

**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**

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

<b>Trustees</b>	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)
<b>Company registered number</b>	04527579
<b>Charity registered number</b>	1094451
<b>Registered office</b>	2/7 Woodhouse Square Leeds LS3 1AD
<b>Company secretary</b>	C Baillie
<b>Senior management team</b>	C Baillie P Johnson J Macleod M Ciesluk
<b>Independent auditors</b>	AAB Audit & Accountancy Limited Gresham House 5-7 St Pauls Street Leeds LS1 2JG

## **SWARTHMORE EDUCATION CENTRE**

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### **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 as 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

## **SWARTHMORE EDUCATION CENTRE**

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### **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.

## **SWARTHMORE EDUCATION CENTRE**

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

- 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.



## **SWARTHMORE EDUCATION 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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### **TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025**

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.

**SWARTHMORE EDUCATION CENTRE****(A company limited by guarantee)****TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2025****Study programme:**

<b>Passed Accredited Quals</b>	<b>2024/25</b>	<b>2023/24</b>
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**

	<b>2024/25</b>	<b>2023/24</b>
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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### **TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025**

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

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.

## **SWARTHMORE EDUCATION CENTRE**

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

#### **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.

## **SWARTHMORE EDUCATION CENTRE**

**(A company limited by guarantee)**

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

#### **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

## **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.



## **SWARTHMORE EDUCATION CENTRE**

**(A company limited by guarantee)**

### **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 entitled 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.

## **SWARTHMORE EDUCATION CENTRE**

**(A company limited by guarantee)**

### **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

## **SWARTHMORE EDUCATION CENTRE**

**(A company limited by guarantee)**

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

- 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](http://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.

**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 £
<b>Income from:</b>					
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
<b>Total income</b>		<b>1,844,961</b>	<b>117,074</b>	<b>1,962,035</b>	<b>1,937,942</b>
<b>Expenditure on:</b>					
Raising funds		37,719	-	37,719	88,923
Charitable activities	8	1,773,620	130,524	1,904,144	1,840,921
<b>Total expenditure</b>		<b>1,811,339</b>	<b>130,524</b>	<b>1,941,863</b>	<b>1,929,844</b>
<b>Net income/(expenditure)</b>		<b>33,622</b>	<b>(13,450)</b>	<b>20,172</b>	<b>8,098</b>
Transfers between funds	17	(726)	726	-	-
<b>Net movement in funds</b>		<b>32,896</b>	<b>(12,724)</b>	<b>20,172</b>	<b>8,098</b>
<b>Reconciliation of funds:</b>					
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
<b>Total funds carried forward</b>		<b>1,270,513</b>	<b>9,168</b>	<b>1,279,681</b>	<b>1,259,509</b>

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.

**SWARTHMORE EDUCATION CENTRE****(A company limited by guarantee)****REGISTERED NUMBER: 04527579****BALANCE SHEET  
AS AT 31 JULY 2025**

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

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.

**SWARTHMORE EDUCATION CENTRE**  
**(A company limited by guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 JULY 2025**

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

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

**SWARTHMORE EDUCATION CENTRE****(A company limited by guarantee)****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.

**SWARTHMORE EDUCATION CENTRE****(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2025****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.



## **SWARTHMORE EDUCATION CENTRE**

**(A company limited by guarantee)**

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

## **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.

## **SWARTHMORE EDUCATION CENTRE**

**(A company limited by guarantee)**

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

#### **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.

# **SWARTHMORE EDUCATION CENTRE**

**(A company limited by guarantee)**

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

### **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
	<u>914</u>	<u>117,074</u>	<u>117,988</u>
	<u><u>914</u></u>	<u><u>117,074</u></u>	<u><u>117,988</u></u>
	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Donations	194	4,455	4,649
Grants	-	100,081	100,081
	<u>194</u>	<u>104,536</u>	<u>104,730</u>
	<u><u>194</u></u>	<u><u>104,536</u></u>	<u><u>104,730</u></u>

### **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
	<u>1,786,862</u>	<u>1,786,862</u>
	<u><u>1,786,862</u></u>	<u><u>1,786,862</u></u>

# **SWARTHMORE EDUCATION CENTRE**

**(A company limited by guarantee)**

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

### **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
	<u>1,712,737</u>	<u>1,712,737</u>

### **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
	<u>42,435</u>	<u>42,435</u>

	Unrestricted funds 2024 £	Total funds 2024 £
Cafe income	37,563	37,563
Rental income	79,980	79,980
	<u>117,543</u>	<u>117,543</u>

**SWARTHMORE EDUCATION CENTRE****(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2025****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
	<u>1,773,620</u>	<u>130,524</u>	<u>1,904,144</u>

	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
	<u>1,749,910</u>	<u>91,011</u>	<u>1,840,921</u>

**SWARTHMORE EDUCATION CENTRE****(A company limited by guarantee)****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
	<u>1,435,196</u>	<u>468,948</u>	<u>1,904,144</u>

	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
	<u>1,345,325</u>	<u>495,597</u>	<u>1,840,921</u>

**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
	<u>90,610</u>	<u>378,338</u>	<u>468,948</u>

**SWARTHMORE EDUCATION CENTRE****(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2025****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
	<u>80,914</u>	<u>414,683</u>	<u>495,597</u>

**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
	<u>1,471,172</u>	<u>1,423,836</u>

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)	<u>47</u>	<u>48</u>

**SWARTHMORE EDUCATION CENTRE****(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2025****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 £
<b>Cost or valuation</b>				
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
<b>Depreciation</b>				
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
<b>Net book value</b>				
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



**SWARTHMORE EDUCATION CENTRE****(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2025****14. Debtors**

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

**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
	<u>162,514</u>	<u>212,511</u>

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)
	<u>20,170</u>	<u>67,156</u>

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	<u>22,768</u>	<u>57,957</u>

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.

**SWARTHMORE EDUCATION CENTRE****(A company limited by guarantee)****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 £
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
Hardship fund	-	-	-	3,362	3,362
<b>General funds</b>					
Unrestricted Income fund	231,621	1,844,961	(1,811,339)	(4,088)	261,155
Unrestricted Property fund	1,005,996	-	-	-	1,005,996
	<u>1,237,617</u>	<u>1,844,961</u>	<u>(1,811,339)</u>	<u>(4,088)</u>	<u>1,267,151</u>
<b>Total Unrestricted funds</b>	<u>1,237,617</u>	<u>1,844,961</u>	<u>(1,811,339)</u>	<u>(726)</u>	<u>1,270,513</u>
	Balance at 1 August 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2025 £
<b>Restricted funds</b>					
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
	<u>21,892</u>	<u>117,074</u>	<u>(130,524)</u>	<u>726</u>	<u>9,168</u>
	Balance at 1 August 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2025 £
<b>Total of funds</b>	<u>1,259,509</u>	<u>1,962,035</u>	<u>(1,941,863)</u>	<u>-</u>	<u>1,279,681</u>

**SWARTHMORE EDUCATION CENTRE****(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2025****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 £
<b>Unrestricted funds</b>					
Unrestricted Income fund	216,982	1,833,406	(1,838,833)	20,066	231,621
Unrestricted Property fund	1,005,996	-	-	-	1,005,996
	<u>1,222,978</u>	<u>1,833,406</u>	<u>(1,838,833)</u>	<u>20,066</u>	<u>1,237,617</u>

	Balance at 1 August 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2024 £
<b>Restricted funds</b>					
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
	<u>28,433</u>	<u>104,536</u>	<u>(91,011)</u>	<u>(20,066)</u>	<u>21,892</u>

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

## **SWARTHMORE EDUCATION CENTRE**

**(A company limited by guarantee)**

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

#### **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.

**SWARTHMORE EDUCATION CENTRE****(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2025****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
	<u>1,259,509</u>	<u>1,962,035</u>	<u>(1,941,863)</u>	<u>-</u>	<u>1,279,681</u>

**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
	<u>1,251,411</u>	<u>1,937,942</u>	<u>(1,929,844)</u>	<u>-</u>	<u>1,259,509</u>

**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)
<b>Total</b>	<u>1,270,513</u>	<u>9,168</u>	<u>1,279,681</u>

**SWARTHMORE EDUCATION CENTRE****(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2025****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)
<b>Total</b>	<b>1,237,617</b>	<b>21,892</b>	<b>1,259,509</b>

**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
<b>Adjustments for:</b>		
Depreciation charges	65,653	71,218
Decrease/(increase) in debtors	(16,850)	105,441
Decrease in creditors	(58,622)	(655)
<b>Net cash provided by operating activities</b>	<b>10,353</b>	<b>184,102</b>

**21. Analysis of cash and cash equivalents**

	2025 £	2024 £
Cash in hand	238,967	301,544
<b>Total cash and cash equivalents</b>	<b>238,967</b>	<b>301,544</b>

**SWARTHMORE EDUCATION CENTRE**  
**(A company limited by guarantee)**

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

**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)
	<u>220,779</u>	<u>(35,809)</u>	<u>184,970</u>

**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
	<u>13,203</u>	<u>16,817</u>