resigned 26 October 2022) Mrs S L Taylor (appointed 31 March 2022) Miss L R Huxley (appointed 31 March 2022)
Company registered number	04527579
Charity registered number	1094451
Registered office	2/7 Woodhouse Square Leeds LS3 1AD
Company secretary	C Baillie
Senior management team	P Johnson A Torbitt J Macleod C Baillie S Emmett
Independent auditors	Sagars Accountants Ltd Gresham House 5-7 St Pauls Street Leeds LS1 2JG

CHAIR'S STATEMENT
FOR THE YEAR ENDED 31 JULY 2022

This has been my fifth year as Chair of the Trustee Council at Swarthmore and the Trustees were very pleased to be able to reopen the Centre to learners after the long COVID lockdown. We were well placed to make this a year of strong recovery despite the ongoing prevalence of COVID, with the Omicron variant hitting us hardest in December 2021, just as the Government support came to an end. We also had to deal with the reality that for some people who may have otherwise come along to Swarthmore, there was still a degree of caution about returning to face-to-face learning. Despite that, over the full financial year we saw slowly the numbers of new learners coming to Swarthmore increasing and thus benefitting from our many and varied adult education courses. Part of the increase was down to our ongoing blended learning approach, keeping some digital classes alongside our face-to-face ones and a mix of both. We continued to make great strides forward on the digital delivery front and we were proud to win the Educate North award for Digital Education and Development in April 2022, against stiff competition. This was a great testament to both the quality and innovation of our digital delivery at Swarthmore.

We continued to invest in our building, fully refurbishing the hall, decorating, and refreshing all classrooms and creating an improved and positive learning environment throughout. We restarted our room hire in earnest in Spring 2021 and as a result we have seen a slow increase in room hire uptake. We placed purifiers in many rooms, reducing greatly the potential for spread of infection. We continued to invest in our IT infrastructure to enable our business to grow, and we achieved the Cyber Essentials as required. Our ambition looking forward is to work toward Cyber Essentials Plus in the coming year.

This year also saw Swarthmore deliver a uniquely tailored programme for a number of Ukrainian refugees who came to Leeds. Our programme aimed to support the refugees and enable them to assimilate well in our city by gaining skills, knowledge and ultimately jobs. Not only did the programme support the refugees, but it also enabled our civic leaders and host families to deliver on their ambitions to provide a safe place with a future and promise of hope. Our Art at the Heart project, funded by the European Social Fund, enabled the sharing of creativity with many who would otherwise not get that opportunity.

This year we were able to reopen our on-site café, recreating our community and exhibition space, thus bringing the heart back into Swarthmore. This in turn has helped with the mental health of many who had felt isolated and lonely during COVID lockdown.

The Study Programme - that delivers to a wide range of students aged between 18 and 24 - continued to show steady growth. Our specially tailored programme for each student, taking full account of their needs requires special teaching skills and patience, but in return it offers the genuine reward of making a real difference in their lives, in their families lives and within their communities. We were particularly proud this year as for the first time one of our Study Programme students accepted a place at University after he gained three A levels - two A* and one grade A. What a fantastic achievement. The Study Programme achieved an amazing 100% pass rate for GCSE's, whilst across the Centre our overall pass rate was 95%.

To enable us to deliver education in the widest sense, we continued during the year to work with a wide range of partners including Leeds University, Pyramid Arts, many employers in the area, Leeds Older People's Forum and the Age Friendly Steering Group. Our ongoing relationships with close partners, including Leeds City Council, Leeds City College and MoJ continued to grow and improve, providing much needed income to the Centre.

CHAIR'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

Financially, we had income from ESFA £882,973, Leeds City Council £443,800 and Leeds City College £39,107 alongside our income from paying students, room hire and our café. Despite all of this we still disappointingly ended the year in a deficit position, which means we must now move forward to a year of growth.

So, looking forward, to achieve the growth necessary we will have ongoing improvements by investing further in our staff, our building and our governance which will enable us to realise further the full potential in the Centre, based on a strong strategic business plan.

So may I close this report with many thanks to all our students for supporting Swarthmore, to our incredible staff who work tirelessly to deliver high quality education, to our management team that continues to grow stronger, to our Director, Chris Baillie, who has set a high standard in the Centre and created a positive culture across the organisation and last but not least to all the Trustees, who give their time freely to provide Swarthmore with strategic leadership. By working together, putting the best interests of Swarthmore first, we are making a difference in many lives.

I am looking forward to continued improvements in the coming year so we can continue to realise our full potential as an organisation as the adult education provider across Leeds.

Julie Badon
Date: 21 February 2023

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2022

The Trustees present their annual report together with the audited financial statements of the Swarthmore Education Centre for the year 1 August 2021 to 31 July 2022. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

Policies and objectives

The objects of the company shall be to promote the education of the residents of Leeds and surrounding areas through the provision of an educational establishment, and in particular but not exclusively:
(a) to provide a learning community for personal development and social activity for those who may have been excluded from mainstream educational opportunities;
(b) to provide opportunities and activities for the benefit of the community based on the recognition of the skills and experience which all people bring.

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.

The year 2021/2022 was our post covid ‘Recovery year’. The Centre opened to face to face classes in adult delivery, (LCC/Full Cost, etc) the café reopened on reduced hours of opening, room hire was available for booking, and we had a number of successful exhibitions throughout the year. Study Programme numbers increased, and a blended approach to continuous learning remained in place for our most vulnerable learners.
The first term was affected by the Omicron variant, and numbers were still low for recruitment, which was still predominantly online in the first term, with face to face classes increasing over the year. We invested in air purifiers across the Centre to provide a safe environment for students, staff and visitors.

We successfully applied for funding for a small project working with refugees in the Centre. Art at the Heart was funded by the ESF, and we engaged with the Ukrainian community to deliver an arts and ESOL programme, culminating in a well attended celebration event in August 2022. Our commitment to engaging with those furthest away from education and training remains a key factor in our provision.

Objectives and activities (continued)

In April 2022, we won the Educate North Digital Education and Development Award for our Swarthmore Connected project. A proud achievement for our work during the pandemic.

We endeavour to encourage all within our community to participate in our activities and to enjoy our cafe and/or to view our exhibitions. The courses we provide, both accredited and non-accredited, are to be enjoyed by all, from the young adults attending our full-time study programme, our supported adult classes, classes for working and retired adults and those seeking work.

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, personal enrichment, developing their confidence, self-esteem, employability, 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 information, advice and guidance to all adults to help them prepare for their next steps to education, employment and volunteering.

Adult Education programmes

We aim to 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. Our full cost courses were reinstated this year, offering one day workshops and longer courses ranging from 6 hours to 12 weeks in length.

Study Programme

We provide a full time study programme for young adults with learning difficulties who develop skills to improve their independence and support them to progress to further learning, work or volunteering opportunities. The success of the programme was further celebrated by one of our students gaining 3 A levels at grades A A*A* and securing a place at University. The ESFA contract increased this year and our contractual arrangements continued.
Flexible learning enables students to access education in a way and at a pace that suits their needs. The study programme was inspected by Ofsted in November 2017 and maintained its grade 2, Good.

Volunteers

Swarthmore is fortunate to have a number of volunteers, who this year provided invaluable support to our funded projects, such as Art at the Heart.

Objectives and activities (continued)

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. Although there was an increase in fees for room hire this year, we remain competitive, and we have continued to see growth in this area.

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. The café returned this year, albeit with reduced hours.

Information and advice

We continued to provide high quality, impartial and free information and advice to our prospective students throughout the year. We achieved the Matrix standard this year.

Strategic report

Achievements and performance

Main achievements of the company

	2021/22	2020/21	2019/20
Students enrolled onto a course at Swarthmore	771	555	1,674
Courses delivered	176	171	343
Swarthmore (self-financing) students completed and achieved	77.4%	n/a	94.2%
Leeds City Council (non-accredited) students completed and achieved	70.1%	84.6%	89.5%
Leeds City College (accredited) students completed and achieved	-	85.0%	89.1%

Fundraising activities and income generation

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.

Strategic report (continued)

Financial review

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 £150,000, meaning the reserves to be held at 31st July should exceed £450,000. Current free reserves stand at £148,366, backed up by Fixed Assets of £1,157,471 total unrestricted funds of £1,305,837. This indicates a deficit of £301,634 in current reserves. The trustees acknowledge the policy, and continue to address all areas for improvement, including focussing on quality and the learner experience.

Deficit

Swarthmore Education Centre finished with a deficit of £98,923 in the Year to 31st July 2022 compared to a deficit of £13,165 in the previous year.

Risk management

Financial sustainability is the major financial risk for the charity, especially in the context of a recovery year post pandemic. 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 continued to be focussed on implementing systems and procedures to mitigate financial risks where possible.

Principal funding

The principal sources of income to the Centre were:

- ESFA funding for the Study Programme of £882,973
- Leeds City Council funding of £443,800 (Includes Funding for Inclusion)
- Student Fees of £126,907

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

A planned restructure was implemented and following the consultation period in the summer of 2021, a small number of staff had requested voluntary redundancy. New roles were agreed with a renewed focus on improving the student experience and developing external links to provide us with a range of new/additional income opportunities whilst maximising existing relationships.

Swarthmore continues to explore opportunities for additional funding, building upon its relationship with Leeds City Council, and establishing new relationships with funders such as The National Lottery. Pressure to retain existing funding streams while establishing new sources continued to be a challenge throughout the year as the Centre slowly recovered from the impact of the pandemic.

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 (Swarthmore full cost) courses resumed in September 2021
- In addition to Self-Financing courses, Swarthmore offers a range of courses funded by Leeds City Council. (Free in the previous year, the charges resumed in 2021)

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 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, with the last increase in September 2021.

Structure, governance and management

Constitution

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 once enrolled on a Swarthmore course, and there are currently 510 registered members.

Methods of appointment or election 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.

Organisational structure and decision-making policies

The Trustee Council administers the charity. The Council meets monthly and there are currently three sub-committees covering HR, Health and Safety and Finance who also meet regularly. 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 the delegation approved by the Trustees, for operational matters including finance, employment, and the activities of the Centre.

Structure, governance and management (continued)

Policies adopted for the induction and training of Trustees

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.

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. In the current year no such related party transactions were reported.

Plans for future periods

Our recovery year has seen a steady growth in adult learning delivery, room hire and events. Our Study Programme continued to deliver learning to our students and embraced the new technology available by offering a blended approach to maintain engagement. The study programme has increased in number to 80 students and remains fully subscribed.

Although no longer accessing any government funding, we have seen an increase in income, compared to previous years. Our plan is to increase the uptake in courses, promoting the facilities at the centre, and accessing additional funds where we are able. Recruitment and retention of staff remains a key factor in the success of the Centre, as plans for further growth are in progress.

A review of costs for our courses is in place, particularly in light of the cost of living crisis and costs of materials etc. Although prices have increased, we remain competitive and offer value for money to our students.

Still impacted by the pandemic, we invested in air purifiers and CO2 monitors, making the centre as safe as possible for our community to return.

Refurbishment of our Hall as an entertainment and events space aims to improve our room hire offer, and we are already seeing an increase in bookings, despite an increase in rates.

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the Trustees' report including the strategic 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 Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its incoming resources and application of resources, including its 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Sagars Accountants Ltd, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 21 February 2023 and signed on their behalf by:

Ms K J Badon
Trustee

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SWARTHMORE EDUCATION CENTRE

Opinion

We have audited the financial statements of Swarthmore Education Centre (the 'charitable company') for the year ended 31 July 2022 which comprise the statement of financial activities, the balance sheet, the 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 Financial Reporting Standard 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 charitable company's affairs as at 31 July 2022 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 Charities Act 2011.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SWARTHMORE EDUCATION CENTRE (CONTINUED)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 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
- sufficient accounting records have not been kept; 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SWARTHMORE EDUCATION CENTRE (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS102) 2019 and the Education and Skills Funding Agency.

We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context were Charities Commission Regulations and Health and Safety and safeguarding considerations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be with regards to the timing of recognition of income and the override of controls by management.

Our audit procedures to respond to these risks included:

- enquiries of management and the Trustees about their own identification and assessment of the risks of irregularities,
- sample testing on the posting of journals,
- reviewing accounting estimates for biases,
- reviewing contracts and carrying out detailed substantive testing on the completeness of income,
- reading minutes of meetings of those charged with governance; and
- obtaining confirmation from the trustees that there was no regulatory correspondence with the Charity Commission or other regulatory bodies.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SWARTHMORE EDUCATION CENTRE (CONTINUED)

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, 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
Gresham House
5-7 St Pauls Street
Leeds
LS1 2JG

21 February 2023

Sagars Accountants Ltd are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 JULY 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Income from:					
Donations and legacies	4	**6,720**	**17,090**	**23,810**	*202,751*
Charitable activities	5	**1,499,602**	**-**	**1,499,602**	*1,282,183*
Other trading activities	6	**80,333**	**-**	**80,333**	*4,342*
Other income	7	**3,125**	**-**	**3,125**	*11,231*
Total income		**1,589,780**	**17,090**	**1,606,870**	*1,500,507*
Expenditure on:					
Raising funds		**74,440**	**-**	**74,440**	*46,954*
Charitable activities	8	**1,626,594**	**4,760**	**1,631,354**	*1,466,718*
Total expenditure		**1,701,034**	**4,760**	**1,705,794**	*1,513,672*
Net (expenditure)/income		**(111,254)**	**12,330**	**(98,924)**	*(13,165)*
Transfers between funds	17	**6,064**	**(6,064)**	**-**	*-*
Net movement in funds		**(105,190)**	**6,266**	**(98,924)**	*(13,165)*
Reconciliation of funds:					
Total funds brought forward		**1,411,027**	**9,732**	**1,420,759**	*1,433,924*
Net movement in funds		**(105,190)**	**6,266**	**(98,924)**	*(13,165)*
Total funds carried forward		**1,305,837**	**15,998**	**1,321,835**	*1,420,759*

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 18 to 34 form part of these financial statements.

BALANCE SHEET
AS AT 31 JULY 2022

	Note		2022 £		*2021 £*
Fixed assets					
Tangible assets	13		**1,157,471**		*1,193,584*
			1,157,471		*1,193,584*
Current assets					
Debtors	14	**240,301**		*269,902*	
Cash at bank and in hand		**163,744**		*252,884*	
		404,045		*522,786*	
Creditors: amounts falling due within one year	15	**(137,435)**		*(170,739)*	
Net current assets			**266,610**		*352,047*
Total assets less current liabilities			**1,424,081**		*1,545,631*
Creditors: amounts falling due after more than one year	16		**(102,246)**		*(124,872)*
Net assets excluding pension asset			**1,321,835**		*1,420,759*
Total net assets			**1,321,835**		*1,420,759*
Charity funds					
Restricted funds	17		**15,998**		*9,732*
Unrestricted funds	17		**1,305,837**		*1,411,027*
Total funds			**1,321,835**		*1,420,759*

The financial statements were approved and authorised for issue by the Trustees on 21 February 2023 and signed on their behalf by:

Ms K J Badon
Trustee

The notes on pages 18 to 34 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2022

	Note	2022 £	*2021 £*
Cash flows from operating activities			
Net cash used in operating activities	20	**(29,579)**	*(41,750)*
Cash flows from investing activities			
Purchase of tangible fixed assets		**(36,516)**	*(101,456)*
Net cash used in investing activities		**(36,516)**	**(101,456)**
Cash flows from financing activities			
Cash inflows from new borrowing		**-**	*150,000*
Repayments of borrowing		**(23,045)**	*(1,900)*
Net cash (used in)/provided by financing activities		**(23,045)**	**148,100**
Change in cash and cash equivalents in the year		**(89,140)**	**4,894**
Cash and cash equivalents at the beginning of the year		**252,884**	*247,990*
Cash and cash equivalents at the end of the year	21	**163,744**	*252,884*

The notes on pages 18 to 34 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

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. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: 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 (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Swarthmore Education Centre meets the definition of a public benefit entity under FRS 102.

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.

2.2 Going concern

The directors consider the charitable company to be a going concern and the financial statements have been prepared on that basis. In coming to this conclusion, the directors have considered the residual impact of Covid-19, and the increasing pressures of the Cost of Living crisis, presenting significant increases in energy costs and desire to meet future wage demands. Although there is a financial impact to the organisation, management have taken steps to mitigate this by controlling costs or passing these on where it is unavoidable. A new 3-year business strategy currently under development will further strengthen Swarthmore's financial position for the period ahead.

2.3 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.

2. Accounting policies (continued)

2.4 Income

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.

2.5 Expenditure

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.

2. Accounting policies (continued)

2.6 Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

2.7 Tangible fixed assets and depreciation

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 £267,482 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.

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.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives .

Depreciation is provided on the following bases:

Freehold property	- 2% Straight line
Leasehold property	- Remaining life of the lease
Fixtures and fittings	- 25% Straight line/ 15% Reducing balance

2. Accounting policies (continued)

2.8 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.

2.9 Operating leases

Rentals paid under operating leases are charged to the statement of financial activities on a straight-line basis over the lease term.

2.10 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2.11 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.

3. Limited by guarantee

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

4. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Donations	5,251	-	**5,251**
Grants	-	17,090	**17,090**
Government Coronavirus Job Retention Scheme grant	1,469	-	**1,469**
	6,720	17,090	**23,810**

	Unrestricted funds 2021 £	*Restricted funds 2021 £*	*Total funds 2021 £*
Donations	*3,741*	*13,800*	*17,541*
Grants	*-*	*59,086*	*59,086*
Government Coronavirus Job Retention Scheme grant	*126,124*	*-*	*126,124*
	129,865	*72,886*	*202,751*

5. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £
Leeds City Council Adult Learning	254,629	**254,629**
Leeds City Council Additional Learning Support	189,171	**189,171**
Other grants	11,764	**11,764**
Student fees	126,907	**126,907**
Membership fees	6,938	**6,938**
Sale of education materials	3,743	**3,743**
Tutoring services provided to community	23,477	**23,477**
Education Funding Agency	882,973	**882,973**
	1,499,602	**1,499,602**

5. Income from charitable activities (continued)

	Unrestricted funds 2021 £	*Total funds 2021 £*
Leeds City Council Adult Learning	*277,292*	*277,292*
Leeds City Council Additional learning support	*149,910*	*149,910*
Other Grants	*27,956*	*27,956*
Student fees	*226*	*226*
Membership fees	*6,153*	*6,153*
Sale of educational materials	*148*	*148*
Contract income	*3,096*	*3,096*
Education Funding Agency	*817,402*	*817,402*
	1,282,183	*1,282,183*

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2022 £	**Total funds 2022 £**
Cafe income	29,375	**29,375**
Rental income	50,958	**50,958**
	80,333	**80,333**

	Unrestricted funds 2021 £	*Total funds 2021 £*
Cafe income	*4,588*	*4,588*
Rental income	*(246)*	*(246)*
	4,342	*4,342*

7. Other incoming resources

	Unrestricted funds 2022 £	Total funds 2022 £
Miscellaneous income	3,125	**3,125**

	Unrestricted funds 2021 £	*Total funds 2021 £*
Miscellaneous income	*11,231*	*11,231*

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Courses	1,203,108	4,294	**1,207,402**
Governance costs	69,670	-	**69,670**
Support costs	353,816	466	**354,282**
	1,626,594	4,760	**1,631,354**

8. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	Unrestricted funds 2021 £	*Restricted funds 2021 £*	*Total funds 2021 £*
Courses	*1,041,604*	*39,026*	*1,080,630*
Creche	*18,039*	*-*	*18,039*
Governance costs	*55,711*	*-*	*55,711*
Support costs	*306,070*	*6,268*	*312,338*
	1,421,424	*45,294*	*1,466,718*

9. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	**Support costs 2022 £**	**Total funds 2022 £**
Courses	1,207,402	-	**1,207,402**
Governance costs	-	69,669	**69,669**
Support costs	-	354,282	**354,282**
	1,207,402	423,951	**1,631,354**

	Activities undertaken directly 2021 £	*Support costs 2021 £*	*Total funds 2021 £*
Courses	*1,080,630*	*-*	*1,080,630*
Creche	*18,039*	*-*	*18,039*
Governance costs	*-*	*55,711*	*55,711*
Support costs	*-*	*312,338*	*312,338*
	1,098,669	*368,049*	*1,466,718*

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Courses 2022 £	Governance 2022 £	Total funds 2022 £
Staff costs	-	143,440	**143,440**
Depreciation	-	72,629	**72,629**
Premises	-	112,783	**112,783**
Communications and IT	-	11,068	**11,068**
General office	-	12,550	**12,550**
Legal and professional fees	-	1,812	**1,812**
Governance costs	69,669	-	**69,669**
	69,669	354,282	**423,951**

	Courses 2021 £	*Governance 2021 £*	*Total funds 2021 £*
Staff costs	-	*133,917*	*133,917*
Depreciation	-	*62,750*	*62,750*
Premises	-	*81,198*	*81,198*
Communication and IT	-	*10,320*	*10,320*
General office	-	*21,701*	*21,701*
Legal and professional fees	-	*2,452*	*2,452*
Governance costs	*55,711*	-	*55,711*
	55,711	*312,338*	*368,049*

10. Auditors' remuneration

	2022 £	*2021* *£*
Fees payable to the company's auditor for the audit of the company's annual accounts	**9,500**	*6,400*

11. Staff costs

	2022 £	*2021* *£*
Wages and salaries	**1,172,360**	*1,085,723*
Social security costs	**91,348**	*77,241*
Other pension costs	**28,557**	*29,148*
	1,292,265	*1,192,112*

Included within staff costs are statutory redundancy, termination and settlement payments made during the year totalling £23,936 (2021 - £18,938).

The average head count of employees during the year was 77 (2021: 74).

The average number of full-time equivalent employees during the year is analysed as follow:

	2022 No.	*2021* *No.*
Number of staff	**45**	*45*

No employee received remuneration amounting to more than £60,000 in either year.

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 £214,992 (2021: £247,261).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2021 - £NIL)*.

During the year ended 31 July 2022, Trustee travel expenses totalling £21 have been incurred *(2021 - £ NIL)*.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

13. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 August 2021	**1,367,482**	**188,136**	**603,594**	**2,159,212**
Additions	**-**	**-**	**36,516**	**36,516**
At 31 July 2022	**1,367,482**	**188,136**	**640,110**	**2,195,728**
Depreciation				
At 1 August 2021	**451,659**	**36,143**	**477,826**	**965,628**
Charge for the year	**27,350**	**5,124**	**40,155**	**72,629**
At 31 July 2022	**479,009**	**41,267**	**517,981**	**1,038,257**
Net book value				
At 31 July 2022	**888,473**	**146,869**	**122,129**	**1,157,471**
At 31 July 2021	*915,823*	*151,993*	*125,768*	*1,193,584*

14. Debtors

	2022 £	*2021 £*
Due within one year		
Trade debtors	**18,971**	*2,180*
Other debtors	**2,571**	*2,117*
Prepayments and accrued income	**218,759**	*265,605*
	240,301	*269,902*

15. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank loans	**22,808**	*23,228*
Trade creditors	**38,204**	*71,271*
Other taxation and social security	**21,126**	*14,319*
Other creditors	**3,562**	*8,261*
Accruals and deferred income	**51,735**	*53,660*
	137,435	*170,739*

The bank loan included in creditors falling due in less than one year is secured by the company. The security is by a fixed and floating charge over all assets and undertakings of the company.

	2022 £	2021 £
Deferred income at 1 August 2021	**19,797**	*4,496*
Resources deferred during the year	**24,109**	*19,797*
Amounts released from previous periods	**(19,797)**	*(4,496)*
	24,109	*19,797*

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

16. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Bank loans	**102,246**	*124,872*

Included within creditors: amounts falling due after more than one year is an amount of £nil (2021: £25,520) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The bank loan included in creditors falling due in after more than one year is secured by the company. The security is by a fixed and floating charge over all assets and undertakings of the company.

17. Statement of funds

Statement of funds - current year

	Balance at 1 August 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2022 £
Unrestricted funds					
Unrestricted Income fund	**343,212**	**1,589,780**	**(1,668,560)**	**6,064**	**270,496**
Unrestricted Property fund	**1,067,815**	**-**	**(32,474)**	**-**	**1,035,341**
	1,411,027	**1,589,780**	**(1,701,034)**	**6,064**	**1,305,837**

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

	Balance at 1 August 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2022 £
Restricted funds					
UK Online	**9,268**	**-**	**-**	**-**	**9,268**
National Lottery grant	**464**	**-**	**(464)**	**-**	**-**
Adidas project	**-**	**1,606**	**(220)**	**-**	**1,386**
Community grant - Art at the Heart	**-**	**15,484**	**(4,076)**	**(6,064)**	**5,344**
	9,732	**17,090**	**(4,760)**	**(6,064)**	**15,998**

	Balance at 1 August 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2022 £
Total of funds	**1,420,759**	**1,606,870**	**(1,705,794)**	**-**	**1,321,835**

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

National Lottery funding relates to grants received to help with the impact of the Covid-19 pandemic on the ability to provide learning to students.

Adidas Project relates to promoting inclusion of females in sport.

Community Grant - Art at the heart relates to community art based project for refugees.

The transfer of £6,064 between the restricted and unrestricted fund relates to the purchase of Chromebooks in the year for the Community Grant - Art for the heart.

17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 August 2020 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Balance at 31 July 2021* £
Unrestricted funds					
Unrestricted Income fund	*352,469*	*1,427,621*	*(1,435,843)*	*(1,035)*	*343,212*
Unrestricted Property fund	*1,068,165*	*-*	*(32,535)*	*32,185*	*1,067,815*
	1,420,634	*1,427,621*	*(1,468,378)*	*31,150*	*1,411,027*

	Balance at 1 August 2020 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Balance at 31 July 2021* £
Restricted funds					
UK Online	*9,268*	*-*	*-*	*-*	*9,268*
Leeds City Council Adult Learning funding	*4,022*	*-*	*(4,022)*	*-*	*-*
Supply of Chromebooks from DfE	*-*	*13,800*	*-*	*(13,800)*	*-*
National Lottery grant	*-*	*59,086*	*(41,272)*	*(17,350)*	*464*
	13,290	*72,886*	*(45,294)*	*(31,150)*	*9,732*

	Balance at 1 August 2020 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Balance at 31 July 2021* £
Total of funds	*1,433,924*	*1,500,507*	*(1,513,672)*	*-*	*1,420,759*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

18. Summary of funds

Summary of funds - current year

	Balance at 1 August 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2022 £
General funds	**1,411,027**	**1,589,780**	**(1,701,034)**	**6,064**	**1,305,837**
Restricted funds	**9,732**	**17,090**	**(4,760)**	**(6,064)**	**15,998**
	1,420,759	**1,606,870**	**(1,705,794)**	**-**	**1,321,835**

Summary of funds - prior year

	Balance at 1 August 2020 £	*Income £*	*Expenditure £*	*Transfers in/out £*	*Balance at 31 July 2021 £*
General funds	*1,420,634*	*1,427,621*	*(1,468,378)*	*31,150*	*1,411,027*
Restricted funds	*13,290*	*72,886*	*(45,294)*	*(31,150)*	*9,732*
	1,433,924	*1,500,507*	*(1,513,672)*	*-*	*1,420,759*

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	1,157,471	-	**1,157,471**
Current assets	388,047	15,998	**404,045**
Creditors due within one year	(137,435)	-	**(137,435)**
Creditors due in more than one year	(102,246)	-	**(102,246)**
Total	1,305,837	15,998	**1,321,835**

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	*Restricted funds 2021 £*	*Total funds 2021 £*
Tangible fixed assets	*1,193,584*	*-*	*1,193,584*
Current assets	*513,054*	*9,732*	*522,786*
Creditors due within one year	*(170,739)*	*-*	*(170,739)*
Creditors due in more than one year	*(124,872)*	*-*	*(124,872)*
Total	*1,411,027*	*9,732*	*1,420,759*

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	*2021 £*
Net expenditure for the year (as per Statement of Financial Activities)	**(98,924)**	*(13,165)*
Adjustments for:		
Depreciation charges	**72,629**	*62,750*
Decrease/(increase) in debtors	**29,601**	*(110,839)*
Increase/(decrease) in creditors	**(32,885)**	*19,504*
Net cash used in operating activities	**(29,579)**	*(41,750)*

21. Analysis of cash and cash equivalents

	2022 £	*2021 £*
Cash in hand	**163,744**	*252,884*
Total cash and cash equivalents	**163,744**	*252,884*

22. Analysis of changes in net debt

	At 1 August 2021	Cash flows	At 31 July 2022
	£	£	£
Cash at bank and in hand	**252,884**	**(89,140)**	**163,744**
Debt due within 1 year	**(23,228)**	**420**	**(22,808)**
Debt due after 1 year	**(124,872)**	**22,626**	**(102,246)**
	104,784	**(66,094)**	**38,690**

23. Operating lease commitments

At 31 July 2022 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022	*2021*
	£	*£*
Not later than 1 year	**5,695**	*-*
Later than 1 year and not later than 5 years	**-**	*16,682*
	5,695	*16,682*

Company name: Swarthmore Education Centre
Registered office: 2/7 Woodhouse Square, Leeds LS3 1AD
Company number: 4527579 (registered in England and Wales)
Charitable Company Trustees: N Zaman, K Badon, S Sinha, I Greenwood, Dr E Watkins, Ms C L Walker, S L Taylor and L R Huxley.

21 February 2023

Sagars Accountants Ltd
Chartered Accountants
Gresham House
5-7 St Pauls Street
Leeds
LS1 2JG

Dear Sirs

Swarthmore Education Centre
Accounts for the year ended 31 July 2022

We provide this letter in connection with your audit of the financial statements of Swarthmore Education Centre for the year ended 31 July 2022 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of the charity as at 31 July 2022 and of the results of its operations for the year then ended in accordance with UK Generally Accepted Accounting Practice ("UK GAAP").

We confirm that the following representations are made on the basis of sufficient enquiries of management and staff with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation and that, to the best of our knowledge and belief, we can properly make each of these representations to you.

1. We have fulfilled our responsibility for the fair presentation of the financial statements in accordance with UK GAAP.

2. We acknowledge as trustees our responsibility for making accurate representations to you.

3. We acknowledge our responsibility for the design and implementation of internal control to prevent and detect fraud and errors.

4. We confirm that we have received confirmation from each director who was a director at the time of the approval of the financial statements that:

    a. they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that you are aware of that information and
    b. that so far as they are aware there is no relevant audit information of which you are unaware.

5. We have provided you with all accounting records and relevant information, and granted you unrestricted access to persons within the entity, for the purposes of your audit.

6. All the transactions undertaken by the charity have been properly reflected and recorded in the accounting records or other information provided to you.

7. In respect of accounting estimates and judgements, we confirm our belief that the significant assumptions used are reasonable.

8. We have considered the adjustments in Appendix 1, proposed by you. In our judgement, these adjustments are appropriate given the information available to us. We further confirm that we have now made these adjustments to the financial statements.

9. We do not wish to adjust the financial statements for the actual errors set out in Appendix 2 as we believe that the errors are immaterial, both individually and in aggregate, to the financial statements as a whole.

10. We are not aware of any actual or possible litigation or claims against the company whose effects should be considered when preparing the financial statements

11. All grants, donations and other incoming resources, the receipt of which is subject to specific terms and conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such incoming resources.

12. We can confirm there has been no clawback of income in the year.

13. We are not aware of any breaches of our charitable trusts and have advised you of the existence of all endowments and funds maintained by us.

14. There have been no events since the balance sheet date which require disclosure or which would materially affect the amounts in the financial statements. Should any material events occur which may necessitate revision of the figures in the financial statements, or inclusion in a note thereto, we will advise you accordingly.

15. We have assessed that there is no significant risk that the financial statements are materially misstated as a result of fraud.

16. We are not aware of any fraud or suspected fraud affecting the charity involving those charged with governance, management or other employees who have a significant role in internal control or who could have a material effect on the financial statements.

17. We are not aware of any allegations by employees, former employees, regulators or others of fraud, or suspected fraud, which would have an impact on the charity's financial statements.

18. We are not aware of any known or suspected instances of non-compliance with those laws and regulations which provide a legal framework within which the charity conducts its business.

19. We confirm that complete information has been provided to you regarding the identification of related parties and that we are not aware of any significant transactions with related parties.

20. We confirm we have appropriately accounted for and disclosed related party relationships and transactions in accordance with applicable accounting standards and with the recommendations of the applicable charity SORP.

21. We confirm that, having considered our expectations and intentions for the next twelve months and the availability of working capital, the Charitable company is a going concern. We are unaware of any events, conditions, or related business risks beyond the period of assessment that may cast significant doubt on the Charitable company's ability to continue as a going concern.

Company name: Swarthmore Education Centre
Registered office: 2/7 Woodhouse Square, Leeds LS3 1AD
Company number: 4527579 (registered in England and Wales)
Charitable Company Trustees: N Zaman, K Badon, S Sinha, I Greenwood, Dr E Watkins, Ms C L Walker, S L Taylor and L R Huxley.

22. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
23. We confirm that the restricted funds as disclosed in note 22 to the financial statements are complete and that no restrictions have been placed on any other income streams received during the year.

Yours faithfully,

……
Trustee
Signed on behalf of Swarthmore Education Centre

On 21-Feb-2023 ……

Appendix 1 - Summary of adjustments made to the accounts during the audit

	£
Profit/(Loss) per client accounts	(111,020)
Client late adjustments	(1,442)
Air purifiers not capitalised	7,634
Growth Company grant income not posted	5,906
Reallocation of restricted income from unrestricted income (£17,090)	-
Reallocation of restricted expenditure from unrestricted expenditure (£10,144)	-
Profit/(Loss) per final audited accounts	(98,922)

Appendix 2 - Summary of uncorrected misstatements in the accounts

NB Some of the "errors" shown below are test differences only. This means that they are not actual errors but are judgements made during audit tests of the maximum potential errors within populations tested. These judgements are reached to avoid us doing any further testing in those areas and there is no suggestion that adjustments to the financial statements should be made for these differences.

Nature of Error	Monetary Amount £	Areas Misstated	Reasons for not correcting
Debit balances on trade creditors ledger due to overpayments (£2,639)	-	Debtors and creditors	Immaterial
Under provision of employee claim	(2,500)	Expenditure and creditors	Immaterial
Post year end invoices not accrued for (extrapolated error)	(9,656)	Expenditure and creditors	Immaterial
Total effect on profit	(12,156)		

The above list does not include those misstatements regarded as trivial.

SWARTHMORE EDUCATION CENTRE

England & Wales - Charity number 1094451

Accounts

COMPANY REGISTRATION NUMBER: 04527579
CHARITY REGISTRATION NUMBER: 1094451

Swarthmore Education Centre

Company Limited by Guarantee

Financial statements

31st July 2021

Swarthmore Education Centre

Company Limited by Guarantee

Financial statements

year ended 31st July 2021

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Independent auditor's report to the member	**10 to 13**
Statement of financial activities (including income and expenditure account)	**14**
Statement of financial position	**15**
Statement of cash flows	**16**
Notes to the financial statements	**17 to 27**

Swarthmore Education Centre

Company Limited by Guarantee

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

year ended 31st July 2021

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 2021.

Chair's report

My fourth year as Chair of the Trustee Council at Swarthmore was a unique one, a full year in which the centre was delivering throughout the COVID pandemic. This meant that the centre was generally closed to all our learners, except for a small window of opportunity when we were able to bring in some study programme students for a period of time. This required careful preparation and for us to follow fully all Government PPE guidance to ensure we were operating as safely as possible in the COVID environment.

We had already adapted quickly to digital delivery last financial year, which enabled us to continue to receive funding from the Education and Skills Funding Agency (ESFA), Leeds City Council (LCC) and Leeds City College. In addition we received £126,124 in funding from the Government Job Retention Scheme, also known as furlough funding. That funding came to an end in September 2021. Collectively these funds enabled us to survive this year of closure, but we also took this opportunity to take a detailed look at all that we were doing as an organisation. The strategic thinking behind that was to ensure that we could in the short term survive the difficulties of the worldwide pandemic, whilst in the longer term put in place the right Governance and systems to ensure we could grow and thrive once the pandemic restrictions were lifted.

At a Governance level the Trustee Council held all meetings by way of zoom, moving slowly from fortnightly meetings back to monthly meetings once we were clear that the organisation was moving forward positively - despite the pandemic. We had some new blood injected into the Trustee Council and that ensured we could maintain the right degree of challenge and support to manage such a difficult period in our history.

Staff also had to adapt to online only delivery, remote working and for some staff being furloughed. New systems and procedures were put in place to enable online enrolment, including new ways to process payments, initially only membership fees being paid. Lots of refunds were required relating to term 3 payments for face to face courses due to the closure of the centre. Our planning had to be totally different to all previous years.

The leadership in the organisation was in my view phenomenal. Chris Baillie entering her second year as Director and she worked with the energy and drive of our focussed management team so that they collectively faced ongoing adversities in a willing, keen and totally committed way. As a result of that hard work, it was possible to take a detailed look at all the things working well at Swarthmore, the things that had worked well in the past but that were now needing to change and also to look at some things that really were not reaching the standards we set ourselves. This detailed analysis enabled us to develop a clear plan of action addressing the quality of education, creating the systems required to support an excellent learner experience, and it also enabled us to improve on creating a “learning organisation” approach throughout, thus ensuring that all staff had ongoing development and refresher courses. This analysis was viewed through a lens focussed on delivering both a sustainable and bright future for Swarthmore as an organisation and also for each and every learner who signs up with us. Our progress in this area has been seismic - but it could not have been achieved without a thorough and tough decision making process in place. As a result we also reluctantly had to make a number of redundancies and closures of limited services that were desirable but not well used and therefore no longer sustainable.

This change in culture, approach and attitude to our learners was, and remains, palpable. The culture of Swarthmore is now totally learner focussed, making sure that the education of people who would find it harder in mainstream establishments is easily accessible and there is now a high level of support maintained throughout their learning journey. We have also gone a long way toward addressing the digital divide - investing over £64,000 in digital equipment this year to support IT learning and development in the community.

The closure of the centre during the pandemic created lost opportunities for us. We were unable to bring money in from room hire with a potential circa £60,000 income, we had no fee paying learners usually delivering circa £200,000 income, our cafe had to remain closed with a potential loss of £60,000 income, and we had a reduced delivery of our LCC contract due to digital only delivery, so a further £100,000 loss of income. On the other hand, like many charities, we applied for a coronavirus business interruption loan (CBILS) for £150,000, to deal with our necessary response to the COVID pandemic, and offer a small cushion given the fact that we had greatly reduced income. We used some of this to refurbish and improve our reception area - making it learner focussed and opened it up so that it was safer for all.

To complement our mainstream funding, extra efforts were put into bringing in monies from grants, bids and extra activity including:

- National Lottery Project donating £59,086 in income;

- Department for Education donating £13,800 to support IT purchases.

So our overall income in 20/21 was £1,500,507 from all sources, salary costs were £1,201,096 and admin costs were £303,576. We closed the year with a financial deficit of £13,165. Whilst it is disappointing that we have gone back into a deficit financial position, we recognise the unique difficulties this year and we are confident that improvements in pay, improvements in our premises and improvements in education quality standards mean that we have the right mechanisms in place to enable us to grow and thrive in the coming financial year. We have received a great deal of positive feedback from our learners and staff alike including the following;

- "*the culture in Swarthmore has changed and it feels more positive than ever before, and I have been here seven years."*

Looking forward, I believe our future is bright. We are planning a year with increased exhibitions of creative work produced by our learners, more networking events, increased fundraising activity, increased debating activity, raising our profile across Leeds and closer working with key partners like Leeds University, Leeds City Council and Slung Low. Our aim, as always, is to continue to work with our learners - build their confidence, develop their skills and enable them to think for themselves so they can use their voice effectively and thrive as empowered and enlightened individuals in our ever changing society.

I would like to close my introduction to this annual report with thanks to all our students who joined us in this year, all our staff who worked in difficult circumstances, all our staff who were on furlough given the pandemic conditions, our management team who gave their all to make things work, our director who showed great leadership in such challenging times and finally our Trustee Council who all gave of their time voluntarily to keep the ship afloat.

I look forward to our growth in the coming year.

Julie Badon

Chair

Trustee Council

Swarthmore Education Centre

Company Limited by Guarantee

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

year ended 31st July 2021

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

Ms M Belt	(Resigned 24th February 2021)
Mr P Hall	
Ms A W M Katung	
Mrs D Hodgkinson	
Dr E J Roberts	
Mr N H M Zaman	
Ms C L Walker	(Appointed 24th February 2021)
Ms K J Badon	
Mrs S Sinha	
Dr E J Watkins	(Appointed 24th February 2021)
Ms C Wigzell	
Mr I Greenwood	
Ms M Ellis	

Senior management team

P Johnson	
A Torbitt	
J Macleod	
A Hill	(Resigned 30th April 2021)
C Baillie	
S Emmett	

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

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 once enrolled on a Swarthmore course, and there are currently 512 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 currently three sub committees covering HR, Health and Safety and Finance who also meet regularly. 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 the delegation approved by the Trustees, for operational matters including finance, employment, and the activities of the Centre.

Objectives and activities

Our purposes and activities

The objects of the company shall be to promote the education of the residents of Leeds and surrounding areas through the provision of an educational establishment, and in particular but not exclusively:
(a) to provide a learning community for personal development and social activity for those who may have been excluded from mainstream educational opportunities;
(b) to provide opportunities and activities for the benefit of the community based on the recognition of the skills and experience which all people bring.

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.

The year 2020/21 was impacted by the COVID pandemic, meaning that much of our planned activity for the year was adapted or cancelled. Full Cost activity, Room hire, Café and Creche remained on hold for the entire year. Our adult delivery was predominantly online, and we prioritised a safe return to the centre for our Study programme students and those less able to successfully engage with online learning. We accessed funding to enable us to provide IT hardware and support for our 'Yet to reach' community through our Swarthmore Connected project. This funding was extended as the pandemic continued longer than we anticipated and also funded an improvement to Wi-Fi throughout the Centre.

We endeavour to encourage all within our community to participate in our activities and to enjoy 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 classes for working and retired adults and those seeking work.

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, personal enrichment, developing their confidence, self-esteem, employability, 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.

Due to ongoing COVID restrictions throughout the year our focus and strategy developed to enable us to continue to deliver learning to our community through digital delivery, and face to face delivery where safe to do so. Facilities such as the Creche and Room hire were put on hold throughout the entire year, and the Café, although closed to the public, remained functional for the provision of free school meals for our Students on the Study Programme.

Educational programmes

We aimed to 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. Much of this was again impacted by COVID restrictions as we developed new ways of working.

We 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. Staff continued to work throughout the pandemic to support students and as such maintained engagement as well as meeting our contractual obligations, allowing us to continue to access the full amount of ESFA funding during this period.

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. Although closed during the year our ambition was to resume the hire of facilities as soon as it was safe to do so.

Café
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. This remained closed to the public throughout the year due to uncertainty regarding frequent changes to COVID restrictions.

Creche
The creche remained closed at the start of the year due to COVID restrictions. Although this was always a much valued resource at the centre, we had to make the difficult decision to close the facility.

Information and advice
We continued to provide high quality, impartial and free information and advice to our prospective students throughout the year. This was successfully offered remotely throughout the year.

Strategic report
The following sections for achievements and performance and financial review form the strategic report of the charity.

Achievements and performance

	2020/21	2019/20	2018/19
Students enrolled onto a course at Swarthmore	555	1,674	1,809
Courses delivered	171	343	362
Swarthmore (self-financing) students completed and achieved	n/a	94.2%	94.6%
Leeds City Council (non-accredited) students completed and achieved	84.6%	89.5%	92.0%
Leeds City College (accredited) students completed and achieved	85.0%	89.1%	88.5%

Study Programme
During the year of the pandemic the study programme worked hard to continue to engage with all of our students. Alongside the continued learning activity online or via work packs, we supported students with their mental well-being and social inclusion through a range of additional activities.

As soon as we were able, we prioritised the return of the study programme staff and students to the centre, offering face to face learning, as well as a new blended approach to enable our students to continue to learn and engage. Covid safety was a priority, and students and staff developed new ways of working throughout the year.

We continued to provide support for students to attend work placement opportunities, including the Foodbank and Revive, as well as linking with the Government's Kick Start Scheme to support the progression opportunities for our students.

Academic work has continued, supporting students at all levels, including preparation for GCSE and A levels in 2022.

EHCP reviews were moved online and completed, to ensure our legal requirements were met.

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

Financial review

Swarthmore Education Centre achieved a deficit of £13,165 in the Year to 31st July 2021 compared to a surplus of £11,410 in the prior Year.

The principal sources of income to the Centre were:

- ESFA funding for the Study Programme of £817,402
- Leeds City Council funding of £427,202
- National Lottery funding (Connected) £59,086

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.

Due to pandemic, most income streams were impacted. No Swarthmore full cost courses ran during the period, Room hire was unable to be offered, the Creche facilities could not open, and the Café was closed to the public. The Study Programme continued to run throughout the period, allowing Students to access the Centre when it was safe to do so in line with guidance, and remotely when the Centre could not open. Following on from the summer Term in the previous year, courses subsidised by Leeds City Council were delivered online using Google Classroom. Although student numbers decreased, we reached a new audience through online delivery and continue to engage with our regular students where they were able to do so. For students who were unable to engage with online learning due to lack of skill or equipment, our Swarthmore Connected project provided invaluable access to learning and support throughout the pandemic.

During the year we accessed the Governments Coronavirus Job Retention Scheme (Furlough), claiming £126,124 during the year. This amount was critical to the survival of the organisation, mitigating the impact of the cost of employing staff where circumstances prevented certain roles to be performed.

Towards the end of the financial year we evaluated our infrastructure in the context of a post COVID world and how the organisation would be best placed to respond to ongoing uncertainty. A planned restructure was announced, and following the consultation period a small number of staff requested voluntary redundancy. This is never an easy option for any organisation and we will be sad to say goodbye to those affected. New roles were agreed with a renewed focus on improving the student experience and developing external links to provide us with a range of new/additional income opportunities whilst maximising existing relationships.

Swarthmore continues to explore opportunities for additional funding, building upon its relationship with Leeds City Council, and establishing new relationships with funders such as The National Lottery. Pressure to retain existing funding streams while establishing new sources continued to be a challenge throughout the year,

Swarthmore's provision was traditionally delivered face to face, but the organisation reacted swiftly and effectively to continue provision to students remotely. The Study Programme sent out packs of materials and resources to ensure that the students could continue to learn/engage with Tutors regularly. Microsoft Teams allowed staff to communicate effectively whilst working from home and we implemented Google Workspace for Education to enable us to continue to deliver our Leeds City Council contract.

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 (Swarthmore full cost) courses were not offered during the year.
- In addition to Self-Financing courses, Swarthmore offers a range of courses funded by Leeds City Council, all course fees were waived during the year.

Subcontracting through Leeds City Council allowed "Swarthmore Online" to deliver classes remotely to existing and new students, whilst offering an opportunity for Swarthmore to expand its reach and engage with students who may have previously been unable to attend prior to COVID restrictions.

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 3 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, with the last increase in October 2016.

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 £217,443, backed up by Fixed Assets of £1,193,584 total unrestricted funds of £1,411,027. This indicates a deficit of £157,557 in current reserves. The trustees acknowledge the policy, and continue to address all areas for improvement, including focussing on quality and the learner experience.

Plans for future periods

The Charity responded quickly to mitigate the impact of the COVID pandemic on the centre and its ongoing operations, embracing technologies such as Microsoft Teams to facilitate communication, and Google's Workspace for Education to allow delivery of Education to continue, albeit remotely where necessary. The adoption of Google Workspace was supported by the local Council and ensured that funds would continue to be earned in relation to delivery. This has given Swarthmore the knowledge and experience required to continue delivery, and to build up the online offering which we aim to continue even when students can return to the centre.

A major concern for Swarthmore is the ongoing impact that the COVID pandemic will have on the Centre and its students, but adaptations to the physical environment in the centre such as a refurbished reception and teaching spaces allow for increased social distancing, and a more open and welcoming environment for when students started to return to the centre.

Plans to reopen the Centre in September 2021 started early with the cleaning and clearing of all rooms, replacing and replenishing furniture, flooring and redecorating with the aim of providing a safe and welcoming environment for students, staff and visitors. We are currently rolling out extractor fans and air purifiers to all teaching and office spaces throughout the centre. CO2 levels are being monitored in line with government guidance, and will continue to follow guidance relating to COVID safety.

From September 2021, the Café is to re-open during the day, we aim to return to offering spaces for hire, and promote the centre as an exhibition space.

A longer term ambition is to pick up where we left off in March 2020, and refurbish the Hall as a space to be hired as an entertainment and events space.

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

Our volunteers
Swarthmore is fortunate to have a number of volunteers, who this year provided invaluable support to our Swarthmore Connected Project.

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. In the current year no such related party transactions were reported.

Risk Management
Financial sustainability is the major financial risk for the charity, especially in the context of the COVID pandemic. 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. New delivery methods presented new challenges, and staff upskilled quickly through external and internal training to enable us to continue delivery and engage with students, therefore maximising our potential to meet contract values.

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 23-Mar-2022 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 2021

Opinion

We have audited the financial statements of Swarthmore Education Centre (the 'charity') for the year ended 31st July 2021 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 2021 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS102) 2019 and the Education and Skills Funding Agency.

We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context were Charities Commission Regulations and Health and Safety and safeguarding considerations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be with regards to the timing of recognition of income and the override of controls by management.

Our audit procedures to respond to these risks included:

- enquiries of management and the Trustees about their own identification and assessment of the risks of irregularities,- sample testing on the posting of journals,
- reviewing accounting estimates for biases,
- reviewing contracts and carrying out detailed substantive testing on the completeness of income,- reading minutes of meetings of those charged with governance; and
- obtaining confirmation from the trustees that there was no regulatory correspondence with the Charity Commission or other regulatory bodies.

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.

- 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

28-Mar-2022

Swarthmore Education Centre

Company Limited by Guarantee

Statement of financial activities (including income and expenditure account)

year ended 31st July 2021

	Note	2021 Unrestricted funds £	2021 Restricted funds £	2021 **Total funds** £	2020 Total funds £
Income and endowments					
Donations and legacies	**5**	129,865	72,886	**202,751**	111,266
Charitable activities	**6**	1,282,183	–	**1,282,183**	1,382,143
Other trading activities	**7**	4,342	–	**4,342**	62,477
Other income	**8**	11,231	–	**11,231**	9,028
Total income		1,427,621	72,886	**1,500,507**	1,564,914
Expenditure					
Expenditure on raising funds:					
Costs of other trading activities	**9**	46,954	–	**46,954**	91,261
Expenditure on charitable activities	**10,11**	1,421,424	45,294	**1,466,718**	1,462,243
Total expenditure		1,468,378	45,294	**1,513,672**	1,553,504
Net (expenditure)/income		(40,757)	27,592	**(13,165)**	11,410
Transfers between funds		31,150	(31,150)	**–**	–
Net movement in funds		(9,607)	(3,558)	**(13,165)**	11,410
Reconciliation of funds					
Total funds brought forward		1,420,634	13,290	**1,433,924**	1,422,514
Total funds carried forward		1,411,027	9,732	**1,420,759**	1,433,924

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

31st July 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible fixed assets	**17**		**1,193,584**		1,154,878
Current assets					
Debtors	**18**	**269,902**		159,063	
Cash at bank and in hand		**252,884**		247,990	
		522,786		407,053	
Creditors: Amounts falling due within one year	**19**	**170,739**		128,007	
Net current assets			**352,047**		279,046
Total assets less current liabilities			**1,545,631**		1,433,924
Creditors: Amounts falling due after more than one year	**20**		**124,872**		–
Net assets			**1,420,759**		1,433,924
Funds of the charity					
Restricted funds			**9,732**		13,290
Unrestricted funds			**1,411,027**		1,420,634
Total charity funds	**22**		**1,420,759**		1,433,924

These financial statements were approved by the board of trustees and authorised for issue on 23-Mar-2022, and are signed on behalf of the board by:

Ms K J Badon
Trustee

The notes on pages 17 to 27 form part of these financial statements.

Swarthmore Education Centre

Company Limited by Guarantee

Statement of cash flows

year ended 31st July 2021

	2021 £	2020 £
Cash flows from operating activities		
Net (expenditure)/income	**(13,165)**	11,410
Adjustments for:		
Depreciation of tangible fixed assets	**62,750**	56,905
Changes in:		
Trade and other debtors	**(110,839)**	97,005
Trade and other creditors	**19,504**	(180,880)
Cash generated from operations	**(41,750)**	(15,560)
Net cash used in operating activities	**(41,750)**	(15,560)
Cash flows from investing activities		
Purchase of tangible assets	**(101,456)**	(8,617)
Net cash used in investing activities	**(101,456)**	(8,617)
Cash flows from financing activities		
Proceeds from borrowings	**150,000**	–
Repayments of borrowings	**(1,900)**	–
Net cash from financing activities	**148,100**	–
Net increase/(decrease) in cash and cash equivalents	**4,894**	(24,177)
Cash and cash equivalents at beginning of year	**247,990**	272,167
Cash and cash equivalents at end of year	**252,884**	247,990

The notes on pages 17 to 27 form part of these financial statements.

Swarthmore Education Centre

Company Limited by Guarantee

Notes to the financial statements

year ended 31st July 2021

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

The directors consider the charitable company to be a going concern and the financial statements have been prepared on that basis. In coming to this conclusion the directors have considered the continued impact of Covid-19 on the forecasts and post year end results. Although Covid has had some financial impact this has been mitigated by steps management have taken to control costs and therefore, the overall financial impact is not thought to be significant.

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.

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.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

3. Accounting policies *(continued)*

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 £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.

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.

3. Accounting policies *(continued)*

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.

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 2021 £**
Donations			
Donations	3,741	13,800	**17,541**
Grants			
Coronavirus Job Retention Scheme	126,124	–	**126,124**
National Lottery Community Scheme	–	59,086	**59,086**
	129,865	72,886	**202,751**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Donations			
Donations	3,752	219	3,971
Grants			
Coronavirus Job Retention Scheme	107,295	–	107,295
National Lottery Community Scheme	–	–	–
	111,047	219	111,266

6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2021 £**
Leeds City Council Adult learning	277,292	–	**277,292**
Leeds City Council Additional learning support	149,910	–	**149,910**
Other Grants	27,956	–	**27,956**
Student fees	226	–	**226**
Membership fees	6,153	–	**6,153**
Sale of educational materials	148	–	**148**
Contract income	3,096	–	**3,096**
Creche	–	–	**–**
Education Funding Agency	817,402	–	**817,402**
	1,282,183	–	**1,282,183**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Leeds City Council Adult learning	286,448	–	286,448
Leeds City Council Additional learning support	257,982	–	257,982
Other Grants	52,186	10,000	62,186
Student fees	131,723	–	131,723
Membership fees	18,231	–	18,231
Sale of educational materials	4,584	–	4,584
Contract income	11,013	–	11,013
Creche	700	–	700
Education Funding Agency	609,276	–	609,276
	1,372,143	10,000	1,382,143

7. Other trading activities

	Unrestricted Funds £	**Total Funds 2021 £**	Unrestricted Funds £	Total Funds 2020 £
Cafe income	4,588	**4,588**	36,917	36,917
Rental income	(246)	**(246)**	25,560	25,560
	4,342	**4,342**	62,477	62,477

8. Other income

	Unrestricted Funds £	**Total Funds 2021 £**	Unrestricted Funds £	Total Funds 2020 £
Miscellaneous income	11,231	**11,231**	9,028	9,028

9. Costs of other trading activities

	Unrestricted Funds £	**Total Funds 2021 £**	Unrestricted Funds £	Total Funds 2020 £
Cafe expenses	46,954	**46,954**	70,783	70,783
Rental expenses	–	**–**	20,478	20,478
	46,954	**46,954**	91,261	91,261

10. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2021 £**
Courses	1,041,604	39,026	**1,080,630**
Creche	18,039	–	**18,039**
Support costs	361,781	6,268	**368,049**
	1,421,424	45,294	**1,466,718**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Courses	1,071,206	–	1,071,206
Creche	22,633	–	22,633
Support costs	343,123	25,281	368,404
	1,436,962	25,281	1,462,243

11. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	**Total funds 2021 £**	Total fund 2020 £
Courses	1,080,630	312,338	**1,392,968**	1,385,470
Creche	18,039	–	**18,039**	26,997
Governance costs	–	55,711	**55,711**	49,776
	1,098,669	368,049	**1,466,718**	1,462,243

12. Analysis of support costs

	Courses £	Governance £	**Total 2021 £**	Total 2020 £
Staff costs	133,916	45,755	**179,671**	166,376
Premises	81,198	–	**81,198**	110,438
Communications and IT	10,320	–	**10,320**	6,070
General office	21,701	–	**21,701**	15,337
Depreciation	62,750	–	**62,750**	56,904
Legal and professional fees	2,452	9,957	**12,409**	13,279
	312,337	55,712	**368,049**	368,404

13. Net (expenditure)/income

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

	2021	2020
	£	£
Depreciation of tangible fixed assets	**62,750**	56,905

14. Auditors remuneration

	2021	2020
	£	£
Fees payable for the audit of the financial statements	**7,850**	7,600

15. Staff costs

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

	2021	2020
	£	£
Wages and salaries	**1,210,096**	1,203,638

Included within staff costs are statutory redundancy, termination and settlement payments made during the year totalling £18,938 (2020 - £nil).

The average head count of employees during the year was 74 (2020: 88). The average number of full-time equivalent employees during the year is analysed as follows:

	2021	2020
	No.	No.
Number of staff	**45**	45

No employee received employee benefits of more than £60,000 during the year (2020: 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 £247,261 (2020:£239,081).

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.

17. Tangible fixed assets

	Freehold property £	Long leasehold property £	Fixtures and fittings £	**Total £**
Cost				
At 1st August 2020	1,335,297	188,136	534,323	**2,057,756**
Additions	32,185	–	69,271	**101,456**
At 31st July 2021	1,367,482	188,136	603,594	**2,159,212**
Depreciation				
At 1st August 2020	424,427	30,841	447,610	**902,878**
Charge for the year	27,233	5,302	30,215	**62,750**
At 31st July 2021	451,660	36,143	477,825	**965,628**
Carrying amount				
At 31st July 2021	915,822	151,993	125,769	**1,193,584**
At 31st July 2020	910,870	157,295	86,713	1,154,878

18. Debtors

	2021 £	2020 £
Trade debtors	**2,180**	27,535
Prepayments and accrued income	**265,605**	131,528
Other debtors	**2,117**	–
	269,902	159,063

19. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans and overdrafts	**23,228**	–
Trade creditors	**71,271**	35,762
Accruals and deferred income	**53,660**	65,695
Social security and other taxes	**14,319**	17,061
Other creditors	**8,261**	9,489
	170,739	128,007

The bank loan included in creditors falling due in less than one year is secured by the company. The security is by a fixed and floating charge over all assets and undertakings of the company.

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

	2021 £	2020 £
Bank loans and overdrafts	**124,872**	–

20. Creditors: Amounts falling due after more than one year *(continued)*

Included within creditors: amounts falling due after more than one year is an amount of £25,520 (2020: £Nil) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The bank loan included in creditors falling due in after more than one year is secured by the company. The security is by a fixed and floating charge over all assets and undertakings of the company.

21. Deferred income

	2021	2020
	£	£
At 1st August 2020	**4,496**	66,229
Amount released to income	**(4,496)**	(66,229)
Amount deferred in year	**19,797**	4,496
At 31st July 2021	**19,797**	4,496

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

22. Analysis of charitable funds

Unrestricted funds

	At 1st August 2020	Income	Expenditure	Transfers	**At 31st July 2021**
	£	£	£	£	**£**
Unrestricted Income Fund	352,469	1,427,621	(1,435,843)	(1,035)	**343,212**
Unrestricted Property Fund	1,068,165	–	(32,535)	32,185	**1,067,815**
	1,420,634	1,427,621	(1,468,378)	31,150	**1,411,027**

	At 1st August 2019	Income	Expenditure	Transfers	At 31st July 2020
	£	£	£	£	£
Unrestricted Income Fund	293,989	1,554,695	(1,496,215)	–	352,469
Unrestricted Property Fund	1,100,173	–	(32,008)	–	1,068,165
	1,394,162	1,554,695	(1,528,223)	–	1,420,634

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

The transfer of £32,185 between the unrestricted income fund & unrestricted property fund relates to additions purchased in the year included in the Freehold Property asset balance at the year end.

The transfer between of £31,150 between the restricted and unrestricted fund relates to income used for the purchase of Chromebooks in the year whereby there were no further restrictions in place on use of the assets.

22. Analysis of charitable funds *(continued)*

Restricted funds

	At 1st August 2020 £	Income £	Expenditure £	Transfers £	**At 31st July 2021 £**
UK Online	9,268	–	–	–	**9,268**
Leeds City Council Adult learning funding	4,022	–	(4,022)	–	**–**
Spalling brickwork fund	–	–	–	–	**–**
Supply of Chromebooks from DfE	–	13,800	–	(13,800)	**–**
National Lottery grant	–	59,086	(41,272)	(17,350)	**464**
	13,290	72,886	(45,294)	(31,150)	**9,732**

	At 1st August 2019 £	Income £	Expenditure £	Transfers £	At 31st July 2020 £
UK Online	9,268	–	–	–	9,268
Leeds City Council Adult learning funding	8,321	–	(4,299)	–	4,022
Spalling brickwork fund	10,763	10,219	(20,982)	–	–
Supply of Chromebooks from DfE	–	–	–	–	–
National Lottery grant	–	–	–	–	–
	28,352	10,219	(25,281)	–	13,290

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

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

Supply of Chromebooks relates to income received from the Department for Education for the provision of Chromebooks in the year. Following the purchase of the Chromebooks, there were no further restrictions on the use of assets therefore the income has been transferred to the unrestricted fund at the year end.

National Lottery funding relates to grants received to help with the impact of the Covid-19 pandemic on the ability to provide learning to students. There was a transfer of £17,350 to the unrestricted fund relating to the purchase of Chromebooks included within assets as part of the agreed expenditure for the grant.

23. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2021 £**
Tangible fixed assets	1,193,584	–	**1,193,584**
Current assets	513,054	9,732	**522,786**
Creditors less than 1 year	(170,739)	–	**(170,739)**
Creditors greater than 1 year	(124,872)	–	**(124,872)**
Net assets	1,411,027	9,732	**1,420,759**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Tangible fixed assets	1,150,787	4,091	1,154,878
Current assets	397,854	9,199	407,053
Creditors less than 1 year	(128,007)	–	(128,007)
Creditors greater than 1 year	–	–	–
Net assets	1,420,634	13,290	1,433,924

24. Analysis of changes in net debt

	At 1 Aug 2020 £	Cash flows £	**At 31 Jul 2021 £**
Cash at bank and in hand	247,990	4,894	**252,884**
Debt due within one year	–	(23,228)	**(23,228)**
Debt due after one year	–	(124,872)	**(124,872)**
	247,990	(143,206)	**104,784**

25. Operating lease commitments

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

	2021 £	2020 £
Later than 1 year and not later than 5 years	**16,682**	27,669