

Company Registration Number 2806593
Charity Number 1020027



ACCOUNTS AND TRUSTEES REPORT 2007/2008

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Learning South West

Annual Report and Accounts for the Year ended 31 March 2008

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Learning South West

Trustees' Annual Report for the Year ended 31 March 2008

As Directors and Trustees of the charitable company the Board presents its Annual Report for the year ended 31 March 2008

Reference and Administrative Details of the Charity

Charity name

The name of the charity is 'Learning South West'

Registered Charity Number - 1020027

Company Registration Number - 2806593

Registered office
Bishops Hull House
Bishops Hull
TAUNTON
Somerset
TA1 5EP

Trustees

The Board is made up of the Trustees who are also the Directors of the Charity for the purpose of company law. Members of the Board during the year and changes since the year end were

Shirley Arayan	
Peter Avery	(Chair from 13 June 2008)
David Baker	(Resigned 13 May 2008)
Jonquil Brooks	
Dillon Hughes	
Jacqueline Hele Kergozou De La Boessiere	(Resigned 19 June 2008)
Rob Lawy	(Appointed 7 December 2007)
Craig Marshall	(Co-opted 29 February 2008)
Elisabeth Piecha	
Stephen Prewett	
Dugald Sandeman (Chair)	(Resigned 13 June 2008)
Peter Weeks	
David Wood	

Board members are elected or appointed in accordance with the charitable company's Articles of Association and with Company Law

Chief Executive and Company Secretary
Tim Boyes-Watson

Auditors

Amherst & Shapland
Chartered Accountants
Castle Lodge
Castle Green
TAUNTON
Somerset
TA1 4AD

Bankers

CAF Bank Ltd
PO Box 289
WEST MALLING
Kent
ME19 4TA

National Westminster Bank plc
135 Bishopsgate
LONDON
EC2M 3UR

Somerset County Council
Comfund
County Treasurer's Department
County Hall
Taunton
Somerset
TA1 4DY

Structure, Governance and Management

Governing Document

The charity started as an unincorporated association of Local Education Authorities in 1947 and was incorporated and registered as a company by the name of South West Association for Education and Training (SWAFET) on 2nd April 1993. The previous unincorporated association was already a charity, but the company was registered as a charity with the Charity Commissioners on 12 October 1993. On 10 December 2003 the charity changed its name and submitted revised Memorandum and Articles to the Charity Commissioners. The Registrar of Companies for England and Wales has certified on 20 February 2004 that SWAFET having by special resolution changed its name, is now incorporated under the name of Learning South West. The Charity Commission gave its consent to the revised Memorandum and Articles on 22 November 2004.

The charity is constituted as a company limited by guarantee and is governed by the terms of its Memorandum and Articles of Association.

Recruitment and Appointment of Trustees

The Trustees are also the Directors of the company and the Chief Executive is Company Secretary. Trustees can be recommended for appointment by either existing trustees or members of Learning South West for a period of office of up to 3 years, at which point they must resign and be re-appointed, if appropriate. The appointment of Trustees is subject to the approval of the members of Learning South West through election at a general meeting. The members of Learning South West have appointed Trustees who represent the different groups that make up the membership of Learning South West or who have relevant and appropriate specialist skills, especially in relation to financial management. Appointees are usually identified via referral from members or existing Trustees and are then approached by an existing Trustee and/or the Chief Executive. An informal interview is usually conducted and based on this the nominee is put forward for appointment by one of the existing trustees or members. Each appointment made in this way is required to be ratified by members at the following annual general meeting.

Induction and Training of Trustees

Most Trustees are already familiar with the operation of Boards as they are Principals or senior officers who themselves report to boards of trustees or elected members. New trustees are encouraged to seek advice and guidance from existing trustees. If further training or induction is required, Trustees can request this from the Chief Executive.

Organisational structure

The Board of Trustees collectively ensures delivery of Learning South West's objects, sets its strategic direction and upholds its values. The Trustees are also collectively responsible and accountable for ensuring and monitoring that the organisation is performing well, is solvent, and complies with its obligations. The Board of Trustees appoints and determines the role and responsibilities of a Company Secretary and Chief Executive, who is responsible to the Board for the management of Learning South West. Other staff are appointed by and are responsible to the Chief Executive.

Relationship with ABC Awards

Learning South West is a member and trustee, along with 3 other charitable companies, of ABC Awards. ABC Awards is also a company limited by guarantee and a registered charity. Learning South West's Chief Executive represents Learning South West on the Board of ABC Awards. Learning South West receives income from ABC Awards on the basis of a Service Level Agreement which covers the provision of examination services carried out by Learning South West on behalf of ABC Awards. As in previous years, ABC Awards has made an annual charitable grant to Learning South West. In 2007/8 the grant received was £1,640.

Risk Management

The trustees have a risk management strategy which comprises

- an annual review of the risks the charity may face,
- the establishment of systems and procedures to mitigate those risks, and
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise

The three most significant risks the charity faces are

- the withdrawal of a significant membership group from membership. This would have a significant negative impact on both the income and reputation of the charity,
- the failure of a large-scale project being implemented by the charity on behalf of a major donor. This could lead to repayment of income and also would reduce the charity's ability to secure future projects, and
- the failure to secure sufficient ongoing project work. This could lead to the need to make key staff redundant which would have an immediate financial impact and also affect the charity's capacity to attract future projects

The trustees and staff of Learning South West are pursuing strategies to minimise these and other risks. The trustees also regularly review the charity's reserves policy which is critical for managing the potential financial impact of these risks

Grants policy

Much of Learning South West's work is carried out by working with partner organisations. Learning South West sub-contracts a variety of work to these partners. In relation, to the SWitch Centre for Excellence in Teacher Training, Learning South West has now started making grants to partner organisations. Grants are made within the agreed strategy and business plan agreed by the SWitch Forum. The decision to award grants is made by the elected Board of the SWitch, based on their appraisal of project applications received through a commissioning process. Grants payable are made to recipients based on approved plans with milestone payments linked to achievement of certain conditions over time. All grants are systematically monitored throughout their existence. The board of trustees approved this grants policy in September 2008. Details of all grants made can be obtained by writing to Learning South West's Chief Executive

Strategic Objects, Vision and Mission

Objects

The Charity's objects are to advance education of young persons and adults by

- promoting excellence in the delivery of learning and skills,
- providing advice, training and the provision of resources to providers of learning and skills, and
- researching and disseminating good practice

The vision and 3 strategic goals of Learning South West were set out in a Strategic Direction approved by the Board of Trustees in June 2006. This strategic direction is reviewed regularly and is being continually refined and adapted to respond to the dynamic context for Learning South West's work.

Vision and Mission

Learning South West is striving to make its contribution to the sustainable development of a future South West region, United Kingdom and world which values diversity more and is less unequal than it is today.

Learning South West's mission is to build the capacity of its members, and the sectors from which they come, to provide and improve education and youth work so that young people and learners of all ages and backgrounds can fulfil their potential.

Learning South West works in partnership to promote excellence in learning and youth work through improving

- 1 Networks and communities of practice
- 2 Participation of learners, employers and young people
- 3 Professional development

Goals and Achievements in 2007/8

Learning South West goals and achievements are all achieved through partnership and collaboration with a growing number and range of organisations. Therefore, what has been achieved represents joint work for which much of the credit should go to our partners. We are continuously trying to improve the quality of our partnership-working across the region. We were, therefore, particularly proud that the Ofsted inspection of our ESF provision in September 2007 identified our major strength as partnership-working and recognised the beneficial impact that this was having on the region as a whole.

The following describes some of the key achievements against each of our organisational objectives in 2007/08.

1. Improving networks and communities of practice.

Learning South West sees networks and communities of practice as a critical source of learning and quality improvement within the sectors it serves. Healthy networks and communities of practice are essential in enabling these sectors to adapt quickly and effectively to the rapidly changing external environment being driven by globalisation, rising inequality, increasing diversity and a dynamic government policy context.

Learning South West therefore aims to create and sustain networks of communities of practice which are operating in the sectors it works with.



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In 2007/8 Learning South West facilitated the operation of the following networks

Network	Description and aims of network
Youth Work Sector	
South West Strategic Leads for Positive Activities Group	This group was formerly the Principal Youth Officers Group but has shifted its primary focus to how members are providing leadership for positive activities across Local Authority areas, rather than the role played by Local Authority Youth Services. The implications of national and regional policy initiatives are explored and the group frequently instigates responses to Government policy initiatives. An annual residential conference takes place in the summer.
South West Network for Voluntary Youth Organisations	This is open to voluntary and community organisations involved in youth work in the South West. Organisations providing infrastructure support to the voluntary youth sector locally are particularly encouraged to attend network meetings.
Regional Youth Work Training Group	For those with lead responsibilities for training and workforce development for youth workers in local authorities and voluntary organisations, and for representatives of HE and FE institutions that deliver youth work qualifying programmes. The group has had considerable success in ensuring that all areas of the region have access to youth work qualifying programmes at all levels, and is now considering the implications of multi-disciplinary approaches to work with children and young people.
Quality Assurance Managers Network	For QA managers in local authority youth services, the network has produced good practice guidance on needs assessment for young people and shares expertise and experience on data collection and internal inspection processes, including ways of involving young people in QA processes.
Accreditation Workers' Group	For those with lead responsibilities for establishing accredited and recorded outcomes for young people. The group has organised training seminars and conferences and produced a Toolkit for Recorded Outcomes. It has also established a regional moderation and endorsement process for Local Youth Awards, based on the NYA guidelines.
Youth Participation Workers Network	For youth participation workers in youth services, voluntary organisations and Connexions partnerships. The group shares practice and develops regional activity around young people's voice and influence. The group has produced a dossier of promotional and application materials used across the region for Youth Opportunity Fund/Youth Capital Fund.
Senior Youth Work Managers	Senior Youth Work Managers Professional Development Network. For those at 2nd tier in local authority youth service, with significant operational and strategic management responsibilities. Two

Network	Description and aims of network
Professional Development Network	professional development days are organised each year on key current issues, and a 'buddying' system provides peer support
South West International Youth Work Partnership	For representatives from organisations across the region which play a role in promoting international youth work opportunities and ensuring that youth exchanges and volunteering opportunities are good quality and positive experiences for young people
South West members of the UK Youth Parliament	Every Local Authority in the South West region has an election process to ensure that its young people are represented on the UK Youth Parliament. Our Regional Youth Democracy Worker, Sharon Adams, works with the elected Members of Youth Parliament (MYPs) and their deputies, organising regional meetings, an annual residential for the new intake and the South West region's contribution to the annual national sitting of the Youth Parliament
SWAT (South West Amazing Trainers)	A network of young people, several of them formerly MYPs, who can offer training and presentations about UK Youth Parliament, how to consult with young people and participation
Learning and Skills Sector	
SWitch Centre for Excellence in Teacher Training Forum and Board	The SWitch CETT Forum brings together all partners (currently 50 organisations) in the SWitch CETT. It acts as a forum to share the latest developments in teacher training, discuss the work of the SWitch CETT, disseminate good practice, and to set the strategic priorities for the SWitch CETT. The SWitch Board is elected by the SWitch Forum and is responsible for developing and managing the strategy within the priorities identified by the Forum and is responsible for taking the financial decisions related to SWitch and its commissioning process for project work
SWitch CETT subject specialist networks for new teacher trainees	5 networks have been created for new trainees to examine subject specific pedagogy and meet the new baseline criteria for Teacher Training accreditation. The five subject areas are Health, Social and Development, Construction, Engineering, Creative and Media, and Skills for Life
Good Practice network for Skills for Life	This network of over 300 members was developed through the Crystal Chandelier project. With the end of funding for Crystal Chandelier, the SWitch CETT is sustaining this network
Network of Professional Development Centre Managers	This network of managers responsible for Professional Development Centres, particularly related to Skills for Life, was developed through the Crystal Chandelier project. It is being sustained by Learning South West beyond the end of funding for Crystal Chandelier project as it plays an important role supporting a range of initiatives around professional development and skills for life

Network	Description and aims of network
The Regional Professional Development Managers and Teacher Education Forum	<p>These are 2 separate but related networks which are designed to bring together Professional Development Managers and Teacher Educators from across the South West in learning and skills contexts to</p> <ul style="list-style-type: none"> • Link to national and regional agendas which concern professional and workforce development • Contribute to relevant consultation and debate • Analyse change and impact on individuals and organisations • Share excellent practices and generate innovative approaches to fresh challenges • Support and enjoy a professional identity and purpose
Building and Estates Network	A network of those responsible for Buildings and Estates within Further Education Colleges and other training providers which meets to share the latest developments in policy and practice, learn from each others' experience and offer mutual support
Kaleidoscope	Kaleidoscope is a regional network of consultants who work with Learning South West to improve the lives of learners and young people by providing research, project management and design and delivery of training programmes. Kaleidoscope is based on a belief in the value of collaboration. By bringing a wide range of skills and perspectives together, they offer flexible, cost-effective support for organisations working in the learning and skills sector

Other Regional networks	
The South West Learning for Sustainability Coalition	Learning South West has provided administrative support to this network of organisations and individuals who are concerned that all our learning supports and accelerates the development of a sustainable South West. The Coalition will be self-administering from July 2008 onwards

Bishops Hull House

Learning South West also supports the operation of networks and communities of practice in the South West through hiring its excellent meeting rooms at Bishop's Hull House to such networks at competitive rates. The House acts as a key node within a variety of networks and enables different networks to meet and interact, which can sometimes lead to some unexpected learning and initiatives. In 2007/8 the surplus generated from room hire increased significantly to £36k, which reflects increasing use of our rooms by a variety of networks and organisations.

2. Improving workforce development.

Learning South West is ultimately all about people and enabling people to learn and develop in order to improve the quality of their work. In order to improve workforce development we believe it is important to raise the diversity as well as the quality of those being recruited and to provide induction processes that respond to each individual's learning needs. There is also a need to improve the quality of induction, initial training and continuous professional development.

Some of the key achievements in the Youth Sector in 2007/08 are listed below

- Winning BASIS funding from the National Lottery for capacity building work with the voluntary youth sector
- Producing effective resources and disseminating these via networks, events and the Learning South West website, such as 'Guidelines for Commissioners of Youth Work' and 'Checklist for the Youth Offer Toolkit'
- Securing funding for regional disability training for youth workers
- Publication of 'Youth Work Works 4 The International Perspective' to promote international youth work opportunities
- Collaborating with LLUK and CWDC to research the barriers to take-up of apprenticeships in work with young people, and develop graduate entry routes into the youth workforce

Some of the key achievements in the Learning and Skills Sector in 2007/08 are listed below

- The Crystal Chandelier was a £2.5m project to ensure there are enough teachers in the South West to meet the literacy, language and numeracy needs of adult learners. The project was financed by the European Social Fund (ESF) and the Learning and Skills Council (LSC) and was delivered across the South West, except Cornwall. 2007/8 was the final year of the project which has now enrolled over 1,500 teachers in Skills for Life teaching qualifications and supported 962 to achieve their qualifications within the project timescale.
- The SWitch CETT, funded by the Quality Improvement Agency, is supporting a range of professional development activity. Two major areas of work in 2007/8 have related to improving the way mentors support trainee teachers, and improving the use of Individual Learning Plans for trainee teachers.
- Learning South West launched a new approach to professional development at the winter Annual General Meeting and has organised a range of professional development conferences and events.
- Learning South West became a Key Skills Support Programme Hub and 18 staff from partner organisations completed an HE-level accredited professional development programme in support for Key Skills Teaching.
- Paula Jones, the Deputy Chief Executive, has participated actively as newly elected member of the Council of the Institute for Learning.

3. Increasing the participation of learners, young people and employers in how learning and other services are delivered.

Learning South West recognises the important role that learning can play in the empowerment of young people and those that are disadvantaged through poverty or inequality. This empowerment of the relatively disadvantaged through learning is also important in enabling all those who participate in, or deliver, learning to ensure that education is about creating the future world we desire, rather than perpetuating the world we already have.

Increasing participation is also important in improving the quality of learning and other services.

Some of the key achievements in the Youth Sector in 2007/08 are listed below.

- Our role facilitating the South West UK Youth Parliament continues to develop. In 2007/8 we have supported young people to campaign on age issues and also on rural issues affecting young people. We also helped organise and encourage participation of young people in a regional counter-terrorism conference.
- We have worked with the Terence Higgins Trust on Lesbian, Gay, Bi-sexual and Transsexual issues related to young people.
- We have produced, with funding from the Children's Workforce Development Council, a Recruitment Toolkit for relevant employers to enable them to involve children and young people in recruitment processes for staff.
- In June 2007, the RYWU brought together 60 young people from across the South West to attend a Ministerial Dialogue event with the then Minister for Young People at DfES.

Some of the key achievements in the Learning and Skills Sector in 2007/08 are listed below.

- The Greater Expectations project, funded by ESF and the LSC, developed a new bespoke coaching course and trained 89 employees within small and medium enterprises across the South West, except Cornwall. These 89 'learning coaches' have supported 119 of their co-workers to achieve full NVQ qualifications. Evidence from the project shows that the coaching support enabled learners to make the training they engaged in more relevant to their own and their employer's needs as well as encouraging their retention and faster achievement.
- Learning South West was contracted by Somerset County Council to review their approach to planning adult learning within the county. We enabled learners to facilitate groups of other learners or potential learners in making recommendations to the Council.

- Learning South West completed an action research project which directly involved learners in the West of England in a project called Trading Places. Trading Places was funded by the ESF and the LSC, to research how gender stereotyping affects learning within the West of England. The learners developed their own understanding of how they had overcome gender stereotyping to be successful learners and employees in sectors where there is significant gender stereotyping or discrimination, e.g. construction and childcare. As well as a research report, the project produced a DVD where the learners involved told their stories and challenged potential learners and providers of learning with questions and recommendations to support more learners to overcome discrimination and gender stereotyping.
- Learning South West organised a research conference presenting a variety of researchers' and projects' findings in relation to 'The Truth about Learning'. This included research on a range of learners and their perspectives on learning over a number of years. Learning South West also worked with NIACE to enable Learning Champions to present to this conference.

Financial Review

Financial position

The gross income of the charity has increased by 12% rising from £1 813m in 2006/7 to £2 048m this year. This is due to continuing growth in project income.

The majority of project income is restricted and the net surplus on restricted funds before transfers for 2007/8 was £297,237. Transfers totalling £218,241 have been made from restricted funds to unrestricted funds. These Transfers relate to the net savings realised during the life-time of two multi-year projects: Crystal Chandelier and Greater Expectations. Income paid by the funder of these contracts is based on providing evidence of achievement of outcomes, rather than through reimbursement of expenditure. As the final income receivable on these two contracts has now been confirmed, the savings realised on expenditure can now be transferred from restricted funds to unrestricted funds.

After accounting for these Transfers, the total of funds remaining in Restricted Funds as at 31 March 2008 is £180,571. £134,391 relates to the SWitch Centre for Excellence in Teacher Training, of which £132,328 represents approved grants which have already been committed to partners for expenditure in 2008/9.

There was a net increase of £79,806 of unrestricted funds in 2007/08. There would have been a larger net increase but for a £103,000 actuarial loss on the defined benefit pension scheme.

Free reserves are those unrestricted funds of the charity which are immediately available to the trustees to further the charity's objectives. These funds therefore exclude the funds which could only be realised by disposing of the charity's fixed assets. The pension liability of £431,000 has also been excluded from the calculation of free reserves because this is not an immediate liability.

Therefore, as the actuarial loss of £103,000 increases the pension deficit rather than reducing free reserves, there has been a significant increase in unrestricted free reserves from £78,268 as at 31 March 2007 to £277,285 as at 31 March 2008.

Reserves Policy

The trustees of the charity have agreed a target level of free reserves of £340,000. The target level has been set based on the charity's risk management strategy and the estimated probability and financial impact of the risks it faces.

The increase in the unrestricted free reserves to £277,285 takes the charity significantly closer to its target. The trustees have agreed a long-term strategy to slowly build reserves to the target level by improving the net income generated for the charity through its room hire activities and savings realised during the delivery of

project contracts The aim will be to increase the level of reserves to £340,000 by 31 March 2012, at the latest

Principal Funding Sources

Amount	Activity	Principal Source	Key Objectives
£1,611,646	Grants and Contracts	The SW Youth Service, British Council and the UK Youth Parliament, LSC, other Government departments and agencies and the European Social Fund	Share good practice and raise standards
			To assist national and regional agencies, for learning, skills, and youth work
			Collate and promote the voice of learning providers in the region
			Make a contribution to learning and skills for sustainable regional development
			Promoting and improving the region's capacity to deliver Skills for Life
			Support effective strategic planning and quality improvement in learning and skills
			Listening to young people and supporting youth work through Learning South West's Regional Youth Work Unit
£164,001	Assessment and Accreditation	ABC	Supply economic and responsive accreditation services, with national recognition through ABC Awards
£50,998	Conferences and Networks	SW Youth Service, and Members	Provide professional development activities which improve the quality of learners' experience
Other Funding Sources			
£107,140	Membership	Local Authority Youth Services	£83,350
		Colleges	£12,600
		Local Learning and Skills Councils	£2,000
		Higher Education Institutes	£2,600
		Associate Members	£3,060
		Kaleidoscope	£3,530
			£107,140
£89,931	Letting Building and Support Services		
£24,433	Bank Interest		

Defined Benefit Pension Scheme Liability

Learning South West participates in the Local Government Pension Scheme which is known as Somerset County Council Pension Fund. This is a defined benefit scheme based on final pensionable salary. The Fund is in deficit and is shown as a liability on the Balance Sheet. However, the Trustees are confident that the Charity can meet contributions from the projected future income without significant impact on its planned levels of charitable activity. The majority of employees are members of the Local Government Pension Scheme but several staff are members of the Teachers Pension Scheme. This is also a defined benefit scheme based on final pensionable salary. The Teachers Pensions Scheme is a 'pay as you go' scheme run by Central Government, (see Note 21 for further detail), which means that Learning South West has no responsibility for any overall deficit within this scheme.

Investment policy

Learning South West banks its cash to obtain maximum interest payments with minimum charges, mainly through CAF bank, which is an on-line bank that specialises in support for charities. Where funds can be safely invested for a longer period, these are invested through Comfund, which is run by Somerset County Council. Comfund offers higher rates of return than is offered by CAF bank by pooling resources for investment in money markets, but is still low risk and does not invest in equities.

Learning South West also invests through continuing to develop and improve Bishops Hull House, for which it has a long term commercial loan with the National Westminster bank. In 2007/8 the exterior of the house was completely redecorated as part of our ongoing maintenance plan.

Plans for the Future

Learning South West will continue to refine its existing strategy based on the developing context in which it works but following the vision, mission and goals outlined above.

Since 31 March 2008, Learning South West has been awarded two ESF and LSC funded projects for work with partners in Somerset between April 2008 and December 2010. One project, called *ICEbreakers*, will involve working with employers to develop language training schemes for the migrant workers they employ. The other project, called *Think Smart*, will build on the achievements of the Greater Expectations project, and train 'learning coaches' to support learners within small and medium enterprises to undertake a variety of qualifications.

Learning South West is continuing to develop its role in improving the provision of Skills for Life in the South West and is actively pursuing a number of projects and opportunities at the time of writing this report. It is also continuing to refocus and develop the range of support it offers members for professional development.

In the youth sector, Learning South West is in the process of creating a new Reference Group to inform its strategy and monitor its work. This Reference Group will include representatives of the UK Youth Parliament, as well as a variety of other key stakeholders.

In 2008/9 the other key priorities will be:

- Successful management of the various projects being undertaken, especially the new ESF and LSC funded projects
- Further development of the support which Learning South West offers the Youth work sector, especially the Voluntary Youth Work sector
- Improvements to internal management systems and the systems which enable quality improvement and assurance of partnership work
- Continued investment in internal staff development and improvements in evaluation of the organisation's impact, in order to continue the journey to becoming a learning organisation
- Cost control measures and careful financial management to ensure Learning South West meets its Risk Management and Reserves strategy

Statement of the Trustees' responsibilities for the accounts

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the end of the year and of the surplus or deficit for that period. In preparing those financial statements the Trustees are required to

- a) select suitable accounting policies and then apply them consistently,
- b) make judgements and estimates that are reasonable and prudent,
- c) state whether applicable accounting policies have been followed,
- d) prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Statement of Disclosure of Information to Auditors

In accordance with company law, as the company's directors, the Trustees of the charity who held office at the date of approval of this Annual Report as set out above each confirm that

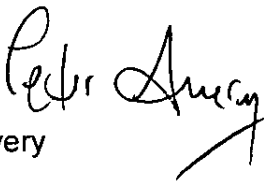
- so far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

Amherst & Shapland have expressed their willingness to continue in office as auditors

The Trustees have taken advantage of the exemptions conferred by Part II of Schedule 8 of the Companies Act 1985, and have done so on the grounds that in their opinion, the charity is entitled to those exemptions as a small company

Approved by the Board on 19 September 2008 and signed on their behalf by


Peter Avery
Chair

Independent Auditors' Report to the Members of Learning South West

We have audited the accounts of Learning South West for the year ended 31 March 2008 which comprise the Statement of Financial Activities and Income and Expenditure Account, the Balance Sheet and related notes which have been prepared under the historical cost convention as modified by the revaluation of the property and the accounting policies therein

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of the Trustees and Auditors

The trustees' (who are also the directors of Learning South West for the purposes of company law) responsibilities for preparing the Annual Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of Trustees' Responsibilities on page 15 and 16. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Trustees' Report is consistent with the accounts. In addition we report to you if in our opinion the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed

We read the Trustees Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the accounts, and of whether the accounting

policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts

Opinion

In our opinion

- the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of affairs of the charity as at 31 March 2008 and of its incoming resources and application of resources, including its income and expenditure for the year then ended, and
- the accounts have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Trustees' report is consistent with the accounts

AMHERST & SHAPLAND
Chartered Accountants
Registered Auditors
Castle Lodge
Castle Green
Taunton
Somerset
TA1 4AD



DATE 19 September 2008

Learning South West

Statement of Financial Activities and Income and Expenditure Account for the Year ended 31 March 2008

	Note	Unrestricted Funds £	Restricted Funds £	Total 2008 £	Total 2007 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Activities for generating funds					
Letting Building and Support Services		89,931	-	89,931	73,724
Investment income					
Bank Interest		24,433	-	24,433	20,377
Incoming resources from charitable activities					
Conferences and Networks		50,998	-	50,998	46,376
Assessment and Accreditation		164,001	-	164,001	134,026
Membership Subscriptions		107,140	-	107,140	123,990
Grants and Contracts		236,292	1,375,354	1,611,646	1,414,317
Total Incoming Resources	12	672,795	1,375,354	2,048,149	1,812,810
RESOURCES EXPENDED					
Costs of generating funds					
		53,262	-	53,262	93,234
Charitable activities					
		627,693	1,078,117	1,705,810	1,643,561
Governance costs					
		27,274	-	27,274	19,685
Total resources expended	13	708,229	1,078,117	1,786,346	1,756,480
Net incoming/outgoing resources before transfers		(35,434)	297,237	261,803	56,330
TRANSFERS					
Gross transfers between funds		218,241	(218,241)	-	-
Net incoming resources before other recognised gains and losses					
		182,807	78,996	261,803	56,330
Actuarial gains/(losses) on defined benefit pension scheme	22	(103,000)	-	(103,000)	105,000
NET MOVEMENT IN FUNDS		79,807	78,996	158,803	161,330
RECONCILIATION OF FUNDS					
Total funds/(deficit) brought forward		255,070	101,575	356,645	195,315
Total funds carried forward		334,877	180,571	515,448	356,645

The notes on pages 21 to 37 form part of these accounts

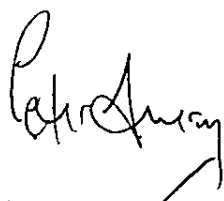
Learning South West

Balance Sheet as at 31 March 2008

	Note	2008 £	2007 £
FIXED ASSETS			
Tangible assets	2	653,074	662,098
CURRENT ASSETS			
Debtors	3	216,557	473,376
Cash at bank and in hand		<u>901,215</u>	<u>268,404</u>
Total current assets		<u>1,117,772</u>	<u>741,780</u>
LIABILITIES			
Creditors Amounts falling due within one year	4	<u>659,916</u>	<u>561,937</u>
Net current assets		<u>457,856</u>	<u>179,843</u>
Total assets less current liabilities		1,110,930	841,941
Creditors Amounts falling due after more than one year	5	<u>164,482</u>	<u>178,296</u>
Net assets excluding pension liability		946,448	663,645
Defined benefit pension scheme liability		<u>431,000</u>	<u>307,000</u>
Net assets including pension liability		<u>515,448</u>	<u>356,645</u>
THE FUNDS OF THE CHARITY			
Unrestricted free reserves	9	277,285	78,268
Restricted income funds	10	180,571	101,575
Unrestricted fixed asset reserve	9	162,029	157,239
Revaluation reserve	9	<u>326,563</u>	<u>326,563</u>
Funds excluding pension liability		946,448	663,645
Pension reserve (deficit)	9, 22	<u>(431,000)</u>	<u>(307,000)</u>
Total charity funds		<u>515,448</u>	<u>356,645</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The accounts were approved by the Board of Trustees on 19th September 2008 and signed on its behalf by



Chairman

The notes on pages 21 to 37 form part of these accounts

Learning South West

Notes to the Accounts for the Year ended 31 March 2008

1 ACCOUNTING POLICIES

Basis of preparation

The accounts have been prepared under the historical cost convention (modified to include the revaluation of the freehold property) and in accordance with the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' published in 2005 and applicable accounting standards except where otherwise stated

Going concern

The accounts have been prepared on a going concern basis. This basis assumes that the nature and level of the charity's present activities will continue for the foreseeable future

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity to the extent that they have not been designated for other purposes

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors for particular purposes. The cost of administering such funds is charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the accounts

Incoming resources

Conferences and Networks income is accounted for in the financial year in which the event is held, with those events that straddle financial years having their income apportioned

Assessment and Accreditation income is accounted for in the financial year in which the service is provided

Membership income is accounted for in the financial year to which the membership relates

Grants are accounted for in the financial year in which they are received, except where the donor has imposed restrictions on the expenditure of resources which amount to pre-conditions for use (e.g. the receipt in advance of a grant for expenditure in a future accounting period)

Project income is accounted for in the financial year in which the service is provided and projects that straddle financial years are apportioned in relation to the proportion of the service provided in each financial year

Income from letting the building for meeting accommodation is attributed to the financial year in which the meeting room is let

Resources expended

All expenditure is accounted for on an accruals basis. As far as possible, fundraising and governance costs are separately identified at the time they are incurred. Costs not directly attributable to any of the principal expenditure headings are apportioned on a fair and reasonable basis by the Board on a basis consistent with the use of resources

Grants payable are made to recipients based on approved plans with milestone payments linked to achievement of certain conditions over time. Grants payable are included in the Statement of Financial Activities in the period in which the milestone payments fall due. Any grants where milestones have fallen due but whose conditions have not yet been fully met, are accounted for as creditors on the Balance Sheet. Where grants have been approved with milestone payments due to fall at dates after the end of the current financial year, they are included in the notes to the accounts as a Commitment

Any irrecoverable VAT is included as part of the cost to which it relates

Learning South West

Notes to the Accounts for the Year ended 31 March 2008

1 ACCOUNTING POLICIES (continued)

Depreciation

All fixed assets, over £500, are stated at purchase cost plus incidental expenses of acquisition, less depreciation. With the exception of freehold land and property, depreciation is charged in respect of all fixed assets on a straight line basis and is calculated so as to write off the cost of the assets, less estimated residual value, over their expected useful economic lives as follows

Freehold Land and Buildings	Nil
Building Improvements	over 30 years
Fixtures and Fittings	over 10 years
Computer Equipment	over 3 years
Furniture	over 10 years
Office Equipment	over 5 years

Fixed Assets

Freehold property and land is subject to revaluation every five years with an interim valuation undertaken in the third year. The property is not depreciated, as it is considered that its useful economic life is more than 50 years, instead annual impairment reviews are undertaken. Surpluses or deficits arising from revaluation or impairment reviews are dealt with in the revaluation reserve unless a deficit is expected to be permanent in which case it is recognised in the Statement of Financial Activities for the year. The financial effect of this change is to reduce depreciation in the accounts by £7,930 per annum.

Government Grants

Income from government grants is included in incoming resources except as follows

When the conditions of the grant state that the funds are to be used in future accounting periods, the income is deferred until those periods

When conditions have to be fulfilled before the charity is entitled to the income, the income is deferred until the pre-conditions for use have been met

When grants are provided for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources under the heading of restricted funds

Taxation

The charity's activities all fall within its primary charitable objects and are therefore exempt from taxation under section 505 ICTA 1988

Pension costs

During the year Learning South West participated in two multi-employer defined benefit schemes, the Local Government Pension Scheme and the Teachers' Pension Scheme. The assets of these schemes are held separately from those of the charity. Learning South West is affected by a surplus or deficit in these schemes however the Teachers Pension Scheme has been accounted for as if it were a defined contribution scheme by charging the annual contributions payable to the Statement of Financial Activities. The Local Government Pension Scheme has been accounted for according to Financial Reporting Standard 17 'Retirement Benefits' (FRS 17) and the deficit relating to Learning South West's share in the scheme shown in the accounts, with income and expenditure charged through the Statement of Financial Activities. Information available regarding both of these schemes has been disclosed in note 22

Learning South West

Notes to the Accounts for the Year ended 31 March 2008

2 TANGIBLE ASSETS

	Freehold Property £	Fixtures & Fittings £	Furniture & Equipment £	Total £
Cost				
At 1 April 2007	489,146	229,278	95,363	813,787
Additions	-	-	12,320	12,320
Disposals	-	-	(889)	(889)
Revaluation	-	-	-	-
At 31 March 2008	489,146	229,278	106,794	825,218
Depreciation				
At 1 April 2007	-	76,480	75,209	151,689
Charge for year	-	6,581	14,762	21,344
Disposals	-	-	(889)	(889)
Revaluation	-	-	-	-
At 31 March 2007	-	83,062	89,082	172,144
Net book value				
At 31 March 2007	489,146	152,798	20,154	662,098
At 31 March 2008	489,146	146,216	17,712	653,074

Comparable historical cost for the freehold land and buildings included at valuation

Cost

At 1 April 2007 and 31 March 2008 237,920

Depreciation based on cost

At 1 April 2007 91,197

Charge for the year 7,930

At 31st March 2008 99,127

Net Book Value

At 31 March 2008 138,793

At 31 March 2007 146,723

Freehold land and buildings, including fixtures and fittings, were revalued as at 10 March 2006 to £650,000 by Greenslade Taylor Hunt, Chartered Surveyors, on an existing use basis. Greenslade Taylor Hunt are not connected to Learning South West in any way. The valuation was made in accordance with the RICS Appraisal and Valuation Standards. The Trustees consider that the value has not changed materially since the valuation on the 10th March 2006.

Learning South West

Notes to the Accounts for the Year ended 31 March 2008

3	DEBTORS	2008		2007	
		£	£	£	£
	Amounts Receivable				
	ABC Awards	14,904		11,448	
	Childrens Workforce Development Council	20,590		-	
	Lifelong Learning UK	44,732		-	
	South West Regional Partnership	36,043		-	
	Other	<u>75,278</u>		<u>78,846</u>	
			191,547		90,294
	Other Debtors and Accrued Income				
	SWOOP Projects	-		26,228	
	Crystal Chandelier	-		350,004	
	Other	<u>23,205</u>		<u>6,850</u>	
			23,205		383,082
	Prepayments		<u>1,805</u>		-
			<u>216,557</u>		<u>473,377</u>

4	CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	2008	2007
		£	£
	Mortgage loan (see note 6)	13,266	11,539
	Taxes and Social Security	14,789	14,387
	Accruals	107,564	132,640
	Deferred income (see note 7)	194,725	257,011
	Other creditors	<u>329,572</u>	<u>146,361</u>
		<u>659,916</u>	<u>561,937</u>

5	CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2008	2007
		£	£
	Mortgage loan (see note 6)	<u>164,482</u>	<u>178,296</u>

Learning South West

Notes to the Accounts for the Year ended 31 March 2008

6 MORTGAGE LOAN

	£	£
Amounts repayable (by instalments)		
- in one year or less	13,266	11,539
- between one and two years	14,120	12,342
- between two and five years	48,046	42,427
	75,432	66,308
- over five years	102,316	123,527
	177,749	189,835
Disclosed as		
- amounts due within one year (see note 4)	13,266	11,539
- amounts due after more than one year (see note 5)	164,482	178,296
	177,749	189,835

The mortgage is secured on the Charity's freehold property, Bishops Hull House. Interest is charged at 1% above the Bank Base Rate.

7 DEFERRED INCOME

Deferred income comprises receipts in advance relating to the Youth Programme fees and project income in respect of which the conditions for entitlement had not been fulfilled prior to the balance sheet date. The largest item of deferred income is £103,784 which relates to the Crystal Chandelier Project. Additionally £85,525 is for Youth Membership which is received in advance of the financial year to which it relates.

	£
Balance as at 1 April 2007	257,011
Amount released to incoming resources	(240,344)
Amount deferred in the year	178,058
Balance as at 31 March 2008	194,725

8 BISHOPS HULL HOUSE

The mortgage was taken out on Bishops Hull House in 1988 (by the Charity's predecessor) for the purchase value of £320,000 over a 30 year repayment period. The property was acquired by SWAFET (now Learning South West) during 1995 at a cost of £237,920. An additional loan of £100,000, arranged to finance the building work undertaken during the 2004, was taken out in October 2004. This loan was secured by a further mortgage over Bishops Hull House. The balance outstanding on the loan is £177,749 with a remaining term of approximately 10 years. This loan is repayable upon demand but it is considered to be a long term loan by reason of its repayment structure which is consistent with previous years.

Bishops Hull House was revalued on 10th March 2006 at a value of £650,000. This value is the total of Freehold Property and the Fixtures and Fittings. The revaluation reserve represents the difference between the total net book value of Freehold Buildings and Fixtures and Fittings as at 1 April 2005 of £312,571 and £650,000 with a further adjustment made in respect of additions and depreciation to fixtures and fittings during the year. The property is no longer depreciated, however annual impairment reviews along with full revaluations every 5 years and interim valuations every third year are to be undertaken in accordance with FRS 15 'Tangible Fixed Assets'. The depreciation period of the element included as Fixtures and Fittings is unchanged and is over 30 years, to recognise the fact that these types of alterations have a lower useful economic life.

	2007	Net incoming resources	Other recognised gains/losses	2008
			£	£
Unrestricted free reserves	78,268	178,017	21,000	277,285
Unrestricted fixed asset reserve	157,239	4,790	-	162,029
Revaluation reserve	326,563	-	-	326,563
Pension reserve (deficit)	(307,000)	-	(124,000)	(431,000)
	255,070	182,807	(103,000)	334,877

Learning South West

Notes to the Accounts for the Year ended 31 March 2008

10 RESTRICTED FUNDS

	2007 £	Incoming Resources £	Resources Expended £	Transfer to Unrestricted Funds	2008 £
Crystal Chandelier Greater	101,505	616,756	492,892	183,993	41,377
Expectations	70	182,207	148,028	34,248	-
Light Bulb	-	34,000	34,000	-	-
SWitch Centre for Excellence in Teacher Training	-	438,636	304,245	-	134,391
Voluntary Youth Organisation Network	-	23,835	19,032	-	4,803
Lifelong Learning UK Youth	-	39,100	39,100	-	-
Workforce Project Workforce Development Council	-	23,745	23,745	-	-
Participation Fund	-	17,075	17,075	-	-
Capacity Builders	-	1,375,354	1,078,117	218,241	180,571
	<u>101,575</u>	<u>1,375,354</u>	<u>1,078,117</u>	<u>218,241</u>	<u>180,571</u>

Learning South West

Notes to the Accounts for the Year ended 31 March 2008

10 RESTRICTED FUNDS (continued)

Crystal Chandelier

A project to ensure there are enough teachers in the South West to meet the literacy, language and numeracy needs of adult learners and to improve Skills for Life Teacher Training. The project will be closed by October 2008. The Transfer to Unrestricted Funds represents savings accumulated over the life-time of this 3 year project, which, under the terms of this contract with the LSC, can be retained by Learning South West.

Greater Expectations

A project designed to promote and support learning cultures within small and medium sized enterprises across the region. The project was closed in June 2008. The Transfer to Unrestricted Funds represents savings accumulated over the life-time of this 2 year project, which, under the terms of this contract with the LSC, can be retained by Learning South West.

Light Bulb

A programme designed for vocational tutors who need to support lifelong learning needs specific to their specialist area.

SWitch Centre for Excellence in Teacher Training

A 3-year project to develop an inclusive partnership for excellence which involves the diverse range of organisations involved in Initial Teacher Training (ITT) and Continuous Professional Development (CPD) for teachers in the learning and skills sector in the South West. The Restricted Funds carried forward includes £132,328 which has already been allocated and committed as grants to partners to be paid in 2008/09.

Voluntary Youth Organisation Network

A project to improve the infrastructure services and support available to the voluntary youth sector in the region by increasing capacity and strengthening the regional structure.

Lifelong Learning UK Youth Workforce Project

A project to assist Lifelong Learning UK in the 10 year strategy for youth workforce.

Children's Workforce Development Council Participation Fund

A project designed to produce a disseminate a toolkit on how to involve children and young people in recruitment, selection and induction, and organise sub regional training opportunities on participation for the statutory sector.

Capacity Builders

A project to improve the quality and effectiveness of support for third sector organisations. Learning South West's involvement to assisting the Voluntary Youth Organisations in the South West. Finished March 2008.

11 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total 2008	Total 2007
	£	£	£	£
Tangible fixed assets	653,074	-	653,074	662,098
Cash at bank and in hand	533,198	368,017	901,215	268,404
Other net assets (liabilities)	(255,913)	(187,446)	(443,359)	(88,561)
Long term (liabilities)	(164,482)	-	(164,482)	(178,296)
Pension reserve (deficit)	(431,000)	-	(431,000)	(307,000)
	<u>334,877</u>	<u>180,571</u>	<u>515,448</u>	<u>356,645</u>

Learning South West

Notes to the Accounts for the Year ended 31 March 2008

12 ANALYSIS OF INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Membership Services	Crystal Chandelier	Greater Expectations	Switch Centre for Excellence in Teacher Training	Trading Places	Voluntary Youth Organisation Network	Other Projects	Youth Services	ABC Awards	Total 2008	Total 2007
	£	£	£	£	£	£	£	£	£	£	£
Conferences and Networks	12,535	-	-	16,433	-	-	-	22,030	-	50,998	46,376
Assessment and Accreditation	-	-	-	-	-	-	-	-	164,001	164,001	134,026
Membership Subscriptions	23,790	-	-	-	-	-	-	83,350	-	107,140	123,990
Grants and Contracts	-	616,756	182,207	443,200	95,000	23,835	102,654	146,354	1,640	1,611,646	1,414,317
Total 2008	36,325	616,756	182,207	459,633	95,000	23,835	102,654	251,734	165,641	1,933,785	1,718,709
Total 2007	83,996	947,468	195,871	-	-	-	122,734	221,631	147,008	1,718,709	

Note re Switch Centre for Excellence for Teacher Training

Some of the incoming resources related to the Switch Centre for Excellence for Teacher Training are unrestricted as well as the restricted income received from the Quality Improvement Agency (QIA). The total of £16,433 received for Conferences and Networks was unrestricted. Unrestricted income also forms £4,564 of the total of £443,200 received in Grants and Contracts.

Learning South West

Notes to the Accounts for the Year ended 31 March 2008

13 TOTAL RESOURCES EXPENDED

Costs directly allocated to charitable activities	Costs of Generating funds	Charitable Activities								Governance	2008 Total	2007 Total
		Membership Services	Crystal Chandelier	Greater Expectations	Switch Centre for Excellence in Teacher Training	Trading Places	Voluntary Youth Organisation Network	Other Projects	Youth Services	ABC Awards		
Direct staff costs	10,237	16,983	123,774	53,344	49,910	9,452	10,259	86,636	108,718	102,734	12,840	584,886
Travel	9	334	1,651	480	2,799	362	1,062	5,048	11,414	4,160	322	27,642
Meeting costs	-	-	1,907	-	6,234	1,435	-	284	17,516	597	-	27,974
Consultant costs	-	3,440	4,396	14,403	48,912	59,854	-	25,403	33,544	-	-	189,952
Payment to providers	-	-	268,213	47,514	-	-	-	30,000	1,800	-	-	347,527
Grants payable	-	-	-	-	174,714	-	-	-	-	-	-	174,714
Catering	30,944	794	1,408	102	1,279	236	87	1,934	5,487	260	299	42,831
Project marketing	255	-	1,919	-	-	5,875	-	212	-	5	-	8,266
Other costs	1,048	299	861	88	213	9,222	114	4,355	1,730	1,125	6,524	25,580
Total direct resources expended	42,493	21,850	404,130	115,931	284,062	86,437	11,521	153,873	180,209	108,881	19,986	1,429,372
Support Costs(See note 14)	10,769	37,726	88,762	32,097	28,681	4,928	7,511	28,490	37,823	72,898	7,290	356,975
	53,262							Total Charitable Activities	1,705,810		27,275	1,786,347
												1,756,480

Note re SWITCH Centre for Excellence for Teacher Training

Some of the expenditure related to the SWITCH Centre for Excellence for Teacher Training is unrestricted as well as the restricted expenditure related to the contract with the Quality Improvement Agency (QIA) £8,498 of the expenditure was unrestricted, which related to conferences and professional development events run with other sources of funding other than the QIA

Learning South West

Notes to the Accounts for the Year ended 31 March 2008

14 SUPPORT COSTS

	Costs of Generating funds	Charitable Activities										Governance	2008 Total	2007 Total
		Membership Services	Crystal Chandelier	Greater Expectations	Centre for Excellence in Teacher Training	Trading Places	Voluntary Youth Organisation Network	Other Projects	Youth Services	ABC				
Support costs allocated to charitable activities	4,197	14,014	32,677	12,331	10,103	1,929	2,920	9,973	12,093	27,530	2,419	130,187	133,309	
		658	2,198	5,126	1,934	1,585	303	458	1,565	1,897	4,319	380	20,424	19,907
Salaries, employers' NIC and pensions contributions	1,310	4,375	10,201	3,849	3,154	602	911	3,113	3,775	8,594	755	40,640	39,514	
		384	1,283	2,991	1,129	925	177	267	913	1,107	2,520	221	11,915	11,201
Marketing Costs	688	2,297	5,357	2,022	1,656	316	479	1,635	1,983	4,513	397	21,344	23,407	
		1,468	4,902	11,431	4,313	3,534	675	1,021	3,489	4,230	9,630	846	45,540	16,804
IT and Communications	247	826	1,927	727	596	114	172	588	713	1,623	143	7,676	9,354	
		1,228	4,099	9,557	3,606	2,955	564	854	2,917	3,537	8,052	708	38,077	20,587
Loan interest	484	1,615	3,765	1,421	1,164	222	336	1,149	1,393	3,172	279	15,000	3,000	
		74	1,210	3,922	584	2,856	1	91	2,523	6,537	1,624	997	20,419	23,558
Stationery	Photocopier usage	908	1,808	181	153	25	1	626	557	1,321	145	5,754	9,684	
Postage	Franking machine use	30												
		10,769	37,726	88,762	32,097	28,681	4,928	7,511	28,490	37,823	72,898	7,290	356,975	310,324

Prior Year Adjustment

The 2007 comparatives for 'IT and Communications' and 'Other Office Costs' have been amended in order to better categorise this expenditure. As a result £8,384 has been transferred from Other Office Costs to IT and Communications in the 2007 comparatives.

Learning South West

Notes to the Accounts for the Year ended 31 March 2008

15 AUDITORS' REMUNERATION

	2008 £	2007 £
Statutory audit	3,936	3,408
Accounts advice	4,065	1,527
Payroll services	1,246	1,199
	<u>9,247</u>	<u>6,134</u>

16 TRUSTEES' REMUNERATION

The trustees received no remuneration for the year ended 31 March 2008 (2007 - nil)

17 STAFF COSTS

	2008 £	2007 £
Staff Pay	587,588	581,618
Employers National Insurance Contributions	42,032	44,227
Pension Costs	79,455	73,360
	<u>709,075</u>	<u>699,205</u>

No employee earned over £60,000 pa

The number of employees who are in a pension scheme is 19

The average equivalent full-time number of employees, analysed by function was

	2008 No.	2007 No.
Generating funds	0.5	0.6
Charitable activities	20.5	21.7
Governance	0.3	0.3
	<u>21.3</u>	<u>22.6</u>

18 TRANSACTIONS WITH TRUSTEES AND CONNECTED PERSONS

Seven trustees had their travel expenses reimbursed at a total cost of £393 (2007 Five trustees at a total cost of £501)

Learning South West

Notes to the Accounts for the Year ended 31 March 2008

19 RELATED PARTY TRANSACTIONS

Learning South West is a member and corporate trustee of ABC Awards, a charitable company incorporated in England and Wales. There are four members of ABC Awards who are also the corporate trustees of the charity, each having equal representation and voting rights at Board Meetings of ABC Awards. ABC Awards is limited by guarantee and its members therefore have no rights to any of the assets of the charity, and their liability is restricted to £1 each.

All income included within the category of Assessment and Accreditation within these accounts has been received from ABC Awards and total income from ABC Awards is as follows:

	2008	2007
	£	£
Service Level Agreement income	164,001	134,026
Grant	1,640	12,982
	<u>165,641</u>	<u>147,008</u>

No contracts or transactions were entered into by the charity with any of the trustees or any other person related to the Charity.

20 CAPITAL COMMITMENTS

There were no capital commitments at 31 March 2008 (2007 Nil).

21 FINANCIAL COMMITMENT

In addition to the amounts shown as creditors in these accounts, there are also commitments in relation to grants which have been approved with milestones payments falling due at dates after the end of the current financial year.

	2008	2007
	£	£
Commitments	132,328	-

22 PENSION COSTS

Local Government Pension Scheme

Learning South West participates in the Local Government Pension Scheme which is known as Somerset County Council Pension Fund. This is a defined scheme based on final pensionable salary.

Local Government Employers contribution

18.0% wef 1st April 2008

18.0% wef 1st April 2009

18.0% wef 1st April 2010

The disclosures below relate to the Somerset County Council Pension Fund.

In accordance with Financial Reporting Standard No 17 Retirement Benefits (FRS 17).

The latest actuarial valuation of the Somerset County Council Fund took place on 31 March 2007.

Learning South West

Notes to the Accounts for the Year ended 31 March 2008

22 PENSION COSTS (continued)

Results and Disclosures

The calculations for the year ended 31 March 2008 are set out in Appendix A. The Net Pension Liability as at 31 March 2008 is £431,000.

Table B sets out the revenue account costs for the year ended 31 March 2008, along with an analysis of the amount recognised in the Statement of Financial Activities (SOFA). Also shown is the movement of the surplus/deficit over the year and the history of experience gains and losses, expressed as a percentage of assets and/or liabilities.

Table C shows a reconciliation of assets and liabilities during the year.

Table A - Balance Sheet Disclosure as at 31 March 2008

Assumptions	31 March 2008		31 March 2007		31 March 2006	
	%pa		%pa		%pa	
Price Increases	3.7%		3.3%		3.0%	
Salary Increases	5.2%		4.8%		4.5%	
Pension Increases	3.7%		3.3%		3.0%	
Discount Rate	6.6%		5.4%		4.9%	

Assets (Employer)	Long Term Return at 31 March 2008	Assets at 31 March 2008	Long Term Return at 31 March 2007	Assets at 31 March 2007	Long Term Return at 31 March 2006	Assets at 31 March 2006
	%pa	£000's	%pa	£000's	%pa	£000's
Equities	6.9%	742	7.2%	713	7.3%	645
Gilts	4.3%	97	4.6%	89	4.3%	61
Other Bonds	6.6%	100	5.4%	65	4.9%	65
Property	5.9%	88	6.2%	91	6.3%	42
Cash	5.0%	49	5.0%	35	4.6%	7
Total	6.5%	1,076	6.7%	993	6.8%	820

Net Pension Asset as at	Assets at 31 March 2008	Assets at 31 March 2007	Assets at 31 March 2006
	£000's	£000's	£000's
Estimated Employer Assets (A)	1,077	993	820
Present Value of Scheme Liabilities	1,508	1,301	1,210
Present Value of Unfunded Liabilities	-	-	-
Total Value of Liabilities (B)	1,508	1,301	1,210
Net Pension Asset (A) - (B)	(431)	(307)	(390)

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Notes to the Accounts for the Year ended 31 March 2008

22 PENSION COSTS (continued)

Table B - Revenue Account Costs for the year to 31 March 2008

Analysis of amount charged to operating profit

Amount Charged to Operating Profit	Year to 31 March 2008		Year to 31 March 2007	
	£000's	% of payroll	£000's	% of payroll
Service cost	71	19.5%	79	20.9%
Past service costs	-	-	-	-
Curtailments and settlements	-	-	-	-
Decrease in irrevocable surplus	-	-	-	-
Total Operating Charge (A)	71	19.5%	79	20.9%
Amount Credited to Other Finance Income	Year to 31 March 2008		Year to 31 March 2007	
	£000's	% of payroll	£000's	% of payroll
Expected Return on Employer Assets	75	20.7%	58	15.4%
Interest on Pension Scheme Liabilities	(90)	(24.9%)	(61)	(16.3%)
Net Return (B)	(15)	(4.2%)	(3)	(0.9%)
Net Revenue Account Cost (A) - (B)	86	23.7%	82	21.8%

Analysis of Amount Recognised in Statement of Financial Activities

	Year to 31 March 2008	Year to 31 March 2007
	£000's	£000's
Actual return less expected return on pension scheme assets	(160)	52
Experience gains and losses arising on the scheme liabilities	(239)	-
Changes in assumptions underlying the present value of the scheme liabilities	295	53
Actuarial gain/(loss) in pension scheme	(103)	105
Increase/(decrease) in irrecoverable surplus from membership fall and other factors	-	-
Actuarial gain/(loss) recognised in SOFA	(103)	105

Learning South West

Notes to the Accounts for the Year ended 31 March 2008

22 PENSION COSTS (continued)

Movement in Surplus/Deficit during the Year

	Year to 31 March 2008 £000's	Year to 31 March 2007 £000's
Surplus/(Deficit) at the beginning of the year	(308)	(390)
Current Service cost	(71)	(79)
Employer Contributions	65	60
Unfunded pension payments	-	-
Past service costs	-	-
Other finance costs	(15)	(3)
Settlement/Curtalment	-	-
Actuarial gain/loss	(103)	105
Surplus/(Deficit) at the end of the year	(431)	(307)

History of Experience Gains and Losses

	Year to 31 March 2008 £000's	Year to 31 March 2007 £000's
Difference between the expected and actual return on	(160)	52
Value of Assets	1,077	993
Percentage of assets	(14.8%)	5.2%
Experience gains/(losses) on liabilities	(239)	-
Present value of liabilities	1,508	1,301
Percentage of the present value of liabilities	(16.0%)	-
Actuarial gain/(loss) recognised in SOFA	(103)	105
Present value of liabilities	1,508	1,301
Percentage of the present value of liabilities	(6.8%)	8.0%

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Notes to the Accounts for the Year ended 31 March 2008

22 PENSION COSTS (continued)

Table C - Asset and Liability Reconciliation for the year to 31 March 2008

Reconciliation of Liabilities

	Year to 31 March 2008 £000's
Liability at beginning of period	1,301
Service cost	71
Interest cost	90
Employee Contributions	22
Actuarial (gain)/loss	33
Benefits paid (net of transfers in)	-
Unfunded pension payments	-
Past service costs	-
Curtailments and settlements	-
Liability at end of period	1,517

Reconciliation of Assets

	Year to 31 March 2008 £000's
Assets at beginning of period	993
Expected return on assets	75
Actuarial (gain)/loss	(70)
Employer Contributions	65
Employee Contributions	22
Benefits paid (net of transfers in)	-
Receipt of bulk transfer value	-
Assets at end of period	1,085

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Notes to the Accounts for the Year ended 31 March 2008

22 PENSION COSTS (continued)

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 1997, as amended. These regulations apply to teachers in schools and other educational establishments in England and Wales maintained by local authorities, to teachers in many independent and voluntary-aided schools, and to teachers and lecturers in establishments of further and higher education. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account will be credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Not less than every four years, with a supporting interim valuation in between, the Government Actuary (GA), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate (SCR) is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR has been assessed at 19.75%, and the supplementary contribution rate has been assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years), a total contribution rate of 20.5%. This translates into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement has also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

A copy of the GA's report can be found on the TeacherNet website at www.teachernet.gov.uk/pensions