

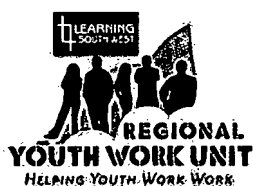


*developing professionals
to transform the future*

Trustees' Annual Report & Financial Statements for the Year Ended 31 March 2014



Learning South West incorporates:



Trustees' Annual Report & Financial Statements for the Year Ended 31 March 2014

Contents

Developing Professionals to Transform our Future	2
Reference and Administrative Details	3
Charity Objects, Strategic Vision, Purpose and Values	4
Our Key Achievements April 2013 to March 2014	5
Structure Governance and Management	6
Our Objectives and Achievements	8
Our Impact	9
The Future	13
Financial Review	14
Independent Auditors' Report	19
SOFA	21
Balance Sheet	23
Notes to the Financial Statements	24

Developing Professionals to Transform our Future

The Year of Present Perfect* and Real Numbers*- maths and English teaching



Paula Jones
Chief Executive

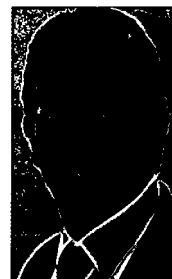
No matter, we are in a continuing economic downturn and changing policy landscape, the basic need to create the best professional workforce for learners and young people is a constant.

During this year, the coalition Government has prioritised improvement of the maths and English skills of young people to benefit their future work prospects and the associated social benefits. The policy came together in a range of strategies including the raising of the participation age, the new 0-25 system for people with disabilities and learning difficulties (via the Children and Families Act 2014) new GCSE qualifications and Apprenticeship and funding reforms.

The Department for Business Innovation and Skills and the Department for Education recognised our partnership and cross sector strength, and asked us to work through our networks of Centres for Excellence in Teacher Training to support teachers, to professionally develop to work as effectively as they can with learners.

In partnership together, we held the line in our work to support over 2,000 practitioners across England engage in a programme to support students undertake the new GCSE Maths qualifications and 400 professionals to undertake a professional development qualification to enable them to work more effectively with learners with disabilities and learning difficulties.

We are proud to report this year that Learning South West through its membership and collaborative partnership remains true to our shared core values and charitable purpose of '*developing professionals to transform the future*'. This annual report demonstrates, that by holding the line* together we can make the important difference we are set up to do. We thank our members, partners and central team, for their dedication and persistence to make the difference to our '*future continuous*'*, which builds on our success and partnership strengths to support the development of professionals in education and youth work to make a difference to all our futures.



Dr Peter Avery
Chair of Trustees

*a perfective tense used to express action completed in the present; 'I have finished' is an example of the present perfect

Present Perfect - USE 1 ... Unspecified time before now
(<http://www.englishpage.com/verbpage/presentperfect.html>)

*Real numbers, the type of number we normally use, such as 1, 15.82, -0.1, 3/4, etc. Positive or negative, large or small, whole numbers or decimal numbers are all Real Numbers. They are called "Real Numbers" because they are not Imaginary Numbers (Maths is Fun <http://www.mathsisfun.com/definitions/real-numbers.html>)

*Holding the line ... conserve, maintain, preserve, keep up, persist

*Future Continuous has two different forms: "will be doing " and "be going to be doing"



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 2014

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	Gina Veall (joined February 2014)
Heather Black (resigned December 2013)	Oliver Warne (resigned January 2014)
Sharon Bowden (resigned January 2014)	Peter Weeks
Shane Chowen (joined February 2014)	Christine White
Kate Howard (joined February 2014)	David Wood
Helen McCann (resigned August 2013)	Neil Young

Chief Executive and Company Secretary

Paula Jones

Senior Management Team

Colette Rosser	Finance and Operations Manager
Gill Millar	Regional Youth Work Adviser and Deputy Chief Executive
Georgina Skirton	Customer Services and Facilities Manager

Auditors

Albert Goodman LLP, Mary Street House, Mary Street, Taunton, TA1 3NW

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

Charity Objects, Strategic Vision, Purpose and Values

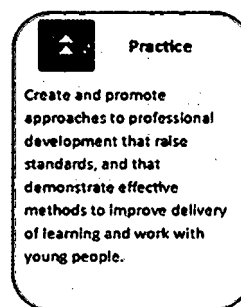
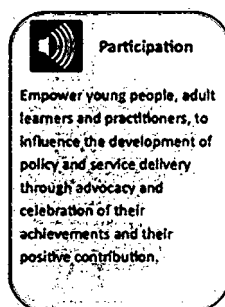
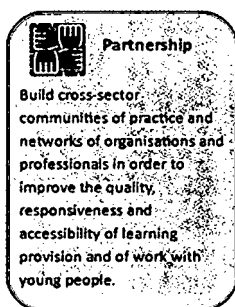
Charity Objects

Learning South West's charity objects are to advance the education of young persons and adults by:

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

Strategic Vision, Purpose and Values

The vision and role of Learning South West is 'Developing 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 incorporates its 5 core values in everything it does:



Our Key Achievements April 2013 to March 2014

- We established new partnerships with the National Centre for Excellence in Teaching Maths (NCETM) and the Education and Training Foundation to enable, through the Association of CETTs over 2,000 maths and Functional Skills teachers undertake a professional development programme to be better equipped to work with the new maths GCSE qualifications.
- Young people from the South West's Youth Parliament took part in the Youth Select Committee review. Despite major budget reductions at local and national level, UK Youth Parliament in the South West goes from strength to strength, with 58 Members and Deputy Members of Youth Parliament elected by their peers in 2013/14, many of them making an impressive contribution to their annual debate in the House of Commons.
- Adult Learners Week 2012/13, in association with NIACE, enabled 300 regional events, open days, taster days and celebrations of learning achievements. The Regional Awards Ceremony involved 180 guests. Three of the South West regional winners went on to receive National Awards in the categories of Young Apprentice, Learning through Sport and Learning through Technology.
- We contributed to the consultation on the Heart of the South West Local Enterprise Partnership strategy for tackling economic and social challenges in its region, resulting in preparing young people for employment being included as a key priority.
- The (FITT) Future of Initial Teacher Training Project worked in partnership across the South West to trial and evaluate innovative models of training teachers using the new teaching and training qualifications for the Education and Training Sector. We worked in collaboration with City and Guilds and partner providers, nine successful pilot programmes were enabled and sustained.
- Our Sounds Positive Project successfully completed its fourth year of promoting positive stories about young people in local and regional media. We have trained 706 young people as Media Champions, and developed partnerships with 20 media organisations in the region. As a result, there have been 2,365 recorded positive press mentions for South West young people.
- We established a new cross sector South West partnership to enable awareness, promote the benefits and share effective practice in coaching approaches in education and training and youth work. We held a successful conference that included colleagues from further education, schools and youth work. This culminated in founding a new regional coaching network, The Buzz.

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
- Risk Management and Reserves Policy

and comment on:

- Management Accounts
- Cash Flow Forecasts
- Controls and Risk Analysis
- 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

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 have joined the Board during 2013/14, replacing Trustees who have moved out of the area. The Trustees make a huge and valued contribution to steering the organisation through a time of significant 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.

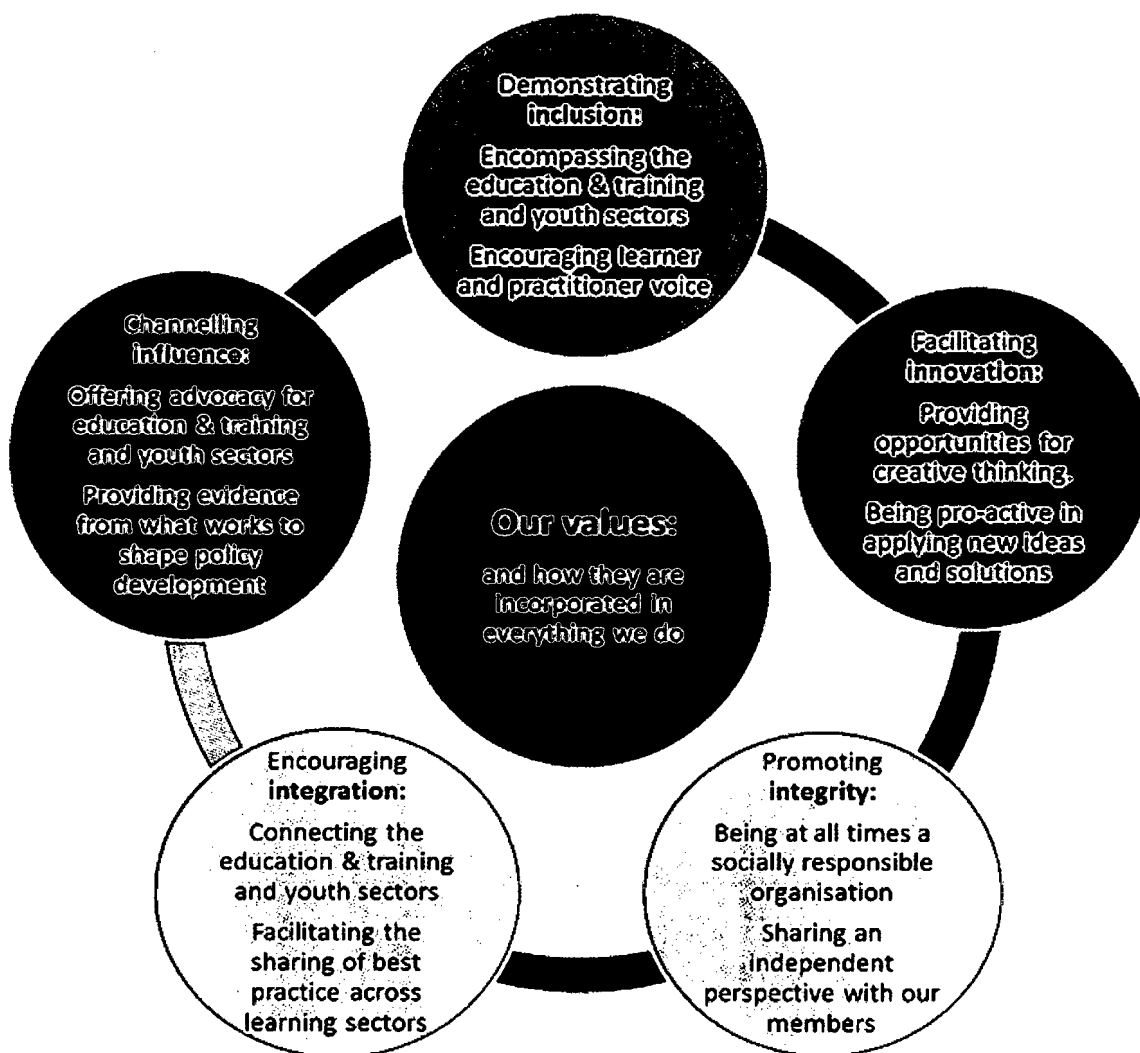
The processes which we apply regarding the appointment of new Trustees are stated in Our Memorandum and Articles of Association and our policy document, 'The Recruitment and Induction of Trustees' and sets out the ways in which Trustees are recruited and appointed. All Trustees are appointed for a period 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 the Financial Statements. Additionally, we provide Trustee Indemnity Insurance for our Trustees.

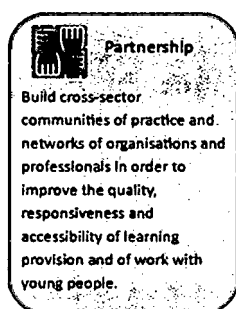
Our Objectives and Achievements April 2013 to March 2014

The strategic purpose of Learning South West is to connect and develop professionals to transform the future. The values which we seek to incorporate in everything we do are:



Our Impact in 2013-14 through Partnership, Practice and Participation

Partnership



- We are proud that Learning South West cross sector membership in 2012 and 2013 is constituted of 98 organisation members, including Universities, Further Education Colleges, specialist providers, Local Authorities (Adult Learning and Youth Provision), private training organisations, armed and uniformed services and many voluntary and community organisations. Our members work with thousands of learners in all kinds of age groups and settings, at work, in full time and part-time learning programmes, in youth work and in developing life skills to live full and independent lives.

- The Association of Centres for Excellence in Teacher Training based at Learning South West, is a national partnership made up of nine Centres for Excellence in Teacher Training, including the South West CETT. Learning South West and ACETT received a direct grant letter from the Department for Education to distribute a £1 million professional development grant to those who work to support learners with learning difficulties or disabilities. Our national network recruited over 400 colleagues to undertake a specialist Level 5 Professional Development Diploma. 157 practitioners have benefited in the South West region.
- We established new partnerships with the National Centre for Excellence in the Teaching of Mathematics (NCETM) and the Education and Training Foundation to enable, through the Association of CETTs over 2,000 maths and Functional Skills teachers undertake a professional development programme to be better equipped to work with the new maths GCSE qualifications.
- We contributed to the consultation on the Heart of the South West Local Enterprise Partnership strategy for tackling economic and social challenges in its region, resulting in preparing young people for employment being included as a key priority.

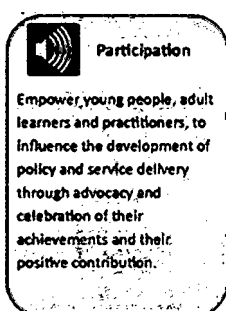


- We established a new cross sector South West partnership to enable awareness, promote the benefits and share effective practice in coaching approaches in education and training, and youth work. We held a successful conference that included colleagues from further education, schools and youth work. This culminated in founding a new regional coaching network, The Buzz.
- 38 organisations - youth work, employers and training providers - have become members of our South West Training Innovation Partnership (TIP). TIP aims to ensure that the supply of youth work training opportunities matches demand, despite major changes for both employers and training providers.

- The management group of the South West Centre for Excellence in Teacher Training (SWCETT) chaired by Jim Crawley of Bath Spa University attracted new members from South Devon, Exeter, Weymouth, Wiltshire and Gloucestershire College.



Participation



- Adult Learners Week 2012/13 in association with NIACE concluded in May 2013. Over 300 events took place i.e. open days, taster days and celebrations of achievement accompanied by extensive media coverage in local radio interviews and local press reports including partners' bulletins and websites. Our much acclaimed Regional Awards Ceremony took place at Sandy Park, Exeter with 180 guests including 11 winners, 32 nominees, 59 nominee guests, 37 nominators and 41 key regional/national representatives with BBC Spotlight's Hamish Marshall presenting the awards. Three of the South West regional winners received National Awards in the categories of Young Apprentice, Learning through Sport and Learning through Technology.
- Young people from the South West's thriving Youth Parliament took part in the Youth Select Committee review. Despite major budget reductions at local and national level, UK Youth Parliament in the South West goes from strength to strength, with 58 Members and Deputy Members of Youth Parliament elected by their peers in 2013/14, many of them making an impressive contribution to their annual debate in the House of Commons, where they agreed that the top priority for campaigning in 2014 should be for votes at 16. In the South West 43,745 young people voted for their priorities in the 'Make Your Mark' campaign in Autumn 2013, making us one of the highest turnouts in the country.
- Our Sounds Positive Project successfully completed its fourth year of promoting positive stories about young people in local and regional media. We have trained 706 young people as Media Champions, and developed partnerships with 20 media organisations in the region. As a result, there have been 2,365 recorded positive press mentions for South West young people.
- The Literacy, Language and Numeracy Support Programme funded by the Learning Skills Improvement Service ended in June 2013. As an improvement partner in this programme since 2011 we have worked with NACRO and Ruskin Mill College and 4 regional prisons.
- We were asked by Devon County Council to organise consultation events with young people to hear their views on the proposed removal of the local authority youth service. As a direct result of the young people's feedback, the County Council amended its proposals and will continue to fund some open-access youth work.
- Our annual youth work conference 'Slotting the Pieces Together - new roles for youth work' attracted 60 delegates to explore new opportunities for youth work and areas for collaboration with other sector colleagues, notably in new forms of delivering learning for young people who might otherwise abandon formal education.

- Income from our conference and meeting facilities at Bishops Hull House supports the charitable aims of Learning South West. We offer five rooms fully equipped with state of the art IT and audio visual facilities, each with natural daylight and views over our beautiful gardens. Our conference rooms are used by a wide range of commercial, public and voluntary sector organisations including; awarding bodies, private training companies, local government, NHS, schools and colleges, commercial companies and private individuals looking for the perfect venue to host their events.

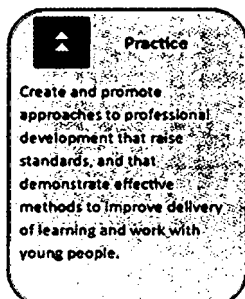
Testimonials:

"You were extremely professional, calm and nothing was too much trouble. Thank you very much." TG, Somerset County Council

"Feedback from Members attending meetings at Bishops Hull House is always extremely positive and this is not just because of the lovely venue and great food, but the warm and friendly welcome you give everyone." Dr VG, OCNSWR

- Bishops Hull House welcomed several new customers in the last financial year as well as our existing valued customers. We also hosted Somerset Arts Weeks which attracted over 450 visitors to our house and during the summer the Taunton Thespians performed 'The Merry Wives of Windsor' in our gardens.
- Our South West Young Researchers group produced a fantastic report on young people's perceptions of the content of a 'Curriculum for Life' to be included in the new National Curriculum. 32 young people were involved in the project, and 20 of them achieved a recognised research award. Their report was submitted to the Youth Select Committee organised by the Cabinet Office as part of its review of the National Curriculum.
- We worked with Literature Works and facilitated a Young Writers' Forum in Taunton, where young people who want to develop their creative writing came together to learn and share their work. This was a great project, resulting in young people having work published in the local press, and parents noticing a big change in the confidence of group members.
- We worked with Dorset Museums and the South West TUC on a project called Heritage Heroes with Heritage Lottery funding. This project opportunity enabled young people to research and produce materials about South West individuals who have made a difference by raising their voices to protect or extend their rights. The Tolpuddle Martyrs, suffragettes and early female Members of Parliament were researched, as well as individuals who had challenged racist regulations and extended opportunities for black and minority ethnic groups.

Practice



- Through SWCETT we facilitate effective practice networks including maths, English and inclusion.
- The (FITT) Future of Initial Teacher Training Project worked in partnership across the South West to test and evaluate new teaching and training qualifications for the Education and Training sector. We worked in collaboration with City and Guilds and partner providers who initiated 9 pilot programmes between them: South Devon College, Petroc, City College Plymouth and Yeovil College.
- Our renowned Professional Development Programme was greatly enhanced in partnership with Petroc this year. We held two significant regional conferences at @Bristol and The National Aquarium in Plymouth. The conferences heralded the refreshed policy focus on maths and English and science and engineering as the vital skills to support growth. We had support from the Departments for Education and Business, Innovation and Skills, national Ofsted, the Educational and Training Foundation, NCETM and the Institute for Learning.
- Our Dream Team project funded by the Learning and Skills Improvement Service ran a series of workshops to support productive working relationships between learning providers and employers who work with Apprentices. The workshops were designed so colleagues would be able to train others back at their working base, so benefiting as many as possible with our project funds.
- Our Regional Youth Work Networks enable practitioners and service managers to better understand the current policy context and implement best practice in increasingly challenging environments. Information about our networks and events reaches 729 individuals, who all receive our monthly e-bulletin and have opportunities to attend training and network meetings.
- The World Skills Vocational Master Class Programme funded by the National Apprenticeship Service as part of the IfL Vocational Master Class project helped us in the spring and summer of 2013 to work with Cornwall, Stroud and Yeovil College to facilitate events for vocational teachers to practice embedding performance coaching and competition into their curricula. This resulted in mini brickwork, carpentry, joinery, plumbing, hair, beauty and cookery competitions. Feedback from staff and learners was very positive.
- We have worked with Bournemouth, Poole and Somerset Councils and the voluntary organisations in their areas, to enable 30 colleagues to successfully complete a Level 3 Diploma in Youth Work Practice. We have increased the capacity for the youth sector to assess learners with new assessors and Internal Quality Assurance roles.
- As the provision of youth work becomes an increasing 'local' priority, we built on our work with Parish and Town Councils in 2013/14 by organising a conference attended by 43 individuals from Parish and Town Councils to enable them to learn from existing best practice and develop their own offer to young people.



The Future

The rapid changes in policy foreseen in our Strategic Plan 2013-15 have come about and the reductions in public spending that were identified there are set to continue in the next few years and beyond.

The key factors now in play are:

- The raising of the participation age and re-engaging those who feel disengaged from learning.
- The continuing need for improvement in skills (especially English and maths) required in order to grow the economy.
- The changes to sector funding for improvement with the closure of the Learning and Skills Improvement Service (2013) and the establishment of the Education and Training Foundation as the sector body for workforce development.
- Deregulation in teacher training (following the 2012 Lingfield Report).
- The role of the Institute for Learning and the Institute for Youth Work as voluntary professional membership bodies.
- The heightened focus of Ofsted inspection on outcomes for learners and the quality of teaching.
- New commissioning partnerships between Local Authorities and youth work providers to deliver outcomes for young people.
- The establishment of Local Enterprise Partnerships (LEPs) and Employment Skills Boards across the region.

These factors both reaffirm our charitable purpose and present new opportunities for us directly to support teachers and youth workers and their organisations to take ownership of their professional development and identity. Learning South West, its members and partners are helpfully poised to bring together the best effective teaching and learning practices and youth work effective practices to meet the policy challenges together and benefit as many South West citizens as possible.

Key Missions

- In new collaborative partnerships we will continue to find opportunities to work together to support those organisations and the professionals who work for them to be better equipped to help all learners achieve their learning goals and more importantly broaden quality of life choices.
- As local authority delivery of youth work shrinks as a consequence of public sector budget reductions, the role of the Regional Youth Work Unit in sustaining the 'architecture' of youth work - a skilled workforce, local opportunities for young people, vehicles for young people to have a voice and influence decisions, and a stronger bank of evidence of youth work's effectiveness - becomes increasingly important. We intend to be a focus for bringing practitioners, commissioners and young people together to create new ways of collaborating.

Financial Review

Learning South West's 2013/14 results show a small trading deficit. Learning South West is an Admitted Body to the Somerset County Council Pension Fund. Offering employees the benefits of participating in the LGPS demonstrates the Trustees' and management's commitment to our valued staff. The Pension Fund currently shows a deficit which is a long term actuarially calculated figure. It does not, in the opinion of the Trustees, and after discussion with the Auditors, imply any short term risks to Learning South West's charitable activities or viability in the short to medium term. Further information is provided in Note 20 of notes to the financial statements for the year ended 31st March 2014.

Risk Management Statement

The Trustees have a risk management strategy which comprises:

- a quarterly 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 re-assessed in the light of the new government policies.

Reserves Policy

LSW sets its reserves target based on the amount required to ensure an orderly closedown of the organisation should that be required. The actual figure will be reviewed each year and will include:

- 3 month's salaries and redundancy payments for all staff
- any additional costs associated with early payment of pensions as a result of redundancies
- payment for a small 'close-down team' to remain in post to dispose of the assets
- legal fees, etc. associated with disposal of assets
- running costs for premises during the closedown period



Investment Policy

We bank our cash to obtain maximum interest payments, 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 Education and Training and Youth Work (95%) and Lettings of our building meeting rooms (5%)

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 and long standing members. Our contribution and commitment to the pension fund demonstrates how highly we value the staff expertise and dedication to our charitable purpose.

The Pension Fund is in deficit and this is shown on our Balance Sheet. The deficit figure of £791,000 is a long term actuarially calculated figure and does not imply any immediate risks to Learning South West's charitable activities. See Note 20 of notes to the financial statements for the year ended 31st March 2014 for further information.

During the current year it was identified that previous accounts had omitted to include an annual revaluation of the defined benefit pension scheme. As a result, a prior period adjustment has been made to include the pension revaluation as at 31 March 2013 and 31 March 2012. This has resulted in changes to the prior period result, balance sheet, and brought forward reserves, as disclosed further in note 1 to the current year accounts.

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	3
Structure, Governance and Management	Nature of governing document, recruitment, induction and training of Trustees, organisation structure	6, 7
Objectives and Activities	Charity objects, aims (strategic vision), objectives for year	4,5,8
Achievements and Performance	Review of charitable activities and the performance, fundraising, factors within and outside the charity's control (Introduction)	2, 5, 9, 10, 11, 12
	Factors within and outside the charity's control	2, 13
Plans for Future Periods		2, 13
Financial Review	Reserves policy, principal funding sources, investments	14, 15, 16

Statement of Disclosure of Information to Auditors

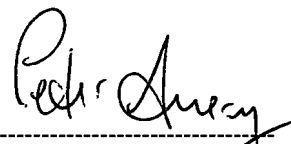
In accordance with company law, as the company's directors, the Trustees of the charity who held office at the date of approval of this Annual Report as set out above each confirm that:

- 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

Learning South West invited several firms to tender for the role of Learning South West's external auditors. Having evaluated the responses received, Albert Goodman LLP were appointed Learning South West auditors for a three year period. This appointment was approved at the AGM in March 2014.

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 Limited for the year ended 31st March 2014 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 the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company'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 company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of 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 mis-statement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the 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. In addition, we read all the financial and non-financial information in the Trustee Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material mis-statements or inconsistencies we consider the implications for our report.



Matters of 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 by branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Opinion on the 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 31st March 2014 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 the United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other Matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustee Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Paul Hake FCCA (Senior Statutory Auditor)
for and on behalf of Albert Goodman LLP
Chartered Accountants
Statutory Auditor

Mary Street House
Mary Street
Taunton
Somerset

Date: 03 December 2014

Trustees' Annual Report & Financial Statements for the Year Ended 31 March 2014

Learning South West

Statement of Financial Activities for the Year ended 31 March 2014

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £ As restated
INCOMING RESOURCES					
Incoming resources from generated funds					
Activities for generating funds					
Letting Building and Support Services		68,429	-	68,429	136,515
Investment income					
Bank Interest/pension/admin		70,375	-	70,375	(5,959)
Incoming resources from charitable activities					
Conferences and Networks		82,015	-	82,015	50,804
Assessment and Accreditation		7,148	-	7,148	2,995
Membership Subscriptions		79,031	-	79,031	77,884
Grants and Contracts		743,857	365,356	1,109,213	544,329
Total Incoming Resources	11	1,050,855	365,356	1,416,211	806,568
RESOURCES EXPENDED					
Costs of generating funds					
Investment Income/Pension/Admin		(55,000)	-	(55,000)	5,000
Charitable activities					
Governance costs		20,812	-	20,812	22,573
Total resources expended	12	988,236	364,604	1,352,840	859,657
Net incoming (outgoing) resources before transfers		62,619	752	63,371	(53,090)

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 24 to 34 form part of these financial statements

Learning South West

Statement of Financial Activities for the Year ended 31 March 2014 (continued)

	Notes	£	£	Total 2014 £	Total 2013 £ As restated
Net incoming (outgoing) resources before other recognised gains/(losses) brought forward		62,619	752	63,371	(53,090)
Transfer		42,393	(42,393)	-	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension scheme	20	(301,000)	-	(301,000)	67,000
NET MOVEMENT IN FUNDS		(195,988)	(41,642)	(237,629)	13,910
RECONCILIATION OF FUNDS					
Total funds brought forward		159,226	45,855	205,081	191,171
Total funds carried forward		(36,762)	4,213	(32,548)	205,081

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.

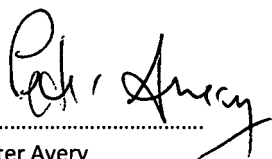
The notes on pages 24 to 34 form part of these financial statements

Learning South West
Balance Sheet as at 31 March 2014

	Notes	Total 2014 £	Total 2013 £ As restated
FIXED ASSETS			
Tangible assets	2	623,730	631,119
CURRENT ASSETS			
Debtors	3	435,263	115,350
Cash at bank and in hand		1,631,260	354,991
Total current assets		<u>2,066,523</u>	<u>470,341</u>
CURRENT LIABILITIES			
Creditors and accruals	4	1,871,440	216,649
Net current assets		<u>195,083</u>	<u>253,692</u>
Total assets less current liabilities		818,813	884,811
Long term Liabilities			
Creditors: Amounts falling due after more than one year	5	60,361	77,730
Defined benefit pension scheme liability		791,000	602,000
Net assets excluding pension liability		<u>(32,548)</u>	<u>205,081</u>
	8, 20		
THE FUNDS OF THE CHARITY			
Unrestricted free reserves	8	207,686	224,514
Restricted income funds	9	4,215	45,855
Unrestricted fixed asset reserves	8	219,988	210,149
Revaluation reserve	8	326,563	326,563
Pension reserve (deficit)	8, 20	<u>(791,000)</u>	<u>(602,000)</u>
		<u>(32,548)</u>	<u>205,081</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 23 October 2014 and signed on its behalf by



Dr Peter Avery
Chairman

The notes on pages 24 to 34 form part of these financial statements

Learning South West

Notes to the Financial Statements for the Year ended 31 March 2014

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 (revised 2008) 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 milestones 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 2014

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 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.

Prior period adjustment

A prior period adjustment has been included in these accounts to revalue the defined benefit pension scheme for the years ending 31 March 2013 and 31 March 2012, which had previously been omitted from the accounts.

This has had the effect of reducing the previous year reserves brought forward by £327,000. The result for the prior year has increased by £54,000 and the balance sheet reduced by £273,000 as a result of the restatement.

Learning South West

Notes to the Financial Statements for the Year ended 31 March 2014

2 TANGIBLE ASSETS

	Freehold Property £	Fixtures & Fittings £	Furniture & Equipment £	Total £
Cost				
At 1 April 2013	489,146	271,241	75,383	835,770
Transfers *	271,241	(271,241)		-
Additions		-	4,036	4,036
Disposals	-	-	-	-
Revaluation	-	-	-	-
At 31 March 2014	760,387	-	79,418	839,805
Depreciation				
At 1 April 2013	131,220	-	73,430	204,650
Charge for year	9,938	-	1,487	11,425
Disposals	-	-	-	-
Revaluation	-	-	-	-
At 31 March 2014	141,158	-	74,917	216,075
Net book value				
At 31 March 2014	619,229	-	4,501	623,730
At 31 March 2013	357,926	271,241	1,953	631,120

* A transfer has been made from Fixtures and Fittings to Freehold Property during the year to more accurately reflect the nature of the assets held and their inclusion in any valuation as a whole.

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

Cost	
At 1 April 2013 and 31 March 2014	509,160
Depreciation based on cost	
At 1 April 2013	206,557
Charge for the year	9,938
At 31st March 2014	216,495
Net Book Value	
At 31 March 2014	292,665
At 31 March 2013	302,603

Learning South West's Board of Trustees freehold land and buildings policy does not to require a full revaluation of the property . Board members believe that the informal valuations received from two independent suitably qualified professionals, noted in the minutes of the meeting held on 25th October 2013 provided sufficient reliable information regarding the current value of the property which confirmed that the House's valuation should remain at £650,000.

Learning South West

Notes to the Financial Statements for the Year ended 31 March 2014

3 DEBTORS	2014	2013
	£	£
Amounts Receivable		
Trade Debtors - contract income	427,654	106,868
Other Debtors and prepayments	7,609	5,702
	<u>435,263</u>	<u>112,570</u>
4 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	2014	2013
	£	£
Mortgage loan	16,818	16,678
Taxes and Social Security	7,918	10,483
Accruals	492,386	1,644
Deferred income (see note 7)	1,210,696	156,739
Other creditors	143,622	31,105
	<u>1,871,440</u>	<u>216,649</u>
5 CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2014	2013
	£	£
Mortgage loan (see note 6)	<u>60,361</u>	<u>77,730</u>
6 MORTGAGE LOAN	2014	2013
Amounts repayable (by instalments):	£	£
- in one year or less	16,818	16,678
- between one and two years	17,442	17,180
- between two and five years	42,919	53,112
	<u>77,179</u>	<u>86,970</u>
- over five years	-	7,438
	<u>77,179</u>	<u>94,408</u>
Disclosed as:		
- amounts due within one year (see note 4)	16,818	16,678
- amounts due after more than one year (see note 5)	60,361	77,730
	<u>77,179</u>	<u>94,408</u>
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	2014	2013
	£	£
Balance as at 1 April 2013	156,739	125,848
Amount released to incoming resources	(156,739)	(125,848)
Amount deferred in the year	1,210,696	156,739
Balance as at 31 March 2014	<u>1,210,696</u>	<u>156,739</u>

Learning South West

Notes to the Financial Statements for the Year ended 31 March 2014

8 UNRESTRICTED FUNDS

	2013 £	Net incoming resources £	Other recognised gains/losses £	Transfer £	2014 £
	As restated				
Unrestricted free reserves	224,514	(59,220)	-	42,393	207,686
Unrestricted fixed asset reserve	210,149	9,839	-	-	219,988
Revaluation reserve	326,563	-	-	-	326,563
Pension reserve (deficit)	(602,000)	112,000	(301,000)	-	(791,000)
	<u>159,226</u>	<u>62,619</u>	<u>(301,000)</u>	<u>42,393</u>	<u>(36,763)</u>

9 RESTRICTED FUNDS

	2013 £	Incoming Resources £	Resources Expended £	Transfer £	2014 £
Voluntary Youth Organisation Network - Big Lottery Grant Fund	-	78,893	76,127		2,766
Sounds Positive - Big Lottery Grant Fund	-	42,587	44,496		(1,909)
LSIS RRF	42,393	-	-	(42,393)	-
FITT - Future Initial Teacher Training	-	45,000	43,743		1,257
RRF - Dream Team	3,463	8,000	10,963		500
WFP - MEP Subsidy and SEN Grant	-	190,876	189,276		1,600
Net Assets as at 31 March 2014	<u>45,856</u>	<u>365,356</u>	<u>364,603</u>	<u>(42,394)</u>	<u>4,215</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) Supporting Excellence in Initial Teacher Education in Further Education and Skills Project. The FITT - Future Initial Teacher Training in partnership with City and Guilds and the South West Centre for Excellence in Teacher Training, established a test bed of sector ITE providers, teacher trainees and employing organisations to develop pilot and evaluate a new suite of teacher training qualifications (Award, Certificate and Diploma in Education and Training).

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

WFP MEP Subsidy and SEN Grant: The Education and Training Foundation commissioned the management of a grant to subsidise delegates to benefit from a Maths Enhancement CPD programme in support of the new Maths GCSE. The Department for Education issued a direct grant letter to Learning South West to distribute up to £1M in support of practitioners undertaking a Level 5 Professional Development Qualification to enhance skills in working with learners with learning difficulties and disabilities.

10 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
				As restated
Tangible Fixed Assets	623,730	-	623,730	631,119
Cash at bank and in hand	1,627,045	4,215	1,631,260	354,991
Other net Assets (liabilities)	(1,436,177)	-	(1,436,177)	(101,299)
Long Term (liabilities)	(60,361)	-	(60,361)	(77,730)
Pension Reserve (deficit)	(791,000)	-	(791,000)	(602,000)
	<u>(36,762)</u>	<u>4,215</u>	<u>(32,548)</u>	<u>205,081</u>

Learning South West

Statement of Financial Activities for the Year ended 31 March 2014

11 Total Incoming Resources

	Fund-raising	Pension/Adm in charges	Bank Interest	Charitable Activities		Total 2014	Total 2013
				Youth Work	Education & Training		
	£	£	£	£	£	£	£
Letting Building and Support Services	67,309	-	-	120	1,000	68,429	136,515
Bank Interest/Financial transactions	55	57,000	2,453	-	9,659	69,167	(5,959)
Conferences and Networks	-	-	-	6,025	75,990	82,015	50,804
Assessment and Accreditation	-	-	-	-	7,148	7,148	2,995
Membership Subscription	-	-	-	49,514	29,517	79,031	77,885
Grants and Contracts	-	-	-	250,871	859,550	1,110,421	544,329
Total	67,365	57,000	2,453	306,530	982,864	1,416,211	806,568

12 Total Resources Expended

			Charitable Activities		Total 2014	Total 2013
			Youth Work	Education & Training		
			£	£	£	£
Direct Costs						
Staff Costs	Direct	32,695	-	14,181	169,748	218,978
Travel	Direct	31	-	227	14,925	8,909
Consultants	Direct	25	-	-	28,318	260,433
Provider Payments	Direct	-	-	-	11,821	321,202
Venue Costs	Direct	20,048	-	860	22,175	115,641
Other costs	Direct	1,756	(55,000)	5,544	14,597	15,080
Total Direct Costs		54,556	(55,000)	20,812	261,584	940,242
Support costs allocated to activities						
Support service staff	Staff time	5,077	-	-	27,708	32,245
Consultancy, Legal & Professional	Staff time	401	-	-	2,186	2,544
Premises	Staff time	2,952	-	-	16,111	18,750
IT & Communications	Staff time	1,496	-	-	8,165	9,502
Other costs	Staff time	274	-	-	1,494	1,740
Total		10,202	-	-	55,664	64,780
Total Resources Expended		64,757	(55,000)	20,812	317,249	1,005,023
					1,352,840	859,657

Learning South West

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

13 AUDITORS' REMUNERATION

	2014 £	2013 £
Audit	5,400	5,400
Accountancy Support	-	-
Payroll Services	-	900
	<u>5,400</u>	<u>6,300</u>

14 TRUSTEES' REMUNERATION

The trustees received no remuneration for the year ended 31 March 2014 (2013 - nil).

15 STAFF COSTS

	2014 £	2013 £
Staff Pay	394,708	456,480
Employers National Insurance Contributions	27,210	35,405
Pension Costs - current year costs	78,294	66,036
Reversal of prior year for revaluation	(55,000)	5,000
	<u>445,213</u>	<u>562,921</u>

No employee earned over £60,000 p.a.

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

	2014 No.	2013 No.
Generating funds	1.5	1.5
Charitable activities	12.9	12.9
Governance	0.3	0.3
	<u>14.7</u>	<u>14.7</u>

16 TRANSACTIONS WITH TRUSTEES AND CONNECTED PERSONS

Two trustees had their travel expenses reimbursed at a total cost of £227.23 (2013: Four trustees at a total cost of £344).

17 RELATED PARTY TRANSACTIONS

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

	2014 £	2013 £
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 2012

18.0% wef 1st April 2013

17.0% wef 1st April 2014 plus £1,600 per month

The disclosures relate to the SCC pension fund. The latest actuarial valuation of the SCC fund is at 31 March 2014 and the figures below relate to this valuation. Valuations have to be carried out triennially.

Results and Disclosures

The estimated net liability as at 31 March 2014 is a liability of £791,000. The results of our calculations for the period ended 31 March 2014 are set out in the tables below:

Table 1 set out the balance sheet at at 31 March 2014

Table 2 sets out the profit and loss account for the year ended 31st March 2014

Table 3 details a reconciliation of assets and liabilities during the period

Table 4 shows the sensitivity analysis on the major assumptions

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

Table 6 shows the statement of recognised gains and losses for the period.

Table 7 contains our estimates of the projected profit and loss account costs for the year ending 31st March 2015. 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 2014

Net Pension Asset as at			
	31 March 2014	31 March 2013	31 March 2012
	£000's	£000's	£000's
Present Value of Funded Obligation	2,785	2,478	2,257
Fair Value of Scheme Assets (bid value)	1,994	1,876	1,601
Net Liability	791	602	656
Present Value of Unfunded Obligation	-	-	-
Unrecognised Past Service Cost	-	-	-
Net Liability in Balance Sheet	791	602	656

Table 2 - Profit and Loss Account for the year to 31st March 2014

The amounts recognised in the profit and loss statement are:	Year to	Year to
	31 March 2014	31 March 2013
	£000's	£000's
Current service cost	15	61
Interest on obligation	104	105
Expected return on Scheme assets	(161)	(97)
Past service cost	-	-
Losses (gains) on curtailments and settlements	20	-
Total	(22)	69
Annual return on Scheme assets	111	227

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 2014

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	Year to 31 March 2014	Year to 31 March 2013
	£000's	£000's
Opening Defined Benefit Obligation	2,478	2,257
Service cost	15	61
Interest cost	104	105
Actuarial losses (gains)	197	64
Losses (gains) on curtailments	20	-
Liabilities assumed /(extinguished) on settler	-	-
Estimated benefits paid (net of transfers in)	(46)	(29)
Past service cost	-	-
Contributions by Scheme participants	17	20
Unfunded pension payments	-	-
Closing Defined Benefit Obligation	2,785	2,478

Reconciliation of opening and closing balances of the fair value of scheme assets	Year to 31 March 2014	Year to 31 March 2013
	£000's	£000's
Opening fair value of Scheme assets	1,876	1,601
Expected return on Scheme assets	161	97
Actuarial gains (losses)	(84)	131
Contributions by employer including unfunded benefits	70	56
Contributions by Scheme participants	17	20
Estimated benefits paid net of transfers in and including unfunded	(46)	(29)
Settlement prices received / (paid)	-	-
Fair value of Scheme assets at end of period	1,994	1,876

Reconciliation of opening and closing surplus	Year to 31 March 2014	Year to 31 March 2013
	£000's	£000's
Surplus/(Deficit) at the beginning of the year	(602)	(656)
Current Service Cost	(15)	(61)
Employer Contributions	70	56
Unfunded pension payments	-	-
Past Service Costs	-	-
Other Finance Income	(57)	(8)
Settlements/Curtailments	(20)	-
Actuarial gain/loss	(281)	67
Surplus/(Deficit) at end of year	(791)	(602)

Learning South West

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

20 PENSION COSTS (continued)

Table 4 - Sensitivity Analysis

Sensitivity Analysis	£000's	£000's	£000's
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present Value of Total Obligation	2,733	2,785	2,838
Projected Service Cost	68	70	71
Adjustment to long term salary increases	+0.1%	0.0%	-0.1%
Present Value of Total Obligation	2,791	2,785	2,779
Projected Service Cost	70	70	70
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present Value of Total Obligation	2,833	2,785	2,738
Projected Service Cost	71	70	68
Adjustment to mortality age rating assumption	+ 1 Year	None	- 1 Year
Present Value of Total Obligation	2,689	2,785	2,882
Projected Service Cost	67	70	72

Table 5 - Amounts for the Current and Previous Periods

Amounts for the current and previous four periods	Year to March 14 £000's	Year to March 13 £000's	Year to March 12 £000's	Year to March 11 £000's	Year to March 10 £000's
Defined benefit obligation	(2,785)	(2,478)	(2,257)	(1,898)	(2,337)
Scheme assets	1,994	1,876	1,601	1,569	1,524
Surplus/Deficit	(791)	(602)	(656)	(329)	(813)
Experience adjustments on Scheme liabilities	(148)	-	81	308	-
Percentage of liabilities	(5.3%)	-	3.6%	16.2%	-
Experience adjustments on Scheme assets	(36)	131	(83)	(108)	306
Percentage of assets	(1.8%)	7.0%	(5.2%)	(6.9%)	20.1%
Experience adjustments on Scheme liabilities	(487)	(206)	(273)	82	(402)

The cumulative gains and losses in the table above start from 1 April 2005.

Table 6 - Statement of Recognised Gains and Losses

Statement of Recognised Gains and Losses	Year to 31 March 2014 £000's	Year to 31 March 2013 £000's
Actual Return less expected return on pension scheme assets	(50)	131
Experience gains (loss)	(263)	-
Changes in assumptions underlying the present value of the scheme liabilities	32	(64)
Curtailment gains (loss)	(20)	-
Actuarial gain/(loss) in pension scheme	(301)	67
Increase/(decrease) in irrecoverable surplus	-	-
Actuarial gain (loss) recognised in SOFA	(301)	67

Learning South West

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

20 PENSION COSTS (continued)

Table 7 - Projected Pension Expense for the year to 31st March 2014

Projections for Year to 31st March 2015	Year to 31 March 2015 £000's
Service cost	70
Interest cost	134
Return to assets	(124)
Total	80
Employer Contributions	61

Note that these figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31st March 2014. These projections are based on the assumptions as at 31 March 2014, as described in the main body of this report.

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



Bishops Hull House
Bishops Hull
Taunton
Somerset
TA1 5EP

(01823) 335491

www.learning-southwest.org.uk