



*developing professionals  
to transform the future*

# Trustees' Annual Report & Financial Statements for the Year Ended 31 March 2015

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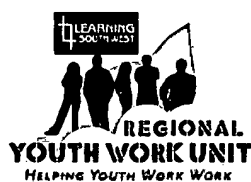
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COMPANIES HOUSE

Learning South West incorporates:





# Trustees' Annual Report & Financial Statements for the Year Ended 31 March 2015

## Contents

Developing Professionals to Transform our Future	2
Learning South West Network Map	3
Reference and Administrative Details	4
Charity Objects, Strategic Vision, Purpose and Values	5
Our Key Achievements April 2014 to March 2015	6
Structure Governance and Management	7
Our Objectives and Achievements	9
Our Impact	10
The Future	13
Financial Review	15
Statement of Recommended Practice 2005 (SORP)	18
Independent Auditors' Report	20
SOFA	22
Balance Sheet	24
Notes to the Financial Statements	25

## Developing Professionals to Transform our Future

The Learning and Youth Work show must go on ...



Paula Jones Chief  
Executive

We all know that whatever the circumstances learning and youth work must go on! And we know why, as a group of dedicated, value driven often hard pressed individuals, it must go on ... because effective deep and meaningful learning for all and brilliantly skilled youth work does make a real difference to the quality of all our lives and the communities and wider society we are a part of.

As a long standing south west education and youth work charity and improvement resource (68 years and loving the counting!) we have continued in partnership together with you to make the show go on for many generations of learners and young people and their professional supporters. What an accolade for us all in the south west.

We are proud that government and national agencies continue to see our partnership's value by funding our work together in the South West and beyond. In collaboration with our partners and members we continue to facilitate young people's democracy, provide qualifications for paid and voluntary youth workers, help youth organisations demonstrate their significant but often hard to capture impact, enable hundreds of maths and English professionals across the country through effective professional development programmes of work and support the significant professional pathways for those who work with people with learning difficulties and disabilities.



Kate Howard  
Chair of Trustees

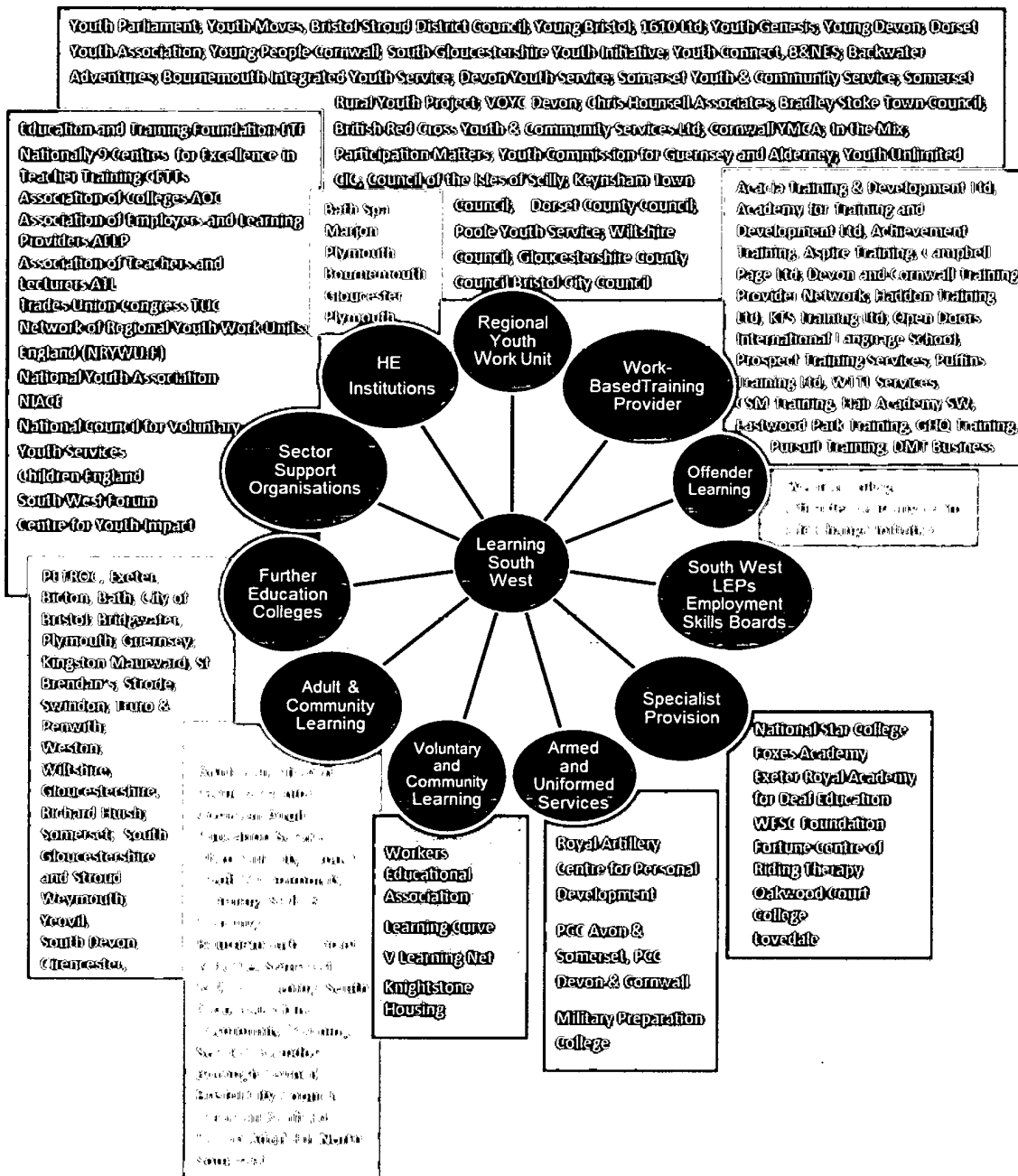
This annual report is a testament to our determination to sustain great quality education and youth work and it is a demonstration of our proud tradition of 'keeping the show on the road'.

The 'show' is an amazing co-production of learners, young people, providers and policy makers and it must and will go on!

## We believe we can so we do ...

see our great network map over the page

## Learning South West Network Map





## 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 who served during the year and changes since the year end

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 (resigned 30/06/15)	Gina Veall
Shane Chowen	Peter Weeks
Kate Howard	Christine White
Neil Young (resigned 14/10/14)	David Wood
Dr Jean Kelly (joined 30/06/15)	Nigel Power (joined 20/07/15)
Nick Bailey (joined 08/07/15)	Oenone Thomas (joined 07/08/15)
Susan Colquhoun (joined 02/07/15)	Tom Wylie (joined 12/10/15)

### 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
Rosemarie D'Ambrosio-Winter	Education and Training 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'




**Partnership**

Build cross-sector communities of practice and networks of organisations and professionals in order to improve the quality, responsiveness and accessibility of learning provision and of work with young people.



**Participation**

Empower young people, adult learners and practitioners, to influence the development of policy and service delivery through advocacy and celebration of their achievements and their positive contribution.



**Practice**

Create and promote approaches to professional development that raise standards, and that demonstrate effective methods to improve delivery of learning and work with young people.

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.

## Our Key Achievements April 2014 to March 2015

- The Association of Centres for Excellence in Teacher Training enabled over 2,300 maths and functional skills teachers to undertake a professional development programme to increase the number of skilled practitioners to teach maths GCSE.
- 70,501 young people in the SW voted in the Make Your Mark ballot in October 2014, to determine the priorities for UK Youth Parliament's 2015 campaigns. This is 23,000 more than the previous year, and contributed to over 860,000 young voters across the UK.
- We celebrated and promoted the benefits of Adult Learning through our regional coordination of Adult Learners Week and the Festival of Learning 2013/14 in association with NIACE. In partnership we enabled 650 regional events to promote and encourage uptake of adult learning through celebrations, open and taster days. The grand South West regional awards ceremony included 180 guests. The 17 regional winners were selected from 190 nominations and 2 South West Winners went on to receive national prizes.
- We enabled 35 people, including many volunteers, to achieve a qualification in youth work at Level 2 or 3, in collaboration with local authorities in Bournemouth, Poole and Somerset.
- Through a direct grant letter from the Department for Education (DfE) and funding support from the Education and Training Foundation we distributed a £1 million grant across England and worked with 15 national delivery partners to support 311 practitioners undertake and complete a Diploma Level professional qualification in working with learners with learning difficulties and difficulties. 107 of the newly qualified practitioners work in the south west region.
- Learning South West facilitated a national practitioner consultation on the Review of the new Further Education and Skills Professional Standards (2014). We provided an expert contribution to the national development group. In partnership we helped shape a new Professional Body; the Education and Training Foundation's Society of Education and Training which was launched alongside the Professional Standards.
- Our North Devon Young Media Champions were influential in reducing the scale of cuts to Devon Youth Service by mobilizing support for youth work through their regular Our Voice page in the local paper.
- We worked in partnership with 4 Centres for Excellence in Teacher Training to develop TEST, a new Teacher Educator Specialist Training programme and trained 30 new teacher educators to support the professional development of those who are working with learners with learning difficulties and disabilities.
- We recruited nationally 27 Regional English, maths and SEND (special educational needs and disabilities) Specialists. The Specialists are based in the Centres for Excellence in Teacher Training and work across nine English sub regions to provide sector advice and support in professional development and identify needs in the region.

## 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.

One Trustee left the Board during 2014-15 and we have sought new Trustees to strengthen the Board.

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.

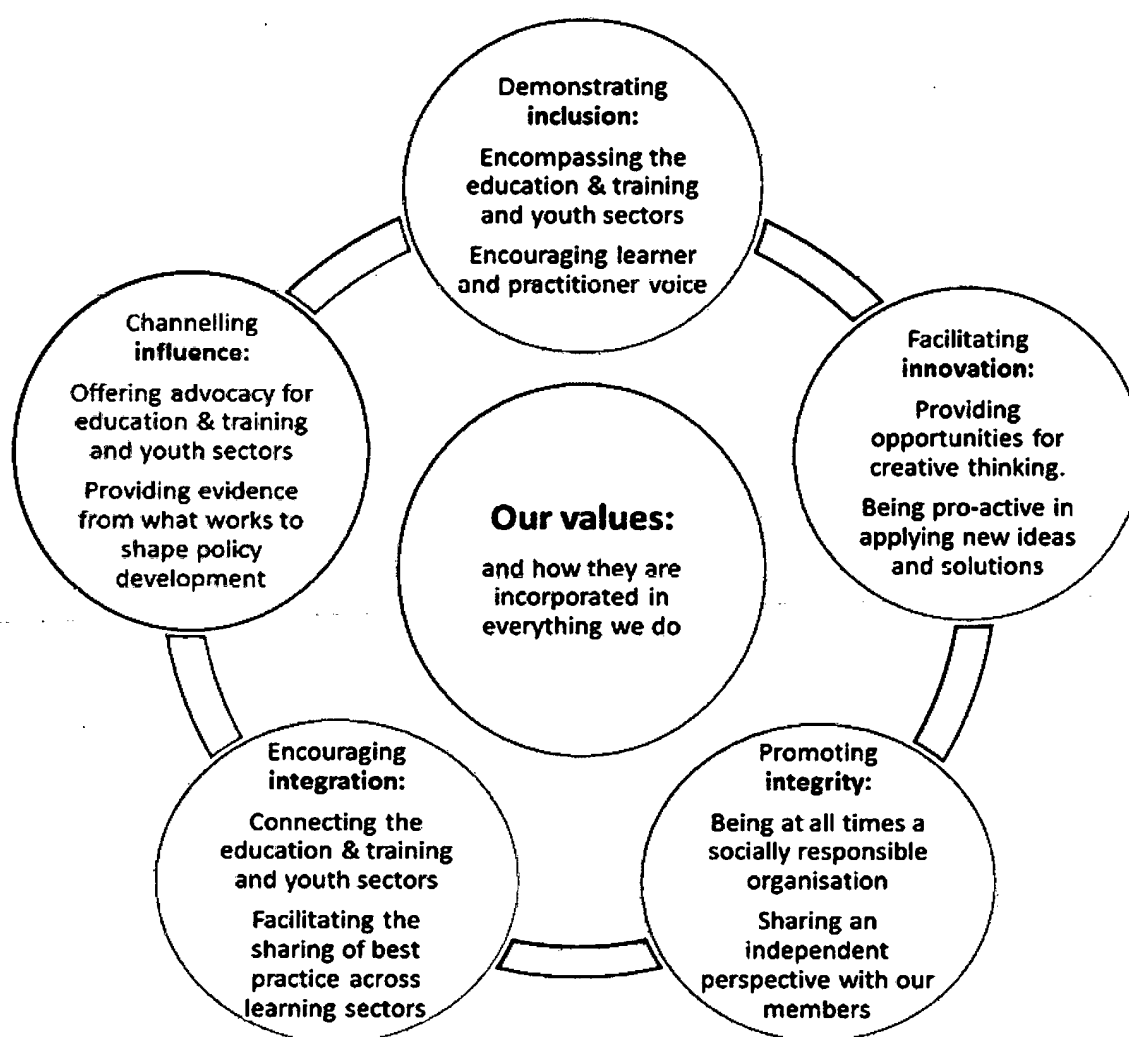
The processes which we apply regarding the appointment of new Trustees are stated in Our Memorandum and Articles of Association and our policy document, 'The Recruitment and Induction of Trustees' and sets out the ways in which Trustees are recruited and appointed. All Trustees are appointed for a period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

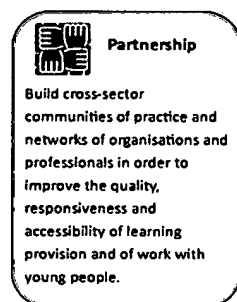
## Our Objectives and Achievements April 2014 to March 2015

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 2014-15 through Partnership, Practice and Participation

### Partnership

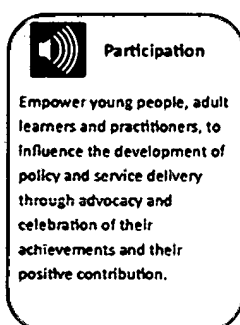


- We are proud that in 2014 Learning South West cross sector membership numbered 82 organisations including Universities, Further Education Colleges, specialist providers, private training organisations, armed and uniformed services, voluntary and community organisations, Local Authorities (Adult Learning and Youth provision) and Youth Work Unit members. Our members work with thousands of learners and young people 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. We worked with 15 national delivery partners to support practitioners undertake and complete a Diploma Level professional qualification in working with learners with learning difficulties and disabilities.



- We collaborated with the Centre for Youth Impact nationally and with South West Forum's Impact Hub regionally to provide training and tailored support to youth organisations wanting to demonstrate the impact of their work.
- We collaborated with University of St Mark & St John on a regional conference on Progressive Youth Work Practice attended by 70 people.
- For the Heritage Heroes project we collaborated with young people from UK Youth Parliament, Dorset Museums, Dorset County Council and SW TUC to develop learning materials on individuals and movements that have made a difference in the South West.

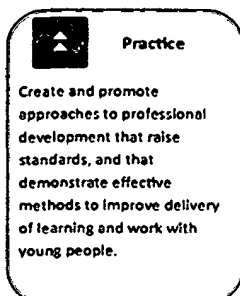
### Participation



- Learning South West facilitated a national practitioner consultation on the Review of the new Further Education and Skills Professional Standards (2014). We provided an expert contribution to the national development group. In partnership we helped shape a new Professional Body; the Education and Training Foundation's Society of Education and Training which was launched alongside the Professional Standards.

- Adult Learners Week and the Festival of Learning 2013/14 in association with NIACE took place between October 2013 and June 2014. In regional partnership together, over 650 cross regional events took place to promote and encourage Adult Learning. These included celebrations, open day and taster days. The Festival was 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 the Grand Pier at Weston-super-Mare Pier with 180 guests including our 15 great regional winners and 2 national winners. Andy Caddick a former Somerset and England cricketer presented the awards.
- We distributed a £1 million grant across England and worked with 15 national delivery partners to support 311 practitioners undertake and complete a Diploma Level professional qualification in working with learners with learning difficulties and difficulties. Evaluation data suggests the greatest impact of the programme has been practitioner's ability to plan for and support learners with specific impairments.
- 70,501 young people in the South West voted in the Make Your Mark ballot in October 2014, to determine the priorities for UK Youth Parliament's campaigns for 2015. This is 23,000 more than the previous year and contributed to over 860,000 young voters across the UK. Key priorities were Votes at 16 and Improving Mental Health services for young people.
- After our Employment Forum in February 2015, young people presented findings on preparation for employment to the Somerset Chamber of Commerce, leading to new ideas for work experience and careers guidance.
- Young people contributed to setting our own priorities for the Regional Youth Work Unit as stakeholders in our Regional Youth Work Reference Group.
- 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.
- Bishops Hull House welcomed several new customers in the last financial year as well as our existing valued customers.
- Our new website was launched in January 2015. The new design is more user friendly and enables our partners to easily access useful up-to-date information about our offer and wider sector information.

## Practice



- Our renowned Professional Development Programme engaged 593 South West Practitioners covering topical areas such as effective maths and English teaching, coaching and mentoring approaches and working productively with employers and Apprentices.
- 203 individuals who attended our youth work training events told us our training and conferences helped them to develop youth work practice. A grant from Big Lottery Fund's Awards for All helped us train more people this year.
- Our national evaluation data, from our work to professionally develop and qualify practitioners who work with learners with disabilities and learning difficulties, reported that practitioners had learned the most in the development of their own professional practice. The most valuable aspect of the programme practitioners felt was the recognition of their own expertise in working with learners with specific impairments.
- We facilitate effective practice networks including a Teacher Educator Forum and a Maths and English Forum. We also bring together practitioners and agencies in our Inclusion Forum to share effective practice to enable learning opportunities for all.
- We enabled 35 people to achieve a qualification in youth work at Level 2 or 3, in collaboration with local authorities in Bournemouth, Poole and Somerset.
- We worked in partnership with Centres for Excellence in Teacher Training to develop a new Teacher Educator Specialist Training programme and trained 30 new teacher educators to support the professional development of those who work with learners with learning difficulties and disabilities. Our evaluation data tells us that a significant step has taken place in evidencing the value of this form of specialist development for the further education and skills sector. It shows an improved understanding of how to support the professional development of teachers in this highly skilled, specialist area of work.
- Our Regional Youth Participation Network has enabled new organisations including police and crime commissioners offices, housing associations and fire services to develop skills in work with young people.
- Our Regional Youth Work Trainers Network made a substantial contribution to the development of new national youth work qualifications at Level 2 and 3.

## 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 potential changes to Government Departments and the national funding agencies.
- The Area Reviews and associated trend of merging Further Education Institutions with regional responsibility as opposed to a local one.
- The raising of the participation age and re-engaging those who feel disengaged from learning in an environment when choices post-16 become more limited.
- The Government's ongoing commitment to apprenticeships as the key way to develop a more skilled workforce.
- The continuing need for improvement in skills (especially English and maths) required in order to grow the economy.
- The demands and rigour of the new Health Care Plans and Local Offer that form part of the continuing impact of the Children and Families Act 2014.
- The impact of the Education and Training Foundation as the sector body for workforce development and new professional body the Society for Education and Training.
- Adult Learning unprecedented funding cuts.
- The growing focus from funders and commissioners on demanding the impact of any intervention, requiring delivery organisations to be much sharper in their measurement of outcomes and impact.
- The heightened focus of Ofsted inspection on outcomes for learners and the quality of teaching.
- New ways of delivering services for young people in local areas, including co-production with young people, local authorities, other statutory bodies and the voluntary sector.

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 an era of unprecedented cuts and austerity measures it consolidates our mission to hold steadfast to our shared membership and stakeholder values. We will reach out to include a wider range of professionals in our mission.
- Through our work and in partnership we will continue to seek out all opportunity to influence policy. We will lobby for a national Special Educational Needs and Disabilities (SEND) workforce professional development strategy.
- 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 and young people 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 succeeds in achieving a diverse range of income from a variety of charitable activities. Owing to the statutory requirement to include pension costs, our accounts 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 and does not imply any short term risks to Learning South West's charitable activities. Further information is provided in Note 20 of notes to the financial statements for the year ended 31st March 2015.

## 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

Learning South West sets its reserves target based on the amount required to ensure an orderly closedown of the organisation should that be required. The actual figure is reviewed each year and includes:

- 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 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 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 £1,116,000 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 2015 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	4
Structure, Governance and Management	Nature of governing document, recruitment, induction and training of Trustees, organisation structure	7,8
Objectives and Activities	Charity objects, aims (strategic vision), objectives for year	5,9
Achievements and Performance	Review of charitable activities and the performance, fundraising, factors within and outside the charity's control (Introduction)	2, 6, 10, 11, 12, 13, 14
	Factors within and outside the charity's control	2, 13, 14
Plans for Future Periods		13, 14
Financial Review	Reserves policy, principal funding sources, investments	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 21 October 2015 and signed on their behalf by:

Kate Howard  
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 31st March 2015 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 2015 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: 21 October 2015

# Learning South West

## Statement of Financial Activities for the Year ended 31 March 2015

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds</b>					
<b>Activities for generating funds</b>					
Letting Building and Support Services		44,464	-	44,464	68,429
<b>Investment income</b>					
Bank Interest/pension/admin		6,011	-	6,011	70,375
<b>Incoming resources from charitable activities</b>					
Conferences and Networks		73,511	-	73,511	82,015
Assessment and Accreditation		6,977	-	6,977	7,148
Membership Subscriptions		57,843	-	57,843	79,031
Grants and Contracts		812,208	1,555,847	2,368,055	1,109,213
<b>Total Incoming Resources</b>	<b>11</b>	<b>1,001,013</b>	<b>1,555,847</b>	<b>2,556,859</b>	<b>1,416,211</b>
<b>RESOURCES EXPENDED</b>					
<b>Costs of generating funds</b>		<b>41,370</b>	<b>-</b>	<b>41,370</b>	<b>64,757</b>
<b>Investment Income/Pension/Admin</b>		<b>3,000</b>	<b>-</b>	<b>3,000</b>	<b>( 55,000)</b>
<b>Charitable activities</b>		<b>950,583</b>	<b>1,543,772</b>	<b>2,494,355</b>	<b>1,322,271</b>
<b>Governance costs</b>		<b>18,874</b>	<b>-</b>	<b>18,874</b>	<b>20,812</b>
<b>Total resources expended</b>	<b>12</b>	<b>1,013,828</b>	<b>1,543,772</b>	<b>2,557,600</b>	<b>1,352,840</b>
<b>Net incoming (outgoing) resources before transfers</b>		<b>( 12,815)</b>	<b>12,074</b>	<b>( 741)</b>	<b>63,371</b>

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

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 25 to 35 form part of these financial statements

# Learning South West

## Statement of Financial Activities for the Year ended 31 March 2015 (continued)

	Notes	£	£	Total 2015 £	Total 2014 £
<b>Net incoming (outgoing) resources before other recognised gains/(losses) brought forward</b>		( 12,815)	12,074	( 741)	63,371
Transfer		16,289	( 16,289)	-	-
<b>Other recognised gains/(losses)</b>					
Actuarial losses on defined benefit pension scheme	20	( 322,000)	-	( 322,000)	( 301,000)
<b>NET MOVEMENT IN FUNDS</b>		<u>( 318,526)</u>	<u>( 4,215)</u>	<u>( 322,741)</u>	<u>( 237,629)</u>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		( 36,763)	4,215	( 32,548)	205,081
<b>Total funds carried forward</b>		<u><b>( 355,288)</b></u>	<u><b>--</b></u>	<u><b>( 355,289)</b></u>	<u><b>( 32,548)</b></u>

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

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 25 to 35 form part of these financial statements



**Learning South West**  
**Balance Sheet as at 31 March 2015**

	Notes	Total 2015 £	Total 2014 £
<b>FIXED ASSETS</b>			
Tangible assets	2	616,222	623,730
<b>CURRENT ASSETS</b>			
Debtors	3	149,757	435,263
Cash at bank and in hand		450,842	1,631,260
<b>Total current assets</b>		<u>600,599</u>	<u>2,066,523</u>
<b>CURRENT LIABILITIES</b>			
Creditors and accruals	4	412,386	1,871,440
<b>Net current assets</b>		<u>188,213</u>	<u>195,083</u>
<b>Total assets less current liabilities</b>		804,435	818,813
<b>Long term Liabilities</b>			
Creditors: Amounts falling due after more than one year	5	43,724	60,361
<b>Net assets excluding pension liability</b>		<u>760,711</u>	<u>758,452</u>
Defined benefit pension scheme liability	8, 20	1,116,000	791,000
<b>Net assets including pension liability</b>		<u>( 355,289)</u>	<u>( 32,548)</u>
<b>THE FUNDS OF THE CHARITY</b>			
Restricted income funds	9	0	4,215
Unrestricted free reserves	8	205,077	207,686
Unrestricted fixed asset reserves	8	229,071	219,986
Revaluation reserve	8	326,563	326,563
		<u>760,711</u>	<u>754,235</u>
Pension reserve (deficit)	8, 20	( 1,116,000)	( 791,000)
		<u>( 355,289)</u>	<u>( 36,765)</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 21 October 2015 and signed on its behalf by



Katharine Howard  
Chair of the Board of Trustees

The notes on pages 25 to 35 form part of these financial statements

# **Learning South West**

## **Notes to the Financial Statements for the Year ended 31 March 2015**

### **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 are accrued for the period in line with benefits.

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 2015

#### 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
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 2015

### 2 TANGIBLE ASSETS

	Freehold Property £	Fixtures & Fittings £	Furniture & Equipment £	Total £
<b>Cost</b>				
At 1 April 2014	760,387	-	79,418	839,805
Additions	-	-	5,013	5,013
Disposals	-	-	-	-
Revaluation	-	-	-	-
At 31 March 2015	<u>760,387</u>	<u>-</u>	<u>84,431</u>	<u>844,818</u>
<b>Depreciation</b>				
At 1 April 2014	141,158	-	74,917	216,075
Charge for year	9,938	-	2,583	12,521
Disposals	-	-	-	-
Revaluation	-	-	-	-
At 31 March 2015	<u>151,096</u>	<u>-</u>	<u>77,500</u>	<u>228,596</u>
<b>Net book value</b>				
At 31 March 2015	<u>609,291</u>	<u>-</u>	<u>6,931</u>	<u>616,222</u>
At 31 March 2014	<u>619,229</u>	<u>-</u>	<u>4,501</u>	<u>623,730</u>

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

<b>Cost</b>	
At 1 April 2014 and 31 March 2015	509,160
<b>Depreciation based on cost</b>	
At 1 April 2014	216,495
Charge for the year	9,938
At 31st March 2015	226,433
<b>Net Book Value</b>	
At 31 March 2015	282,727
At 31 March 2014	292,665

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 25<sup>th</sup> 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 2015

<b>3 DEBTORS</b>	<b>2015</b>	<b>2014</b>
	£	£
<b>Amounts Receivable</b>		
Trade Debtors - contract income	139,649	427,654
Other Debtors and prepayments	10,108	7,609
	<u>149,757</u>	<u>435,263</u>
<b>4 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2015</b>	<b>2014</b>
	£	£
Mortgage loan	16,864	16,678
Taxes and Social Security	5,844	7,918
Accruals	76,755	492,386
Deferred income (see note 7)	201,699	1,210,696
Other creditors	111,224	143,622
	<u>412,386</u>	<u>1,871,300</u>
<b>5 CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	<b>2015</b>	<b>2014</b>
	£	£
Mortgage loan (see note 6)	<u>43,724</u>	<u>60,361</u>
<b>6 MORTGAGE LOAN</b>	<b>2015</b>	<b>2014</b>
Amounts repayable (by instalments):	£	£
- in one year or less	16,864	16,818
- between one and two years	17,329	17,442
- between two and five years	26,395	42,919
	60,588	77,179
- over five years	-	-
	<u>60,588</u>	<u>77,179</u>
Disclosed as:		
- amounts due within one year (see note 4)	16,864	16,818
- amounts due after more than one year (see note 5)	43,724	60,361
	<u>60,588</u>	<u>77,179</u>
The mortgage is secured on the Charity's freehold property, Bishops Hull House. Interest is charged at 1% above the Bank Base Rate.		
<b>7 DEFERRED INCOME</b>	<b>2015</b>	<b>2014</b>
	£	£
Balance as at 1 April 2014	1,210,696	156,739
Amount released to incoming resources	( 1,210,696)	( 156,739)
Amount deferred in the year	201,699	1,210,696
Balance as at 31 March 2015	<u>201,699</u>	<u>1,210,696</u>

## Learning South West

### Notes to the Financial Statements for the Year ended 31 March 2015

#### 8 UNRESTRICTED FUNDS

	2014 £	Net incoming resources £	Other recognised gains/losses £	Transfer £	2015 £
Unrestricted free reserves	207,686	( 18,897)	-	16,289	205,077
Unrestricted fixed asset reserve	219,986	9,085	-	-	229,071
Revaluation reserve	326,563	-	-	-	326,563
Pension reserve (deficit)	( 791,000)	-	( 325,000)	-	( 1,116,000)
	<u>( 36,765)</u>	<u>( 9,812)</u>	<u>( 325,000)</u>	<u>16,289</u>	<u>( 355,289)</u>

#### 9 RESTRICTED FUNDS

	2014 £	Incoming Resources £	Resources Expended £	Transfer £	2015 £
Voluntary Youth Organisation Network - Big Lottery Grant	2,766	-	-	( 2,766)	-
RRF - Dream Team	500	-	-	( 500)	-
Sounds Positive - Big Lottery Grant Fund	( 1,909)	9,220	6,954	( 358)	-
FITT - Future Initial Teacher Training	1,257	5,000	5,041	( 1,217)	-
WFP - MEP Subsidy and SEN Grant	1,600	1,541,626	1,531,778	( 11,448)	-
Net Assets as at 31 March 2015	<u>4,214</u>	<u>1,555,847</u>	<u>1,543,772</u>	<u>( 16,289)</u>	<u>-</u>

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

**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) 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).

**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 2015 £	Total 2014 £
Tangible Fixed Assets	616,222	-	616,222	623,730
Cash at bank and in hand	450,842	-	450,842	1,631,260
Other net Assets (liabilities)	( 262,629)	-	( 262,629)	( 1,436,177)
Long Term (liabilities)	( 43,724)	-	( 43,724)	( 60,361)
Pension Reserve (deficit)	( 1,116,000)	-	( 1,116,000)	( 791,000)
	<u>(355,289)</u>	<u>0</u>	<u>(355,289)</u>	<u>(32,548)</u>

# Learning South West

## Statement of Financial Activities for the Year ended 31 March 2015

### 11 Total Incoming Resources

	Fund-raising	Pension/Adm in charges	Bank Interest	Charitable Activities		Total 2015	Total 2014
				Youth Work	Education & Training		
	£	£	£	£	£	£	£
Letting Building and Support Services	44,375	-	-	-	89	44,464	68,429
Bank Interest/Financial transactions	792	-	2,999	2	1,473	5,266	69,167
Conferences and Networks	30	-	-	11,430	62,051	73,511	82,015
Assessment and Accreditation	-	-	-	1,277	5,700	6,977	7,148
Membership Subscription	-	-	-	40,331	17,512	57,843	79,031
Grants and Contracts	42	-	-	111,860	2,256,897	2,368,799	1,110,421
	<b>45,238</b>	<b>-</b>	<b>2,999</b>	<b>164,900</b>	<b>2,343,722</b>	<b>2,556,859</b>	<b>1,416,211</b>

### 12 Total Resources Expended

			Charitable Activities		Total 2015	Total 2014
			Costs of generating funds	Govern-ance		
			£	£	£	£
Basis of allocation			£	£	£	£
<b>Direct Costs</b>						
Staff Costs	Direct		10,579	3,000	11,400	115,487
Travel	Direct		-	-	-	7,299
Consultants	Direct		-	-	-	30,730
Provider Payments	Direct		-	-	-	457
Venue and other Project Costs	Direct		13,799	-	1,211	12,349
Other costs	Direct		5,315	0	6,263	5,821
<b>Total Direct Costs</b>			<b>29,693</b>	<b>3,000</b>	<b>18,874</b>	<b>172,143</b>
<b>Support costs allocated to activities</b>						
Support service staff	Staff time		6,107	-	-	29,674
Consultancy, Legal & Professional	Staff time		600	-	-	2,913
Premises	Staff time		2,792	-	-	13,567
IT & Communications	Staff time		1,109	-	-	5,390
Other costs	Staff time		1,071	-	-	5,204
<b>Total</b>			<b>11,677</b>	<b>-</b>	<b>-</b>	<b>56,749</b>
<b>Total Resources Expended</b>			<b>41,370</b>	<b>3,000</b>	<b>18,874</b>	<b>228,891</b>

# Learning South West

## Notes to the Financial Statements for the Year ended 31 March 2015

### 13 AUDITORS' REMUNERATION

	2015 £	2014 £
Audit	5,400	5,400
Accountancy Support	-	-
Payroll Services	-	-
	<u>5,400</u>	<u>5,400</u>

### 14 TRUSTEES' REMUNERATION

The trustees received no remuneration for the year ended 31 March 2015 (2014 - nil).

### 15 STAFF COSTS

	2015 £	2014 £
Staff Pay	312,906	394,708
Employers National Insurance Contributions	21,249	27,210
Pension Costs - current year costs	68,262	78,294
Reversal of prior year for revaluation	-	55,000
	<u>402,417</u>	<u>445,212</u>

No employee earned over £60,000 p.a.

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

	2015 No.	2014 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

Five trustees had their travel expenses reimbursed at a total cost of £552.84 (2014: Two trustees at a total cost of £227.23)

### 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 2015 (2014: Nil).

### 19 FINANCIAL COMMITMENT

	2015 £	2014 £
Commitments	Nil	Nil



# Learning South West

## Notes to the Financial Statements for the Year ended 31 March 2015

### 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 2013

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

17.0% wef 1st April 2015 plus £1,700 per month

The disclosures relate to the SCC pension fund. The latest actuarial valuation of the SCC fund is at 31 March 2015 and the figures below relate to this valuation.

#### Results and Disclosures

The estimated net liability as at 31 March 2015 is a liability of £1,116,000. The results of our calculations for the period ended 31 March 2015 are set out in the tables below:

Table 1 set out the balance sheet at at 31 March 2015

Table 2 sets out the profit and loss account for the year ended 31st March 2015

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 2015**

Net Pension Asset as at	31 March 2015	31 March 2014	31 March 2013
	£000's	£000's	£000's
Present Value of Funded Obligation	3,372	2,785	2,478
Fair Value of Scheme Assets (bid value)	2,256	1,994	1,876
<b>Net Liability</b>	<b>1,116</b>	<b>791</b>	<b>602</b>
Present Value of Unfunded Obligation	-	-	-
Unrecognised Past Service Cost	-	-	-
<b>Net Liability in Balance Sheet</b>	<b>1,116</b>	<b>791</b>	<b>602</b>

**Table 2 - Profit and Loss Account for the year to 31st March 2015**

The amounts recognised in the profit and loss statement are:	Year to 31 March 2015 £000's	Year to 31 March 2014 £000's
Current service cost	56	15
Interest on obligation	125	104
Expected return on Scheme assets	( 125)	( 161)
Past service cost	-	-
Losses (gains) on curtailments and settlements	-	20
<b>Total</b>	<b>56</b>	<b>-22</b>
<b>Annual return on Scheme assets</b>	<b>257</b>	<b>111</b>

# Learning South West

Notes to the Financial Statements for the Year ended 31 March 2015

## 20 PENSION COSTS (continued)

**Table 3 - Asset and Benefit Obligation Reconciliation for the year to 31st March 2015**

<b>Reconciliation of opening and closing balances of the present value of the defined benefit obligation</b>	<b>Year to 31 March 2015</b>	<b>Year to 31 March 2014</b>
	<b>£000's</b>	<b>£000's</b>
<b>Opening Defined Benefit Obligation</b>	<b>2,785</b>	<b>2,478</b>
Service cost	56	15
Interest cost	125	104
Actuarial losses (gains)	454	197
Losses (gains) on curtailments	-	20
Liabilities assumed /(extinguished) on settler	-	-
Estimated benefits paid (net of transfers in)	( 63)	( 46)
Past service cost	-	-
Contributions by Scheme participants	15	17
Unfunded pension payments	-	-
<b>Closing Defined Benefit Obligation</b>	<b>3,372</b>	<b>2,785</b>

<b>Reconciliation of opening and closing balances of the fair value of scheme assets</b>	<b>Year to 31 March 2015</b>	<b>Year to 31 March 2014</b>
	<b>£000's</b>	<b>£000's</b>
<b>Opening fair value of Scheme assets</b>	<b>1,994</b>	<b>1,876</b>
Expected return on Scheme assets	125	161
Actuarial gains (losses)	132	(84)
Contributions by employer including unfunded benefits	53	70
Contributions by Scheme participants	15	17
Estimated benefits paid net of transfers in and including unfunded	( 63)	( 46)
Settlement prices received / (paid)	-	-
<b>Fair value of Scheme assets at end of period</b>	<b>2,256</b>	<b>1,994</b>

<b>Reconciliation of opening and closing surplus</b>	<b>Year to 31 March 2015</b>	<b>Year to 31 March 2014</b>
	<b>£000's</b>	<b>£000's</b>
<b>Surplus/(Deficit) at the beginning of the year</b>	<b>( 791)</b>	<b>( 602)</b>
Current Service Cost	( 56)	( 15)
Employer Contributions	53	70
Unfunded pension payments	-	-
Past Service Costs	-	-
Other Finance Income	-	( 57)
Settlements/Curtailments	-	( 20)
Actuarial gain/loss	( 322)	( 281)
<b>Surplus/(Deficit) at end of year</b>	<b>( 1,116)</b>	<b>( 791)</b>

# Learning South West

Notes to the Financial Statements for the Year ended 31 March 2015

## 20 PENSION COSTS (continued)

**Table 4 - Sensitivity Analysis**

<b>Sensitivity Analysis</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present Value of Total Obligation	3,308	3,372	3,437
Projected Service Cost	69	71	73
Adjustment to long term salary increases	+0.1%	0.0%	-0.1%
Present Value of Total Obligation	3,380	3,372	3,365
Projected Service Cost	71	71	71
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present Value of Total Obligation	3,431	3,372	3,315
Projected Service Cost	73	71	69
Adjustment to mortality age rating assumption	+ 1 Year	None	- 1 Year
Present Value of Total Obligation	3,257	3,372	3,488
Projected Service Cost	69	71	73

**Table 5 - Amounts for the Current and Previous Periods**

<b>Amounts for the current and previous four periods</b>	<b>Year to March 15 £000's</b>	<b>Year to March 14 £000's</b>	<b>Year to March 13 £000's</b>	<b>Year to March 12 £000's</b>	<b>Year to March 11 £000's</b>
Defined benefit obligation	( 3,372)	( 2,785)	( 2,478)	( 2,257)	( 1,898)
Scheme assets	2,256	1,994	1,876	1,601	1,569
Surplus/Deficit	( 1,116)	( 791)	( 602)	( 656)	( 329)
Experience adjustments on Scheme liabilities	-	( 148)	-	81	308
Percentage of liabilities	-	(5.3%)	-	3.6%	16.2%
Experience adjustments on Scheme assets	132	( 36)	131	( 83)	( 108)
Percentage of assets	5.9%	(1.8%)	7.0%	(5.2%)	(6.9%)
Experience adjustments on Scheme liabilities	165	( 487)	( 206)	( 273)	82

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

**Table 6 - Statement of Recognised Gains and Losses**

<b>Statement of Recognised Gains and Losses</b>	<b>Year to 31 March 2015 £000's</b>	<b>Year to 31 March 2014 £000's</b>
Actual Return less expected return on pension scheme assets	(132)	( 50)
Experience gains (loss)	-	( 263)
Changes in assumptions underlying the present value of the scheme liabilities	( 454)	32
Curtailment gains (loss)	-	( 20)
<b>Actuarial gain/(loss) in pension scheme</b>	<b>( 322)</b>	<b>( 301)</b>
Increase/(decrease) in irrecoverable surplus	-	-
<b>Actuarial gain (loss) recognised in SOFA</b>	<b>( 322)</b>	<b>( 301)</b>

## Learning South West

### Notes to the Financial Statements for the Year ended 31 March 2015

#### 20 PENSION COSTS (continued)

**Table 7 - Projected Pension Expense for the year to 31st March 2015**

Projections for Year to 31st March 2015	Year to 31 March 2015 £000's
Service cost	71
Interest cost	37
Return to assets	1
Total	109
Employer Contributions	54

Note that these figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31st March 2015. These projections are based on the assumptions as at 31 March 2015, 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](http://www.teachernet.gov.uk/pensions)





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