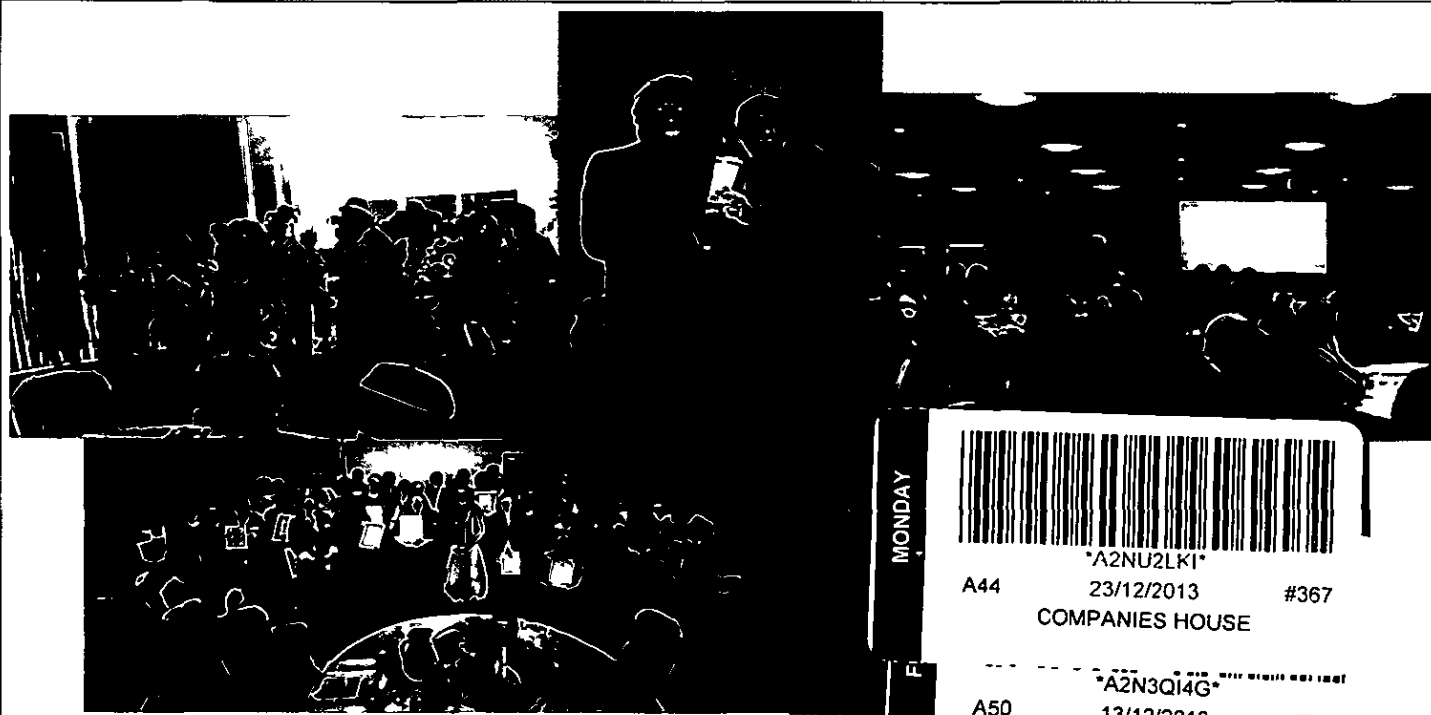


2806593



Annual Report & Financial
Statements for the year
ended
31 March 2013



MONDAY



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COMPANIES HOUSE

Trustees' Annual Report and Financial Statements for the Year ended 31 March 2013

Page	Contents
1-14	Trustees' Annual Report
14-15	Auditors' Report
16-17	Statement of Financial Activities
18	Balance Sheet
19-29	Notes to the Financial Statements



1. Reference and administrative details of the charity, its trustees and advisers

Learning South West is a registered Charity and Company Limited by guarantee Our Registered Charity Number is 1020027 and our Company Registration Number is 2806593

Our Registered office is: Bishops Hull House, Bishops Hull, TAUNTON, Somerset TA1 5EP

Trustees as at 31 March 2013

The Board is made up of the Trustees who are also the Directors of the Charity for the purpose of company law.

Dr Peter Avery
Heather Black
Sharon Bowden (joined October 2012)
Craig Marshall (resigned February 2013)
Helen McCann

John Nash (retired August 2012)
Oliver Warne
Peter Weeks
Christine White
David Wood
Neil Young (joined July 2012)

Chief Executive and Company Secretary:

Paula Jones

Senior Management Team

Colette Rosser	Accounts Manager
Pippa Bucknell	Human Resources and Quality Manager (left July 2012)
Sue Edwards	Professional Development Manager
Gill Millar	Regional Youth Work Adviser and Deputy Chief Executive
John Stow	Regional Development Manager (from April 2012)
Georgina Skirton	Customer Services and Facilities Manager

Auditors

Amherst and Shapland (Taunton & Wiveliscombe)
Chartered Accountants
Bridge House
14 Bridge Street
Taunton TA1 4UB

Bankers

CAF Bank Ltd PO Box 289 WEST MALLING Kent ME19 4TA	Somerset County Council Comfund County Treasurer's Dept County Hall TAUNTON TA1 4DY	National Westminster Bank plc 135 Bishopsgate LONDON EC2M 3UR
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2. Introduction

Looking to the future

In spite of continuing cuts and policy shifts Learning South West has held fast and confidently to its charitable purpose and value base which we believe is the key to our continued success. We are proud to be a long standing regional resource (66 years old) with its healthy cross-sector membership that is focussed on the development of those people who work with young people and all learners. We appreciate our longevity is supported by the need and continuous desire to develop and improve ourselves to benefit the people we work with, be they young people through effective youth work or with learners through transformational teaching and training.

We have learnt during our sustained history the importance of embracing opportunities so positive outcomes can be wrought from change. The emerging Education and Training Foundation and Institute for Youth Work will provide opportunities for us to demonstrate our ability to contribute, our purpose and connectivity in the region and beyond. Learning South West's contribution to national teaching and training and youth work workforce development groups continues. We work in forums to influence policy change and give voice from the region, we are well connected with other regions through Regional Youth Work Units and Centres for Excellence in Teacher Training.

Members' and partners' feedback* to us says that our approach of working together in partnership through Learning South West, the Regional Youth Work unit and the Centre for

Excellence in Teacher Training to support our own improvement within the organisations where we operate, is working.

Our charity's most valuable asset of course are the people who contribute, our member colleagues, our sector partners, our trustees and staff team. All of us work hard to hold the line and make that important enabling difference to good quality youth work and learning in the south west region.

In looking back across the last financial year this report demonstrates our continuing achievements through committed purposeful partnership and participation. Learning South West works hard with you to be proactive, to influence and make effective change, this is how we look to shape our future.

(Note *Learning South West Membership Survey March-April 2013)



Paula Jones
Chief Executive



Dr Peter Avery
Chair of Trustees

3. Charity Objects, Strategic Vision, Purpose and Values

Charity Objects

Learning South West's charity 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

Strategic Vision, Purpose and values

The vision and role of Learning South West is

"Connecting professionals to transform the future"

Inclusive practice is at the heart of all our charitable activities. Our partnership work is enriched by a cross sector approach and a shared value base. We believe that the sector itself is best placed to discover and develop brilliant practice in youth work, and teaching and learning.

Learning South West will incorporate its **values** in everything it does.

- Being an **inclusive** organisation
 - Across the learning and youth sectors
 - Encouraging learners and practitioner voices
- Encouraging **innovation**
 - Providing opportunities for 'creative thinking'
 - Being pro-active in trying new ideas and approaches
- Promoting **integrity**
 - Being at all times a socially responsible organisation
 - Providing an independent perspective for our members
- Encouraging **integration** in education
 - Making connections across the learning and skills and youth sectors
 - Providing opportunities for sharing practice across learning sectors
- Being an agency of **influence**
 - Offering advocacy on behalf of the learning and skills and youth sectors

4. Our Key Achievements 2012/13

- We increased our cross-sector membership by 30% to 92 members and in our 2013 Survey gathered the views of 258 respondents to shape our membership strategy
- In Adult Learners' Week we hosted the South West's Awards Ceremony for 150 guests to celebrate the outstanding achievement of 9 award winners and 146 nominees
- In our Continuous Professional Development programme we supported 427 practitioners at 28 events to improve their professional practice
- We trained 130 trainers to improve Apprenticeships using Personal Learning and Thinking Skills over the South West and in London, Huddersfield and Newcastle
- Through the Association of Centres for Excellence in Teacher Training we created guidelines to support the introduction of the new Initial Teacher Training qualifications
- Our Sounds Positive project trained 600 young people as Media Champions, resulting in 580 positive stories about young people in our local media
- We facilitated workshops for more than 50 youth workers on implementing the Young Foundation 'Framework of Outcomes for Young People' and gave tailored support to youth organisations seeking to evidence outcomes from their work
- We delivered a Youth Innovation Zone project in B&NES and Somerset exploring how Parish & Town Councils can increasingly support youth work
- We brokered relationships between youth organisations and FE providers to provide learning opportunities for young people in youth sector settings
- During 2012/2013 Bishops Hull House has hosted a wide range of events, meetings and training sessions which were attended by 6363 individuals 135 different organisations booked space at Bishops Hull House and approximately 21,000 social media contacts have been made

5. Structure, governance and management

Our governing document is our Memorandum and Articles of Association

Organisational Structure

We are a membership organisation made up of our Members, Trustees, Chief Executive, Senior Management Team and a wider dedicated staff team

Trustees are responsible for providing support and guidance to Learning South West managers and

- Ensure compliance with the objects, purposes, values and governing document, and with relevant laws and regulations
- Approve strategic plans and budgets
- Ensure solvency, financial strength and good performance
- Appoint the Chief Executive and set their remuneration
- Set and maintain a framework of delegation and internal control
- Agree all policies and decisions on matters which might create significant risk

The Trustees achieve this by approving the

- Three Year Strategic Plan
- Annual Business Plans
- Annual Budget
- Annual Statutory Accounts
- Appointment of an Auditor
- Appointment of key managers
- Risk Management and Reserves and comment on
 - Management Accounts
 - Cash Flow forecasts
 - Controls and Risk Assessments

- The Indicative Budget for future years
- The Auditors Letter of Comment
- Team Plans and progress against those plans
- Financial Controls and Procedure
- Chief Executive Reports
- Business and Disaster Continuity Plans
- Controls and Risks Analysis

The management of Learning South West is delegated to the Chief Executive, who is supported by a Senior Management Team and a wider dedicated staff team. The Chief Executive's priorities are to ensure excellence of governance and management and to focus the organisation on achieving its strategic aims and priorities as approved by the Trustees.

Recruitment, Training and Induction of Trustees

Trustees are recommended for appointment by either the existing trustees or members of Learning South West

New trustees, including young people, have joined the Board, and are making a huge and valued contribution, alongside our long-standing trustees, to steering the organisation through a time of change for our sector

All trustees are required to be able and willing to give their time to the efficient governance of Learning South West and thereby take an active part in how it runs

The processes which we apply regarding the appointment of new trustees are stated in our Memorandum and Articles of Association and our policy document, 'The

Recruitment and Induction of Trustees' All trustees are appointed for a period of up to three years, after which point they may retire or stand for re-election. Where trustees are appointed at a Board meeting of Trustees, the trustee must retire at the next annual general meeting and stand for re-election by the members.

All new trustees are provided with the information they need to carry out their role and mechanisms are also put in place to provide on-going support and consider any personal development requirements. All trustees are invited from time to time to attend training events to update their skill, knowledge and understanding of what it means to be a trustee of a charity. These events are also an opportunity for individuals to reflect on the responsibilities and requirements of the role.

Our trustees receive no remuneration. However, their travel expenses are reimbursed – see Notes 14 and 16 to the Financial Statements. Additionally, we provide Trustee Indemnity Insurance for our Trustees.

6. Our Objectives and Achievements for April 2012 – March 2013

Priorities for our work in Learning and Skills were:

Build communities of practice to empower organisations, practitioners and learners to champion achievement and develop innovation

- ★ By March 2013 we had increased Learning South West's strong cross-sector membership by 30% to 92 members. In order to set the strategy for serving our future membership, the Membership Survey that month garnered the views of 258 respondents from employers in post-16 education, training and youth work and their supporting agencies
- ★ Crowning the 275 Adult Learners' Week events taking place across the South West in May was our Annual Awards Ceremony, held this year at Weston Super-Mare's Grand Pier. The 150 guests included the nine Award winners and participants receiving certificates for the 123 outstanding individual learners and 23 outstanding learning projects
- ★ Our 'What's Hot' e-newsletter continued to have a broad and penetrative cross-sector reach with termly updates emailed to over 2,500 employers and practitioners. Additionally 'What's Hot' was viewed 1,870 times on our website and on 930 occasions was downloaded to share

Support organisations and practitioners to develop professionally in order to inspire learning in others

- ★ In our own Continuous Professional Development Programme, delivered by our team of experienced associates and renowned speakers through workshops interspersed with conferences and network meetings, 427 practitioners over the year were supported at 28 events. Our Survey evidenced the continuing demand for high quality CPD and provided a valuable steer for our evolving service
- ★ A partnership and practitioner centred project to support improvements to the quality delivery of Apprenticeships using PLTS (Personal Learning and Thinking Skills) was delivered across the region as well as in London, Huddersfield and Newcastle. 130 practitioners benefited from the training which was designed to be cascaded among their colleagues and learners
- ★ In another Learning and Skills Improvement Service contract, our regional Teaching and Learning hub worked with 49 colleagues in three cohorts to develop their coaching skills. As with PLTS, the model of training is designed to benefit the colleagues of the trainee coaches. Participants' evaluation testifies to the effectiveness of this approach to professional development:
- ★ "The coaching model is going to impact hugely on my role and with the support of staff will result in improved teaching and learning" said one. Another reported "attending this course has helped

me inspire a group of teachers to coach".

- ★ Our work in enabling practitioners to support Literacy, Language and Numeracy (LLN) skills of learners continued in our work with a cluster partnership focused on offender learning. As throughout our work to support and improve teaching and learning, we used this opportunity to disseminate good practice widely across the education and training sectors.

Support and contribute to continued sector-led improvement in Teacher/Training Education

- ★ The South West Centre for Excellence in Teacher Training (SWCETT) delivered successful partnership projects including SITE (South West Innovation in Teacher Education). Here, innovative approaches and solutions were tested across the partnership with trainee teachers. The resources have been shared regionally and nationally with the teacher education community.
- ★ Nationally, through the Association of Centres for Excellence in Teacher Training (ACETT), we worked with other regional CETT colleagues to create guidelines for initial teacher training providers to support the introduction of the new Initial Teacher Training qualifications and share good practice (2013).
- ★ The Institute for Learning's Regional Advisory service delivered through Learning South West has continued to support teachers achieve

Qualified Teaching and Learning status (QTLS). This work included the development of Continuing Professional Development (CPD) modules delivered online.

Our Regional Youth Work Unit had 5 priorities for 2012/13: *Champion young people's voice and influence*

- ★ Our Sounds Positive project trained 600 young people as Media Champions, resulting in 580 positive stories about young people in our local media.
- ★ 200 young people attended Regional Conventions and UKYP residential. 40,280 young people voted in 'Make your Mark' to select priorities for UK Youth Parliament.
- ★ 20 young people achieved British Youth Council's Youth Voice Award. SW Members of Youth Parliament led debates at the annual House of Commons session and contributed to the Youth Select Committee.
- ★ We launched the South West Heritage Heroes project, working with young people to celebrate people in the history of the region who have campaigned and made change on behalf of others.
- ★ We ran a 'Young Writers Squad' in Taunton, with Literature Works enabling young people to find a voice in journalism.

Promote youth work as a core early intervention with young people and their families

- ★ We evaluated the Youth Innovation Zone project in Wiltshire and B&NES showing how youth work can support young people from troubled families
- ★ We facilitated workshops for more than 50 youth workers on implementing the Young Foundation 'Framework of Outcomes for Young People' and gave tailored support to youth organisations seeking to evidence outcomes from their work
- ★ We contribute to the regional safeguarding network, ensuring that youth workers are aware of their roles in safeguarding young people's welfare

Finding new ways of delivering youth work in challenging times

- ★ We have worked with Somerset County Council and partners on developing 'co-production' approaches to youth provision
- ★ We delivered a Youth Innovation Zone project in B&NES and Somerset exploring how Parish & Town Councils can increasingly support youth work
- ★ We were part of the United Futures pilot in Plymouth which partnered youth organisations with businesses to draw in new skills and resources
- ★ We brokered relationships between youth organisations and FE providers to provide learning opportunities for

young people in youth sector settings

Improve commissioning practice

- ★ We updated our Commissioning Guidance in the light of the revised Statutory Guidance to local authorities on services for young people
- ★ We have delivered Commissioning Support Partnership training to youth organisations across the region
- ★ Our Voluntary Sector Specialist has been Independent Chair of the Continuum consortia of voluntary organisations in Dorset, enabling them to work together on contracts

Support the provision of good quality youth work

- ★ We have established the South West Training Innovation Partnership bringing together employers and training providers to make best use of scant resources for youth work training across the region
- ★ 326 individuals have attended our conferences, seminars and regional networks on aspects of good youth work practice during 2012/13
- ★ 42 learners successfully completed our Level 2 & 3 Youth Work and Assessor qualifications

7. Our Future

Our Objectives and Achievements from April 12 until March 13 have reinforced the following three strategic aims which have steered Learning South West's work from 2010 to 2013. It is certain these aims will

inform our 2013 to 2015 strategic plans to sustain our charity and its purpose.

Priority one: Partnership

Build cross-sector partnerships and networks of organisations and professionals in order to improve the quality, responsiveness and accessibility of learning and youth work provision. We will

- Build and support cross-sector partnerships and networks of organisations and professionals
- Use partnerships and networks to support members to improve the quality, responsiveness and accessibility of learning and youth work provision
- Support members through partnerships and networks to develop bids and deliver projects
- Promote the sector and members through advocacy for Youth Work, Teacher Educators and Workforce Development in the South West

Priority two: Voice and Choice

Empower young people, adult learners and practitioners, so that they participate in and influence learning and youth work provision. Celebrate the achievements and positive contribution of young people and adult learners in order to engage everyone. We will:

- Be an advocate for teachers, trainers and youth workers.
- Empower young people, adult learners and practitioners, so that they participate in and influence learning and youth work provision
- Advocate for the needs of young people and learners in all areas of the SW to enable them to access good

quality learning and youth work provision

- Share and celebrate the achievements and positive contribution of young people and adult learners in order to engage and inspire others.
- Provide channels to enable the voices of young people and adult learners and practitioners to be heard and to influence decision making.
- Extend opportunities for learning for people with limited life choices
- Ensure that young people's voice and influence is supported and promote positive images to celebrate young people as core members of our communities

Priority three: Practice

Create and promote approaches to professional development and standards that reflect what works in practice. We will

- Support the sector and members to develop, review and share practice
- Promote, support and initiate mechanisms to share and disseminate best practice across and between the sector
- Create and promote approaches to Continuous Professional Development that model successful practice and utilise sector expertise
- Help partners and members to make sense of complex information and provide practical solutions and routes for implementation

8. ABC Awards

On 31st March 2012 Learning South West ceased to be a member and corporate trustee of ABC Awards (Charity number 1086947) ABC Awards has now centralised its staff team at its Nottingham office, and responsibility for the Taunton based staff transferred to ABC Awards in Nottingham. Learning South West received a financial contribution to our costs from ABC Awards until 31st August 2012

We continue to enjoy a positive relationship with ABC Awards, and deliver their youth work and assessor qualifications.

9. Financial Review

The challenging external environment continued to have an impact in 2012/13 despite substantial cost savings made during the financial year. As a result our Annual Accounts for 2012/13 show that we have spent £40,090 more than we received in income.

Risk Management statement

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;
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

The trustees and staff of Learning South West are pursuing strategies to minimise these and other risks. The scale and nature of the

risks will be reassessed in the light of the new government policies.

Reserves Policy

Our trustees annually review the charity's reserves policy to ensure we manage the financial impact of identified risks. After reviewing all known risks in line with our risk management statement, the trustees consider that our target level of reserves should be set at £395,000

Investment policy

We bank our 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.

We also invest through continuing to develop and improve Bishops Hull House, for which there is a long term commercial loan with the National Westminster Bank.

Principal Funding Sources

Our principal sources of funding are from activities in Learning and Skills and Youth Work (89%) and Lettings of our building meeting rooms (11%)

Please see Note 11 of the Financial Statements for detailed information.

Expenditure during the year has supported our key objectives by providing Staffing and Support Costs, Consultant fees and Provider Payments. The details are

summarised in Note 12 of the Financial Statements

Pension Fund

We are an Admitted Body to the Somerset County Council Pension Fund. The Fund is in deficit and this is shown on our Balance Sheet. See note 20 of notes to the financial statements for the year ended 31st March 2013 for further information

Statement of Trustee's Responsibilities

The trustees are responsible for preparing the Trustees 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 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud

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

Public Benefit

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011, to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit"

Charity Commission: Accounting and Reporting by Charities: Statement of Recommended Practice 2005 (SORP)

Alignment with SORP		
Heading	Details	Page No
Reference and Administrative Details of the Charity, its Trustees and Advisers	Name of charity, registration number, address, names of trustees, chief executive and senior team, relevant organisations	1
Structure, Governance and Management	Nature of governing document, recruitment induction and training of trustees, organisation structure	5,6
	Relationship with charity and related parties (ABC Awards)	11
Objectives and Activities	Charity objects, aims (strategic vision), objective's for year	3
	Strategies for achieving objectives, significant activities	4,7,8,9
Achievements and Performance	Review of charitable activities and the performance, fundraising, factors within and outside the charity's control (Introduction)	
	Factors within and outside the charity's control	2
Financial Review	Reserves policy, principal funding sources, investments	11,12
Plans for Future Periods		9,10

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.

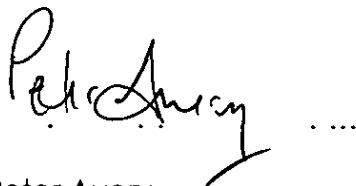
Auditors

The Board will be sending out invitations to tender for auditors for 2013/14

The Trustees have taken advantage of the exemptions conferred by Part 15 of the Companies Act 2006, 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 25 October 2013 and signed on their behalf by



Dr Peter Avery
Chair

Independent Auditors' Report to the Members of Learning South West

We have audited the financial statements of Learning South West for the year ended 31 March 2012 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

Respective responsibilities of the Trustees and Auditors

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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2012 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.

Opinion on other matter prescribed by the Companies Act 2006

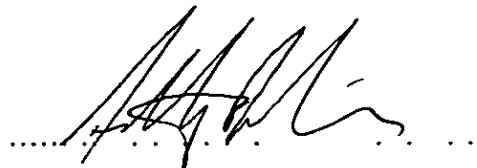
In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us,
- the financial statements are not in agreement with the accounting records and returns,

- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



ANTHONY GILES PORTER
(Senior Statutory Auditor)

For and on behalf of
AMHERST AND SHAPLAND
(TAUNTON AND WIVELISCOMBE)
Chartered Accountants & Statutory Auditor
Bridge House
14 Bridge Street
Taunton
Somerset
TA1 1UB
25 October 2013

Learning South West

Statement of Financial Activities for the Year ended 31 March 2013

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Activities for generating funds					
Letting Building and Support Services		136,345	170	136,515	59,071
Investment income					
Bank Interest		2,041	-	2,041	3,491
Incoming resources from charitable activities					
Conferences and Networks		50,634	170	50,804	24,710
Assessment and Accreditation		2,995	-	2,995	164,017
Membership Subscriptions		77,884	-	77,884	86,111
Grants and Contracts		267,367	276,962	544,329	781,119
Total Incoming Resources	11	537,266	277,302	814,568	1,118,519
RESOURCES EXPENDED					
Costs of generating funds		87,500	-	87,500	86,695
Charitable activities		454,527	290,058	744,584	1,137,266
Governance costs		22,573	-	22,573	27,734
Total resources expended	12	564,600	290,058	854,657	1,251,695
Net incoming (outgoing) resources before transfers		(27,334)	(12,756)	(40,090)	(133,177)

Statement of Financial Activities and Income and Expenditure Accounts continues on the following page

Subject to note 17, all activities are classified as continuing and there are no gains and losses other than those included with the Statement of Financial Activities

The notes on pages 19 to 29 form part of these financial statements

Learning South West

Statement of Financial Activities for the Year ended 31 March 2013 (continued)

	Notes	£	£	Total 2013 £	Total 2012 £
Net incoming (outgoing) resources before other recognised gains/(losses) brought forward		(27,334)	(12,756)	(40,090)	(133,177)
Other recognised gains/(losses)					
Actuaries losses on defined benefit pension scheme	20	-	-	-	-
Surplus on disposal of interest in ABC Awards	17	-	-	-	20,000
NET MOVEMENT IN FUNDS		(27,334)	(12,756)	(40,090)	(113,177)
RECONCILIATION OF FUNDS					
Total funds brought forward		459,560	58,611	518,171	631,348
Total funds carried forward		432,226	45,855	478,081	518,171

Statement of Financial Activities and Income and Expenditure Accounts continues on the following page

Subject to note 17, all activities are classified as continuing and there are no gains and losses other than those included with the Statement of Financial Activities

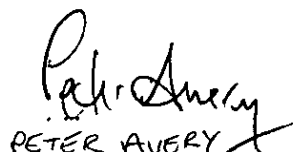
The notes on pages 19 to 29 form part of these financial statements

Learning South West
Balance Sheet as at 31 March 2013

	Notes	Total 2013 £	Total 2012 £
FIXED ASSETS			
Tangible assets	2	631,119	643,822
CURRENT ASSETS			
Debtors	3	115,350	148,810
Cash at bank and in hand		354,991	500,572
Total current assets		<u>470,341</u>	<u>649,382</u>
CURRENT LIABILITIES			
Creditors and accruals	4	216,649	351,259
Net current assets		<u>253,692</u>	<u>298,123</u>
Total assets less current liabilities		884,811	941,945
Long term Liabilities			
Creditors Amounts falling due after more than one year	5	77,730	94,774
Defined benefit pension scheme liability		329,000	329,000
Net assets excluding pension liability		<u>478,081</u>	<u>518,171</u>
THE FUNDS OF THE CHARITY			
Unrestricted free reserves	8	224,514	256,187
Restricted income funds	9	45,855	58,611
Unrestricted fixed asset reserves	8	210,149	205,810
Revaluation reserve	8	326,563	326,563
Pension reserve (deficit)	8, 20	(329,000)	(329,000)
		<u>478,081</u>	<u>518,171</u>

The accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The accounts were approved by the Board of Trustees on 25 October 2013 and signed on its behalf by


PETER AVERY
Chairman

The notes on pages 19 to 29 form part of these financial statements

Learning South West

Notes to the Financial Statements for the Year ended 31 March 2013

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention 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

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
The membership fees are due on 1st August and included when due

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

Grants

Income from 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

Learning South West

Notes to the Financial Statements for the Year ended 31 March 2013

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 policy is to reduce depreciation in the accounts by £7,930 per annum.

Taxation

The charity's activities all fall within its primary charitable objects and are therefore exempt from corporation taxation under sections 466 to 493 CTA 2010.

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. The most recent information available regarding both of these schemes has been disclosed in note 20.

Learning South West

Notes to the Financial Statements for the Year ended 31 March 2013

2 TANGIBLE ASSETS

	Freehold Property £	Fixtures & Fittings £	Furniture & Equipment £	Total £
Cost				
At 1 April 2012	489,146	271,241	75,383	835,770
Additions	-	-	-	-
Disposals	-	-	-	-
Revaluation	-	-	-	-
At 31 March 2013	489,146	271,241	75,383	835,770
Depreciation				
At 1 April 2012	-	121,282	70,666	191,948
Charge for year	-	9,938	2,764	12,702
Disposals	-	-	-	-
Revaluation	-	-	-	-
At 31 March 2013	-	131,220	73,430	204,650
Net book value				
At 31 March 2013	489,146	140,021	1,952	631,119
At 31 March 2012	489,146	149,959	4,717	643,822

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

Cost

At 1 April 2012 and 31 March 2013 237,920

Depreciation based on cost

At 1 April 2012 122,917

Charge for the year 7,930

At 31st March 2013 130,847

Net Book Value

At 31 March 2013 107,073

At 31 March 2012 115,003

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 and an interim valuation was carried out on 11th March 2009 which confirmed the House's valuation of £650,000. The Trustees consider that the value has not differed materially to the interim valuation on the 11th March 2009, therefore they did not consider it necessary to have a revaluation as set out in the Fixed Asset Accounting Policy in Note 1.

Learning South West

Notes to the Financial Statements for the Year ended 31 March 2013

3 DEBTORS

	2013 £	2012 £
Amounts Receivable		
Trade Debtors - contract income receivable	106,868	135,112
Other Debtors and prepayments	5,702	13,698
	<u>112,570</u>	<u>148,810</u>

4 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Mortgage loan	16,678	16,675
Taxes and Social Security	10,483	12,062
Accruals	1,644	9,400
Deferred income (see note 7)	156,739	147,378
Other creditors	31,105	165,744
	<u>216,649</u>	<u>351,259</u>

5 CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2013 £	2012 £
Mortgage loan (see note 6)	<u>77,730</u>	<u>94,774</u>

6 MORTGAGE LOAN

	2013 £	2012 £
Amounts repayable (by instalments)		
- in one year or less	16,678	16,675
- between one and two years	17,180	16,927
- between two and five years	<u>53,112</u>	<u>52,330</u>
	86,970	85,932
- over five years	<u>7,438</u>	<u>25,517</u>
	<u>94,408</u>	<u>111,449</u>
Disclosed as		
- amounts due within one year (see note 4)	16,678	16,675
- amounts due after more than one year (see note 5)	<u>77,730</u>	<u>94,774</u>
	<u>94,408</u>	<u>111,449</u>

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

7 DEFERRED INCOME

	2013 £	2012 £
Balance as at 1 April 2012	125,848	125,848
Amount released to incoming resources	(125,848)	(125,848)
Amount deferred in the year	<u>156,739</u>	<u>147,378</u>
Balance as at 31 March 2013	<u>156,739</u>	<u>147,378</u>

Learning South West

Notes to the Financial Statements for the Year ended 31 March 2013

8 UNRESTRICTED FUNDS

	2012	Net incoming resources	Other recognised gains/losses	2013
	£	£	£	£
Unrestricted free reserves	256,187	(31,673)	-	224,514
Unrestricted fixed asset reserve	205,810	4,339	-	210,149
Revaluation reserve	326,563	-	-	326,563
Pension reserve (deficit)	(329,000)	-	-	(329,000)
	<u>459,560</u>	<u>(27,334)</u>	<u>-</u>	<u>432,226</u>

9 RESTRICTED FUNDS

	2012	Incoming Resources	Resources Expended	2013
	£	£	£	£
Voluntary Youth Organisation Network - Big Lottery Grant Fund	(2,688)	114,983	112,295	- 0
Sounds Positive - Big Lottery Grant Fund	9,269	72,849	82,117	0
LSIS RRF	34,045	17,300	8,952	42,393
FIF STEP	17,985	-	17,985	-
RRF - Dream Team	-	12,000	8,537	3,463
LSIS SITE	-	60,170	60,171	- 0
Net Assets as at 31 March 2012	<u>58,611</u>	<u>277,302</u>	<u>290,057</u>	<u>45,855</u>

Note Restricted Funds are those funds that can only be applied for particular purposes within the funders objectives

Voluntary Youth Organisation Network: This project is to improve the infrastructure services and support available to the voluntary youth sector in the region by increasing capacity and strengthening the regional structure. This is a Big Lottery Grant Fund

Sounds Positive: The project is to tackle the negative image of young people in the media. This is a Big Lottery Grant Fund

The Learning and Skills Improvement Service(LSIS) Regional Response Fund Project 'The Change Exchange', is to support the continuous professional development of learning and skills practitioners through collaboration to develop capacity and promote organisational and self-improvement

The Learning and Skills Improvement Service (LSIS) Flexibility and Innovation Fund. 'The Step' (South West Teacher Education Partnership) project, is to support the development of new or isolated Teacher Educators working in the south west region to improve their development practice with trainee teachers

Dream Team (LSIS) A project focused on optimising employer engagement in apprenticeships by enhancing the relationships between learners, assessors and work place colleagues

10 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total 2013	Total 2012
	£	£	£	£
Tangible Fixed Assets	631,119	-	631,119	643,822
Cash at bank and in hand	259,136	95,855	354,991	500,572
Other net Assets (liabilities)	(51,299)	(50,000)	(101,299)	(202,449)
Long Term (liabilities)	(77,730)	-	(77,730)	(94,774)
Pension Reserve (deficit)	(329,000)	-	(329,000)	(329,000)
	<u>432,226</u>	<u>45,855</u>	<u>478,081</u>	<u>518,171</u>

Learning South West

Statement of Financial Activities for the Year ended 31 March 2013

11 Total Incoming Resources

	Fund-raising	Bank Interest	Charitable Activities			Total 2013	Total 2012
			Youth Work	Learning and Skills Development	ABC Awards		
	£	£	£	£	£	£	£
Letting Building and Support Services	135,927	-	420	168	-	136,515	59,071
Bank Interest	-	2,041	-	-	-	2,041	3,491
Conferences and Networks	-	-	2,050	48,754	-	50,804	24,710
Assessment and Accreditation	-	-	-	2,995	-	2,995	184,017
Membership Subscription	-	-	53,661	24,223	-	77,884	86,111
Grants and Contracts	30	-	288,972	255,327	-	544,329	761,119
Total	135,957	2,041	345,103	331,467	-	814,568	1,118,518

12 Total Resources Expended

		Costs of generating funds	Govern-ance	Charitable Activities			Total 2013	Total 2012
				Youth Work	Learning and Skills Development	ABC Awards		
Basis of allocation		£	£	£	£	£	£	£
Direct Costs								
Staff Costs	Direct	35,121	14,183	171,933	221,256	-	442,492	557,030
Travel	Direct	112	380	14,062	9,455	23	24,031	26,797
Consultants	Direct	631	-	18,923	57,994	-	77,549	58,659
Provider Payments	Direct	-	-	7,490	18,127	-	25,617	194,914
Venue Costs	Direct	10,124	1,225	22,850	29,471	1,021	64,691	58,070
Other costs	Direct	4,412	6,784	8,386	8,580	1,044	29,207	53,928
Total Direct Costs		50,400	22,572	243,644	344,885	2,088	663,589	949,398
Support costs allocated to activities								
Support service staff	Staff time	22,413	-	39,986	53,029	-	115,428	181,582
Consultancy, Legal & Professional	Staff time	673	-	1,201	1,593	-	3,467	4,507
Premises	Staff time	8,456	-	15,087	20,008	-	43,552	34,267
IT & Communications	Staff time	4,748	-	8,470	11,233	-	24,450	58,210
Other costs	Staff time	810	-	1,445	1,916	-	4,171	23,730
Total		37,101	-	66,188	87,780	-	191,069	302,297
Total Resources Expended		87,500	22,573	309,832	432,664	2,087	854,657	1,251,695

Learning South West

Notes to the Financial Statements for the Year ended 31 March 2012

13 AUDITORS' REMUNERATION

	2013 £	2012 £
Audit	5,400	7,200
Accountancy Support	-	1,200
Payroll Services	900	1,443
	<u>6,300</u>	<u>9,843</u>

14 TRUSTEES' REMUNERATION

The trustees received no remuneration for the year ended 31 March 2012 (2011 - nil)

15 STAFF COSTS

	2013 £	2012 £
Staff Pay	456,480	651,859
Employers National Insurance Contributions	35,405	44,904
Pension Costs	66,036	87,194
	<u>557,922</u>	<u>783,957</u>

No employee earned over £60,000 p a

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

	2013 No	2012 No
Generating funds	1 5	1 2
Chantable activities	12 9	22 3
Governance	0 3	0 5
	<u>14 7</u>	<u>24 0</u>

16 TRANSACTIONS WITH TRUSTEES AND CONNECTED PERSONS

Four trustees had their travel expenses reimbursed at a total cost of £344 (2012 Three trustees at a total cost of £323)

17 RELATED PARTY TRANSACTIONS

During the previous year Learning South West was a member and corporate trustee of ABC Awards, a chantable company incorporated in England and Wales. There were three members of ABC Awards who were also the corporate trustees of the charity, each had equal representation and voting rights at Board Meetings of ABC Awards. ABC Awards was 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. Learning South West ceased to be a member of ABC Awards on 31 March 2012 and is no longer involved with this activity.

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

	2013 £	2012 £
Office and support services	48,600	-
Disposal of interest in ABC Awards	-	20,000
	<u>48,600</u>	<u>218,314</u>

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

18 CAPITAL COMMITMENTS

There were no capital commitments at 31 March 2013 (2012 Nil)

19 FINANCIAL COMMITMENT

	2013 £	2012 £
Commitments	Nil	Nil

Learning South West

Notes to the Financial Statements for the Year ended 31 March 2012

20 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 benefit scheme based on final pensionable salary.

Local Government Employers contribution

18.0% wef 1st April 2011

18.0% wef 1st April 2012

18.0% wef 1st April 2013

The disclosures relate to the SCC pension fund. The latest actuarial valuation of the SCC fund is at 31 March 2011 and the figures below relate to this valuation. Valuations have to be carried out triennially.

Results and Disclosures

The results of our calculations for the year ended 31st March 2011 are set out in Table 1. We estimate that the Net Liability as at 31st March 2010 is a liability of £329,000.

In addition:

Table 2 sets out the profit and loss account for the year ended 31st March 2011.

Table 3 details a reconciliation of assets and liabilities during the year.

Table 4 shows the sensitivity analysis to a change in discount rate.

Table 5 shows the balance sheets for the previous 4 years (where available).

Table 6 shows the statement of recognised gains and losses.

Table 7 contains our estimates of the projected profit and loss account costs for the year ending 31st March 2011. Please note that an allowance has been made for the costs of any early retirements or augmentations which may occur over the year and whose additional capitalised costs would be included in the liabilities. It is only an estimate so actual experience over the year is likely to differ. We have not provided balance sheet projections on the basis that they will depend upon market conditions and the asset value of the Scheme at the end of the following year.

The figures presented in this report are prepared only for the purposes of FRS17. In particular, they are not relevant for calculations undertaken for funding purposes or for other statutory purposes under UK pensions legislation.

Table 1 - Balance Sheet Disclosure as at 31 March 2013

Net Pension Asset as at	31 March 2011	31 March 2010	31 March 2009
	£000's	£000's	£000's
Present Value of Funded Obligation	1,826	2,268	1,627
Fair Value of Scheme Assets (bid value)	1,569	1,524	1,035
Net Liability	257	744	592
Present Value of Unfunded Obligation	72	69	62
Unrecognised Past Service Cost	-	-	-
Net Liability in Balance Sheet	329	813	654

Table 2 - Profit and Loss Account for the year to 31st March 2013

The amounts recognised in the profit and loss statement are	Year to 31 March 2011 £000's	Year to 31 March 2010 £000's
Current service cost	69	72
Interest on obligation	110	116
Expected return on Scheme assets	(104)	(70)
Past service cost	-	(126)
Losses (gains) on curtailments and settlements	-	17
Total	75	9
Annual return on Scheme assets	85	376

Learning South West

Notes to the Financial Statements for the Year ended 31 March 2012

20 PENSION COSTS (continued)

Table 3 - Asset and Benefit Obligation Reconciliation for the year to 31st March 2013

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	Year to 31 March 2011	Year to 31 March 2010
	£000's	£000's
Opening Defined Benefit Obligation	2,337	1,688
Service cost	69	72
Interest cost	110	116
Actuarial losses (gains)	(592)	563
Losses (gains) on curtailments	-	17
Liabilities extinguished on settlements	-	-
Liabilities assumed in a business combination	-	-
Estimated benefits paid (net of transfers in)	(47)	(19)
Past service cost	-	(126)
Contributions by Scheme participants	26	31
Unfunded pension payments	(5)	(5)
Closing Defined Benefit Obligation	1,898	2,337

Reconciliation of opening and closing balances of the fair value of scheme assets	Year to 31 March 2011	Year to 31 March 2010
	£000's	£000's
Opening fair value of Scheme assets	1,524	1,035
Expected return on Scheme assets	104	70
Actuarial gains (losses)	(108)	306
Contributions by employer including unfunded benefits	75	106
Contributions by Scheme participants	26	31
Assets acquired in a business combination	-	-
Estimated benefits paid including unfunded benefits	(52)	(24)
Receipt of bulk transfer value	-	-
Fair value of Scheme assets at end of period	1,569	1,524

Reconciliation of opening and closing surplus	Year to 31 March 2011	Year to 31 March 2010
	£000's	£000's
Surplus/(Deficit) at the beginning of the year	(813)	(653)
Current Service Cost	(69)	(72)
Employer Contributions	70	101
Unfunded pension payments	5	5
Past Service Costs	-	126
Other Finance Income	(6)	(46)
Settlements/Curtailments	-	(17)
Actuarial gain/loss	484	(257)
Surplus/(Deficit) at end of year	(329)	(813)

Learning South West

Notes to the Financial Statements for the Year ended 31 March 2012

20 PENSION COSTS (continued)

Table 4 - Sensitivity Analysis

The following table sets out the impact of a change in the discount rates on the defined benefit and projected service Cost along with a +/- 1 year age rating adjustment to the mortality assumption

Sensitivity Analysis	£000's	£000's	£000's
Adjustment to discount rate	+0 1%	0 0%	-0 1%
Present Value of Total Obligation	1,851	1,898	1,948
Projected Service Cost	51	53	55
Adjustment to mortality age rating assumption	+1 year	None	-1 year
Present Value of Total Obligation	1,828	1,898	1,970
Projected Service Cost	50	53	56

Table 5 - Amounts for the Current and Previous Periods

Amounts for the current and previous four periods	Year to March 11 £000's	Year to March 10 £000's	Year to March 09 £000's	Year to March 08 £000's	Year to March 07 £000's
Defined benefit obligation	(1,898)	(2,337)	(1,688)	(1,508)	(1,301)
Scheme assets	1,569	1,524	1,035	1,066	983
Surplus/Deficit	(329)	(813)	(653)	(442)	(318)
Experience adjustments on Scheme liabilities	308	-	(71)	(328)	-
Percentage of liabilities	16 2%	-	(4 2%)	(21 7%)	0 0%
Experience adjustments on Scheme assets	(108)	306	(403)	(70)	52
Percentage of assets	(6 9%)	20 1%	(38 9%)	(6 6%)	5 3%
Experience adjustments on Scheme liabilities	82	(402)	(145)	22	125

We do not have the full history of gains and losses so the cumulative gains and losses in the table above only start 1 April 2005. The full history should be obtainable from previous reports and company accounts.

Table 6 - Statement of Recognised Gains and Losses

Statement of Recognised Gains and Losses	Year to 31 March 2011 £000's	Year to 31 March 2010 £000's
Actual Return less expected return on pension scheme assets	(20)	306
Experience gains (loss)	220	-
Changes in assumptions underlying the present value of the scheme liabilities	284	(563)
Actuarial gain/(loss) in pension scheme	484	(257)
Increase/(decrease) in irrecoverable surplus	-	-
Actuarial gain (loss) recognised in SOFA	484	(257)

Table 7 - Projected Pension Expense for the year to 31st March 2013

Projections for Year to 31st March 2011	Year to 31 March 2012 £000's
Service cost	53
Interest cost	105
Return to assets	(114)
Total	44
Employer Contributions	70

Note that these figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31st March 2011. These projections are based on the assumptions as at 31 March 2011, as described in the main body of this report.

20 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 has been 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 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 2004 valuation report can be found on the TeacherNet website at www.teachernet.gov.uk/pensions