

**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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# **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.

# **Swarthmore Education Centre**

## **Company Limited by Guarantee**

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

#### **year ended 31st July 2021**

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**

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

##### **The trustees**

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

# **Swarthmore Education Centre**

## **Company Limited by Guarantee**

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

**year ended 31st July 2021**

#### **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.

# **Swarthmore Education Centre**

## **Company Limited by Guarantee**

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

#### **year ended 31st July 2021**

#### **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 café 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 Café 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.

# **Swarthmore Education Centre**

## **Company Limited by Guarantee**

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

#### **year ended 31st July 2021**

##### **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 café 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**

	<b>2020/21</b>	<b>2019/20</b>	<b>2018/19</b>
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.



# **Swarthmore Education Centre**

## **Company Limited by Guarantee**

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

#### **year ended 31st July 2021**

##### **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.

# **Swarthmore Education Centre**

## **Company Limited by Guarantee**

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

#### **year ended 31st July 2021**

##### **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.

# **Swarthmore Education Centre**

## **Company Limited by Guarantee**

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

#### **year ended 31st July 2021**

##### **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~~ 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.

# **Swarthmore Education Centre**

## **Company Limited by Guarantee**

### **Independent auditor's report to the member of Swarthmore Education Centre *(continued)*** **year ended 31st July 2021**

#### **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.

# **Swarthmore Education Centre**

## **Company Limited by Guarantee**

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

#### **year ended 31st July 2021**

##### **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.

# **Swarthmore Education Centre**

## **Company Limited by Guarantee**

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

**year ended 31st July 2021**

- 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

		2021			2020
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
<b>Income and endowments</b>					
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
<b>Total income</b>		<u>1,427,621</u>	<u>72,886</u>	<u>1,500,507</u>	<u>1,564,914</u>
<b>Expenditure</b>					
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
<b>Total expenditure</b>		<u>1,468,378</u>	<u>45,294</u>	<u>1,513,672</u>	<u>1,553,504</u>
<b>Net (expenditure)/income</b>		<u>(40,757)</u>	<u>27,592</u>	<u>(13,165)</u>	<u>11,410</u>
Transfers between funds		31,150	(31,150)	—	—
<b>Net movement in funds</b>		<u>(9,607)</u>	<u>(3,558)</u>	<u>(13,165)</u>	<u>11,410</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>1,420,634</u>	<u>13,290</u>	<u>1,433,924</u>	<u>1,422,514</u>
<b>Total funds carried forward</b>		<u>1,411,027</u>	<u>9,732</u>	<u>1,420,759</u>	<u>1,433,924</u>

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

The notes on pages 17 to 27 form part of these financial statements.



# Swarthmore Education Centre

## Company Limited by Guarantee

### Statement of financial position

31st July 2021

	Note	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible fixed assets	17		1,193,584		1,154,878
<b>Current assets</b>					
Debtors	18	269,902		159,063	
Cash at bank and in hand		252,884		247,990	
		<u>522,786</u>		<u>407,053</u>	
<b>Creditors: Amounts falling due within one year</b>	19	<u>170,739</u>		<u>128,007</u>	
<b>Net current assets</b>			<u>352,047</u>		<u>279,046</u>
<b>Total assets less current liabilities</b>			<u>1,545,631</u>		<u>1,433,924</u>
<b>Creditors: Amounts falling due after more than one year</b>	20		<u>124,872</u>		<u>—</u>
<b>Net assets</b>			<u>1,420,759</u>		<u>1,433,924</u>
<b>Funds of the charity</b>					
Restricted funds			9,732		13,290
Unrestricted funds			<u>1,411,027</u>		<u>1,420,634</u>
<b>Total charity funds</b>	22		<u>1,420,759</u>		<u>1,433,924</u>

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**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Net (expenditure)/income	<b>(13,165)</b>	11,410
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	<b>62,750</b>	56,905
<i>Changes in:</i>		
Trade and other debtors	<b>(110,839)</b>	97,005
Trade and other creditors	<b>19,504</b>	(180,880)
Cash generated from operations	<b>(41,750)</b>	(15,560)
Net cash used in operating activities	<b>(41,750)</b>	(15,560)
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	<b>(101,456)</b>	(8,617)
Net cash used in investing activities	<b>(101,456)</b>	(8,617)
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	<b>150,000</b>	—
Repayments of borrowings	<b>(1,900)</b>	—
Net cash from financing activities	<b>148,100</b>	—
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>4,894</b>	(24,177)
<b>Cash and cash equivalents at beginning of year</b>	<b>247,990</b>	272,167
<b>Cash and cash equivalents at end of year</b>	<b>252,884</b>	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.

# **Swarthmore Education Centre**

## **Company Limited by Guarantee**

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

#### **year ended 31st July 2021**

#### **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.

# **Swarthmore Education Centre**

## **Company Limited by Guarantee**

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

#### **year ended 31st July 2021**

#### **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.

# Swarthmore Education Centre

## Company Limited by Guarantee

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

#### year ended 31st July 2021

#### 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 £
<b>Donations</b>			
Donations	3,741	13,800	17,541
<b>Grants</b>			
Coronavirus Job Retention Scheme	126,124	–	126,124
National Lottery Community Scheme	–	59,086	59,086
	<u>129,865</u>	<u>72,886</u>	<u>202,751</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
<b>Donations</b>			
Donations	3,752	219	3,971
<b>Grants</b>			
Coronavirus Job Retention Scheme	107,295	–	107,295
National Lottery Community Scheme	–	–	–
	<u>111,047</u>	<u>219</u>	<u>111,266</u>

# Swarthmore Education Centre

## Company Limited by Guarantee

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

#### year ended 31st July 2021

#### 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
	<u>1,282,183</u>	<u>—</u>	<u>1,282,183</u>

	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
	<u>1,372,143</u>	<u>10,000</u>	<u>1,382,143</u>

#### 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
	<u>4,342</u>	<u>4,342</u>	<u>62,477</u>	<u>62,477</u>

#### 8. Other income

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Miscellaneous income	11,231	11,231	9,028	9,028

# Swarthmore Education Centre

## Company Limited by Guarantee

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

#### year ended 31st July 2021

#### 9. Costs of other trading activities

	Unrestricted Funds £	<b>Total Funds 2021 £</b>	Unrestricted Funds £	Total Funds 2020 £
Cafe expenses	46,954	<b>46,954</b>	70,783	70,783
Rental expenses	—	—	20,478	20,478
	<u>46,954</u>	<u><b>46,954</b></u>	<u>91,261</u>	<u>91,261</u>

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

	Unrestricted Funds £	Restricted Funds £	<b>Total Funds 2021 £</b>
Courses	1,041,604	39,026	<b>1,080,630</b>
Creche	18,039	—	<b>18,039</b>
Support costs	361,781	6,268	<b>368,049</b>
	<u>1,421,424</u>	<u>45,294</u>	<u><b>1,466,718</b></u>

	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
	<u>1,436,962</u>	<u>25,281</u>	<u>1,462,243</u>

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

	Activities undertaken directly £	Support costs £	<b>Total funds 2021 £</b>	Total fund 2020 £
Courses	1,080,630	312,338	<b>1,392,968</b>	1,385,470
Creche	18,039	—	<b>18,039</b>	26,997
Governance costs	—	55,711	<b>55,711</b>	49,776
	<u>1,098,669</u>	<u>368,049</u>	<u><b>1,466,718</b></u>	<u>1,462,243</u>

#### 12. Analysis of support costs

	Courses £	Governance £	<b>Total 2021 £</b>	Total 2020 £
Staff costs	133,916	45,755	<b>179,671</b>	166,376
Premises	81,198	—	<b>81,198</b>	110,438
Communications and IT	10,320	—	<b>10,320</b>	6,070
General office	21,701	—	<b>21,701</b>	15,337
Depreciation	62,750	—	<b>62,750</b>	56,904
Legal and professional fees	2,452	9,957	<b>12,409</b>	13,279
	<u>312,337</u>	<u>55,712</u>	<u><b>368,049</b></u>	<u>368,404</u>



# **Swarthmore Education Centre**

## **Company Limited by Guarantee**

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

#### **year ended 31st July 2021**

##### **13. Net (expenditure)/income**

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

	<b>2021</b>	2020
	<b>£</b>	£
Depreciation of tangible fixed assets	<b><u>62,750</u></b>	<u>56,905</u>

##### **14. Auditors remuneration**

	<b>2021</b>	2020
	<b>£</b>	£
Fees payable for the audit of the financial statements	<b><u>7,850</u></b>	<u>7,600</u>

##### **15. Staff costs**

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

	<b>2021</b>	2020
	<b>£</b>	£
Wages and salaries	<b><u>1,210,096</u></b>	<u>1,203,638</u>

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:

	<b>2021</b>	2020
	<b>No.</b>	No.
Number of staff	<b><u>45</u></b>	<u>45</u>

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.

# Swarthmore Education Centre

## Company Limited by Guarantee

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

#### year ended 31st July 2021

#### 17. Tangible fixed assets

	Freehold property £	Long leasehold property £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1st August 2020	1,335,297	188,136	534,323	<b>2,057,756</b>
Additions	32,185	—	69,271	<b>101,456</b>
<b>At 31st July 2021</b>	<b>1,367,482</b>	<b>188,136</b>	<b>603,594</b>	<b>2,159,212</b>
<b>Depreciation</b>				
At 1st August 2020	424,427	30,841	447,610	<b>902,878</b>
Charge for the year	27,233	5,302	30,215	<b>62,750</b>
<b>At 31st July 2021</b>	<b>451,660</b>	<b>36,143</b>	<b>477,825</b>	<b>965,628</b>
<b>Carrying amount</b>				
<b>At 31st July 2021</b>	<b>915,822</b>	<b>151,993</b>	<b>125,769</b>	<b>1,193,584</b>
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	—
	<b>269,902</b>	<b>159,063</b>

#### 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
	<b>170,739</b>	<b>128,007</b>

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	—

# Swarthmore Education Centre

## Company Limited by Guarantee

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

#### year ended 31st July 2021

#### 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
<b>At 31st July 2021</b>	<b>19,797</b>	<b>4,496</b>

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

#### 22. Analysis of charitable funds

##### Unrestricted funds

	At 1st August 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
	<u>1,420,634</u>	<u>1,427,621</u>	<u>(1,468,378)</u>	<u>31,150</u>	<u>1,411,027</u>

  

	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
	<u>1,394,162</u>	<u>1,554,695</u>	<u>(1,528,223)</u>	<u>–</u>	<u>1,420,634</u>

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.

# Swarthmore Education Centre

## Company Limited by Guarantee

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

#### year ended 31st July 2021

#### 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
	<u>13,290</u>	<u>72,886</u>	<u>(45,294)</u>	<u>(31,150)</u>	<u>9,732</u>

  

	At 1st August 2019 £	Income £	Expenditure £	Transfers £	At 31 <sup>st</sup> 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	–	–	–	–	–
	<u>28,352</u>	<u>10,219</u>	<u>(25,281)</u>	<u>–</u>	<u>13,290</u>

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.

# Swarthmore Education Centre

## Company Limited by Guarantee

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

#### year ended 31st July 2021

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

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	1,193,584	–	<b>1,193,584</b>
Current assets	513,054	9,732	<b>522,786</b>
Creditors less than 1 year	(170,739)	–	<b>(170,739)</b>
Creditors greater than 1 year	(124,872)	–	<b>(124,872)</b>
<b>Net assets</b>	<b>1,411,027</b>	<b>9,732</b>	<b>1,420,759</b>

  

	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	–	–	–
<b>Net assets</b>	<b>1,420,634</b>	<b>13,290</b>	<b>1,433,924</b>

#### 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	<b>252,884</b>
Debt due within one year	–	(23,228)	<b>(23,228)</b>
Debt due after one year	–	(124,872)	<b>(124,872)</b>
	<b>247,990</b>	<b>(143,206)</b>	<b>104,784</b>

#### 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	<b>16,682</b>	<b>27,669</b>