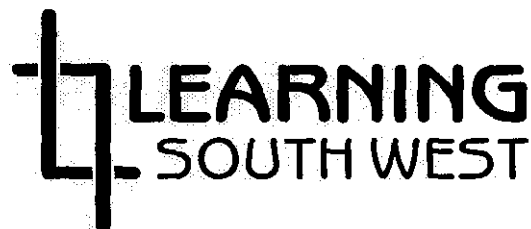
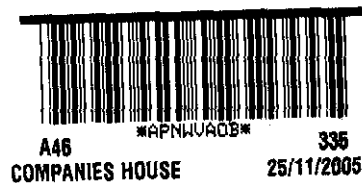


Company Registration Number: 2806593  
Charity Number: 1020027



# **ACCOUNTS AND DIRECTORS REPORT**

**2004/2005**



# **Learning South West**

## **Annual Report and Accounts for the Year ended 31 March 2005**

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8	Balance Sheet
9	Statement of Financial Activities
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## **Learning South West**

### **Chair's and Chief Executive's Report 2004/2005**

#### **Significant Changes and Developments**

Once again this has been an eventful and successful year for Learning South West, with gross income increasing from £818k in 2003/2004 to £912k this year. Our strong membership base has been maintained, and Learning South West has increased the range of contributions it makes to regional learning activities.

Bishops Hull House is a major asset of the organisation and maintaining it fit for purpose is a key element of its resource management. Major building refurbishment has been undertaken, in 2004/2005, including the installation of a lift to the first floor, a disabled toilet and shower and the resurfacing of the car park, to enable us to comply with Disabled Access requirements and to improve the services to customers. Also and importantly, there has been refurbishment of one of the cellars under the building to provide a much needed staff room for the hard-working and growing staff team. Bishops Hull House continues to be a valued regional meeting place for most of the key regional players in learning and skills.

During the year the trustees approved the appointment of an additional role to give us the capacity to respond to 3 significant developing areas of work: sustainable development, community regeneration and to provide evaluation services in relation to the expenditure of public money.

The year has also seen a significant change-over in the Board of Trustees, with several long-standing members standing down and new members joining. The willingness and enthusiasm of senior education personnel in the region to join the Board is a vote of confidence in the organisation as well as a source of invaluable advice and support. The highly respected Chairman of the organisation for the last six years, Bernard Vaughan, retired from office in June 2005.

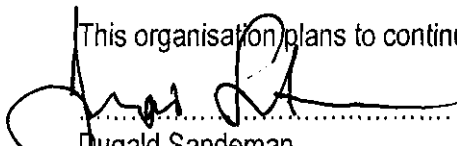
Learning South West's relationship with the key agencies engaged in supporting the learning of people who live in the South West region, has been consolidated and strengthened with additional partnership work, consultation and representation on important, regional decision making groups such as adult learning, regeneration, equal opportunities, sustainability, skills for life, youth work, and 14-19 learning.

The challenge of responding to new agendas whilst working with sectors which are always constrained by funding limitations, is never going to disappear. Learning South West is a not-for-profit organisation which has invested in growth and still produces balanced accounts. Efforts to increase the surplus for investment in development, by costing and managing resources carefully, continue to be made, but continue to be subject to external funding restrictions.


Learning South West, at the instigation of many of its members, is leading a regional partnership currently in pre-contract negotiations, with the ESF/LSC as co-financers, about a major piece of work in the region. This heralds an even more rapid growth period for the organisation in 2005/2006.

Learning South West's role in the region is unique and is respected by both the strategic regional players and the member organisations in the region which actually deliver the learning. Both of those groups wish to engage in partnership with Learning South West.

This organisation plans to continue to consolidate and build upon this partnership.



Dugald Sandeman  
Chairman



Liz McGrath  
Chief Executive

# **Learning South West**

## **Directors and Trustees Annual Report for the Year ended 31 March 2005**

As Directors and Trustees of the charitable company the Board presents its Annual Report for the year ended 31 March 2005.

### **Legal and administrative information**

#### **Charity name**

The name of the charity is 'Learning South West'.

#### **Registered Charity Number - 1020027**

#### **Company Registration Number - 2806593**

#### **Status and governing document**

The South West Association for Education and Training (SWAFET) was established as a registered charity with the Charity Commissioners on 12 October 1993. On 10 December 2003 the charity changed its name and submitted revised Memorandum and Articles to the Charity Commissioners. The Registrar of Companies for England and Wales has certified on 20 February 2004 that SWAFET having by special resolution changed its name, is now incorporated under the name of Learning South West. The Charity Commission gave its consent to the revised Memorandum and Articles on 22 November 2004.

The charity is constituted as a company limited by guarantee and not having a share capital under the Companies Act and is governed by the terms of its Memorandum and Articles of Association.

#### **Objects**

The Charity's objects are:

To advance education of young persons and adults by:

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

#### **Trustees**

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

Shirley Arayan	(Appointed December 2004)
Peter Avery	(Appointed 2 December 2004)
David Baker	(Appointed 2 December 2004)
David Beattie	
Jonquil Brooks	(Appointed 2 December 2004)
Colin Diamond	(Resigned 2 December 2004)
Keith Elliott	
Paul Phillips	(Resigned 2 December 2004)
Elisabeth Piecha	
Dugald Sandeman	(Chair - appointed 9 June 2005)
Alison Scott	(Resigned 2 December 2004)
Bernard Vaughan	(Chair - resigned 9 June 2005)
Peter Weeks	
David Wood	

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

# **Learning South West**

## **Directors and Trustees Annual Report for the Year ended 31 March 2005**

### **Other information**

#### **Registered office**

Bishops Hull House  
Bishops Hull  
TAUNTON  
Somerset  
TA1 5EP

#### **Auditors**

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

#### **Bankers**

CAF Bank Ltd  
P O Box 289  
WEST MALLING  
Kent  
ME19 4TA

### **Summary of policies adopted**

#### **Reserves policy**

It is the policy of the Charity to continue to build its free reserves towards a level of £200,000 which equates to approximately 3 months unrestricted expenditure based on present circumstances. Free reserves comprise those unrestricted funds of the Charity which are not invested in fixed assets, designated for specific purposes or otherwise committed.

Free reserves held as at 31 March 2005 were £75,666 (2004: £43,911).

#### **Investment policy**

Learning South West banks its cash to obtain maximum interest payments with minimum charges. It also invests in the premises (Bishops Hull House) for which it has a long term commercial loan.

#### **Risk management**

The trustees have examined the major risks to which the Charity is exposed. These risks have been mitigated wherever possible by maintaining high quality services, pursuing ways of alleviating the problems of expansion, and promoting Learning South West's unique nature in the work that it delivers.

### **Organisational structure**

An Annual General Meeting of Learning South West Members appoints a Board of Directors which decides on policy and guides the organisation. The Board appoints a Secretary and Chief Executive who is responsible to the Board for the day to day running of Learning South West. Other staff are appointed by and are responsible to the Chief Executive.

Learning South West is a stakeholder in the Awarding Body Consortium and Learning South West's Chief Executive is a Member of the Consortium's Board. The equivalent of 2.7 members of staff are assigned to Awarding Body Consortium duties.

# **Learning South West**

## **Directors and Trustees Annual Report for the Year ended 31 March 2005**

### **Review of Activities**

#### **Strategy Statement**

The vision and strategy of Learning South West is that it should make key strategic contribution to the improvement of learning across all the education and training sectors in the region.

#### **Review of the activities, developments and achievements of the charity in the context of its strategy (including significant changes)**

The role of Learning South West has broadened and become more valued during the year. The Learning South West 'brand' is strong and getting stronger in the region.

The incoming resources of the Charity increased by 12% between 2003/04 and 2004/05 – from £818k to £912k. The Charity has almost completed the renovation of its listed building, improving the quality of its services and meeting the requirements of Disability Discrimination legislation.

All activities of the Charity have performed reasonably well during the financial year. The amount of education work which the Charity undertakes, through initiatives and projects delivered and funded by a range of Government agencies and learning organizations, continues to grow. The Charity must maintain its efforts to ensure that the full costs of delivery and development of capacity to deliver such projects are covered by its charges. This is a challenge for non-centrally funded bodies, like Learning South West, in a context in which important funding streams specifically state that they may only cover directly incurred costs. Externally funded project delivery is becoming an increasingly important element of the Charity's work, as the Government distributes substantial monies for public services by this method.

The Charity will continue to provide services, such as professional development and regional youth work, which only just cover the costs of their delivery, because they are of direct and immediate importance to its members.

The Awarding Body Consortium continues to develop and grow, making an important contribution to the financial viability of the Charity.

#### **Events affecting activities since the year end**

The regional dimension of learning and skills has grown since the year end, enhancing the potential contribution of Learning South West.

The requirement for different educational sectors to work collaboratively on a wide range of government initiatives also represents opportunities to make a key contribution.

#### **Plans for the Future**

The Charity will continue to develop and deliver services to learning in the region, which make use of its strategic perspective, its awareness and understanding of the learning sectors in the region and its networks of professionals in those fields.

As appropriate Learning South West will expand its work while keeping within the objects of the Charity.

# Learning South West

## Directors and Trustees Annual Report for the Year ended 31 March 2005

### Statement of the Directors' responsibilities for the accounts

Company Law requires the Directors 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 Directors 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.

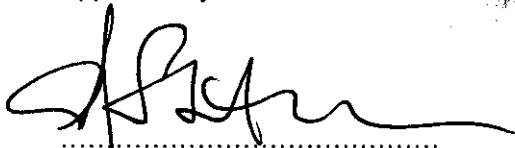
The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the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

### Auditors

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

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

Approved by the Board on ~~21 SEPTEMBER 2005~~ and signed on their behalf by:



.....  
Dugald Sandeman  
Chairman

# **Learning South West**

## **Independent Auditors' Report to the Members of Learning South West**

We have audited the accounts of Learning South West for the year ended 31 March 2005 on pages 8 to 20 which have been prepared under the historical cost convention and the accounting policies set out on pages 10 and 11.

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

### **Respective responsibilities of the Directors and Auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and the United Kingdom Accounting Standards are set out in the statement of Directors' Responsibilities on page 5. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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

We are not required to consider whether the statement in the Directors' and Trustees' Annual Report concerning major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the charity's risk management and control procedures.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. The other information comprises only the Directors' report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

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



# Learning South West

## Independent Auditors' Report to the Members of Learning South West

### Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charity as at 31 March 2005 and of its incoming resources and application of resources, including its income and expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

AMHERST & SHAPLAND

Chartered Accountants

Registered Auditors

Castle Lodge

Castle Green

Taunton

Somerset

TA1 4AD



DATE 21 NOV 2005

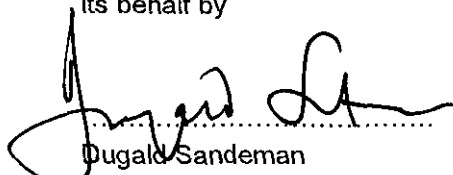
# Learning South West

## Balance Sheet as at 31 March 2005

	Note	2005 £	2004 £
<b>Fixed Assets</b>			
Tangible fixed assets	2	346,166	286,284
<b>Current Assets</b>			
Debtors	3	134,170	104,047
Cash at bank and in hand		90,130	137,064
		<u>224,300</u>	<u>241,111</u>
<b>Creditors:</b>			
Amounts falling due within one year	4	146,912	191,385
<b>Net Current Assets</b>		<u>77,388</u>	<u>49,726</u>
<b>Total Assets less Current Liabilities</b>		423,554	336,010
<b>Creditors:</b>			
Amounts falling due after more than one year	5	202,162	114,114
<b>Net Assets</b>		<u>221,392</u>	<u>221,896</u>
<b>Funds</b>			
Unrestricted funds	8	219,670	216,081
Restricted Funds	9	1,722	5,815
		<u>221,392</u>	<u>221,896</u>

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

The financial statements were approved by the Board of Directors on ..... and signed on its behalf by

  
Dugald Sandeman  
Chairman

The notes on pages 10 to 20 form part of these accounts.

# Learning South West

## Statement of Financial Activities and Income and Expenditure Account for the Year ended 31 March 2005

	Note	Unrestricted Funds £	Restricted Funds £	Total 2005 £	Total 2004 £
<b>INCOMING RESOURCES</b>					
<b>Charitable activities</b>					
Conferences and Networks		102,560		102,560	132,667
Assessment and Accreditation		145,228		145,228	129,436
Membership		46,275		46,275	41,080
Grants		79,180		79,180	86,685
Projects		404,664	45,206	449,870	325,574
<b>Activities for generating funds</b>					
Sales and lettings		85,721		85,721	99,062
<b>Investment income</b>		<u>3,459</u>		<u>3,459</u>	<u>3,291</u>
<b>Total Incoming Resources</b>		<u>867,087</u>	<u>45,206</u>	<u>912,293</u>	<u>817,795</u>
<b>RESOURCES EXPENDED</b>					
<b>Costs of generating funds</b>					
Fundraising and Publicity	11	49,111		49,111	57,715
<b>Charitable expenditure</b>					
Direct charitable expenditure	12	800,598	49,299	849,897	728,777
Management and administration	13	<u>13,789</u>		<u>13,789</u>	<u>13,501</u>
<b>Total Resources Expended</b>	14	<u>863,498</u>	<u>49,299</u>	<u>912,797</u>	<u>799,993</u>
<b>NET INCOME (DEFICIT)</b>		3,589	( 4,093)	( 504)	17,802
 <b>Balance at 1 April 2004</b>					
		216,081	5,815	221,896	204,094
 <b>Balance at 31 March 2005</b>					
		<u>219,670</u>	<u>1,722</u>	<u>221,392</u>	<u>221,896</u>

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

The notes on pages 10 to 20 form part of these accounts.

# **Learning South West**

## **Notes to the Accounts for the Year ended 31 March 2005**

### **1 ACCOUNTING POLICIES**

#### **Basis of preparation**

The accounts 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 October 2000 and applicable accounting standards except where otherwise stated.

#### **Going concern**

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

#### **Fund accounting**

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

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

#### **Incoming resources**

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

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

Membership income is accounted for in the financial year in which it is received with the exception of new membership income received in the January to March period, which is treated as income for the following year and deferred on this basis.

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

Projects are 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. Income from letting office accommodation is included in the Statement of Financial Activities (SOFA) on an accruals basis.

#### **Resources expended**

All expenditure is accounted for on an accruals basis. As far as possible, fundraising and publicity costs and management and administration 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.

# Learning South West

## Notes to the Accounts for the Year ended 31 March 2005

### 1 ACCOUNTING POLICIES (continued)

#### Fixed assets

All fixed assets are stated at purchase cost plus incidental expenses of acquisition, less depreciation. With the exception of freehold land, 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 Buildings and Improvements	over 30 years
Fixtures and Fittings	over 10 years
Computer Equipment	over 3 years
Furniture	over 10 years
Office Equipment	over 5 years

#### Government Grants

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

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

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

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

#### Taxation

No charge to taxation arises in respect of any of the activities of the charitable company by reason of its charitable status.

#### 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 they have been accounted for as if they were defined contribution schemes by charging the annual contributions payable to the SOFA. Full adoption of FRS 17 has been deferred in accordance with current ASB requirements. Information available regarding both of these schemes has been disclosed in note 21.

# Learning South West

## Notes to the Accounts for the Year ended 31 March 2005

### 2 TANGIBLE FIXED ASSETS

	Freehold Property £	Fixtures & Fittings £	Furniture & Equipment £	Total £
<b>Cost</b>				
At 1 April 2004	237,920	128,073	83,927	449,920
Additions	-	82,283	15,326	97,609
At 31 March 2005	<u>237,920</u>	<u>210,356</u>	<u>99,253</u>	<u>547,529</u>
<b>Depreciation</b>				
At 1 April 2004	67,407	52,943	43,286	163,636
Charge for year	7,930	7,425	22,372	37,727
At 31 March 2005	<u>75,337</u>	<u>60,368</u>	<u>65,658</u>	<u>201,363</u>
<b>Net book value</b>				
At 31 March 2005	<u>162,583</u>	<u>149,988</u>	<u>33,595</u>	<u>346,166</u>
At 31 March 2004	<u>170,513</u>	<u>75,130</u>	<u>40,641</u>	<u>286,284</u>

### 3 DEBTORS

	2005 £	2004 £
Other debtors	<u>134,170</u>	<u>104,047</u>

### 4 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Mortgage loan (see note 6)	12,665	15,470
Taxes and Social Security	12,441	10,092
Accruals	2,500	2,500
Deferred income	69,465	141,267
Other creditors	<u>49,841</u>	<u>22,056</u>
	<u>146,912</u>	<u>191,385</u>

# Learning South West

## Notes to the Accounts for the Year ended 31 March 2005

### 5 CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2005 £	2004 £
Mortgage loan (see note 6)	<u>202,162</u>	<u>114,114</u>

### 6 MORTGAGE LOAN

Amounts repayable (by instalments):	£	£
- in one year or less	12,665	15,470
- between one and two years	13,414	16,264
- between two and five years	45,181	53,958
	<u>71,260</u>	<u>85,692</u>
- over five years	143,567	43,892
	<u>214,827</u>	<u>129,584</u>
Disclosed as:		
- amounts due within one year (see note 5)	12,665	15,470
- amounts due after more than one year (see note 6)	202,162	114,114
	<u>214,827</u>	<u>129,584</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 BISHOPS HULL HOUSE

The mortgage was taken out on Bishops Hull House in 1988 (by the Charity's predecessor) for the purchase value of £320,000 over a 30 year repayment period. The property was acquired by SWAFET (now Learning South West) during 1995 at a cost of £237,920. The balance outstanding on the loan is £214,827 with a remaining term of 23 years. This loan can be recalled by the Bank but it is considered to be a long term loan by reason of its repayment structure which is consistent with previous years.

An additional loan of £100,000, arranged to finance the building work undertaken during the year, was taken out in October 2004. This loan was secured by a further mortgage over Bishops Hull House.

# Learning South West

## Notes to the Accounts for the Year ended 31 March 2005

### 8 UNRESTRICTED FUNDS

	2005 £	2004 £
As at 1 April 2004	216,081	199,356
Net Income for Year	3,589	16,725
As at 31 March 2005	<u>219,670</u>	<u>216,081</u>

### 9 RESTRICTED FUNDS

	At 1 April 2004 £	Incoming Resources £	Resources Expended £	At 31 March 2005 £
Millennium Volunteers Fund	8,283	-	8,283	-
Voluntary Youth Infrastructure Project - Early Spend	(2,468)	35,370	32,902	-
Voluntary Youth Infrastructure Project - Main Spend	-	9,836	8,114	1,722
	<u>5,815</u>	<u>45,206</u>	<u>49,299</u>	<u>1,722</u>

The Millennium Volunteers Fund consists of monies that are held to support the activities of the Regional Millennium Volunteer Forums. This Fund is now closed. The Voluntary Youth Infrastructure Project consists of monies held and used to build the infrastructure and capacity of the voluntary youth work organisations in the region. The Early Spend part of the Project has now been completed, and the Early Spend Fund is now closed.

### 10 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2005 £	Total 2004 £
Tangible Fixed Assets	346,166	-	346,166	286,284
Cash at bank and in hand	88,408	1,722	90,130	137,064
Net current liabilities	( 12,742)	-	( 12,742)	( 87,338)
Long term liabilities	( 202,162)	-	( 202,162)	( 114,114)
	<u>219,670</u>	<u>1,722</u>	<u>221,392</u>	<u>221,896</u>



# Learning South West

## Notes to the Accounts for the Year ended 31 March 2005

### 11 RESOURCES EXPENDED - FUNDRAISING AND PUBLICITY

	Unrestricted Funds	Restricted Funds	Total 2005	Total 2004
	£	£	£	£
Salaries and Wages	6,641	-	6,641	7,040
Letting Building	21,288	-	21,288	24,507
Publicity	21,182	-	21,182	26,168
	<u>49,111</u>	<u>-</u>	<u>49,111</u>	<u>57,715</u>

### 12 RESOURCES EXPENDED - DIRECT CHARITABLE EXPENDITURE

	Unrestricted Funds	Restricted Funds	Total 2005	Total 2004
	£	£	£	£
Salaries and Wages	464,429	-	464,429	416,314
Consultants Fees	32,841	-	32,841	3,767
Conferences and Networks	59,937	-	59,937	75,296
Project Expenses	124,173	49,299	173,472	124,089
Depreciation	37,727	-	37,727	32,197
Office Costs	64,271	-	64,271	68,492
Legal and Professional Fees	8,936	-	8,936	2,220
Loan Interest Payments	8,284	-	8,284	6,402
	<u>800,598</u>	<u>49,299</u>	<u>849,897</u>	<u>728,777</u>

### 13 RESOURCES EXPENDED - MANAGEMENT AND ADMINISTRATION

	Unrestricted Funds	Restricted Funds	Total 2005	Total 2004
	£	£	£	£
Salaries and Wages	7,826	-	7,826	7,218
Office Costs	1,045	-	1,045	1,184
Audit Fees	2,303	-	2,303	3,193
Cost of Trustees' Meetings (including travel expenses)	1,040	-	1,040	908
Trustees' Indemnity Insurance	1,575	-	1,575	998
	<u>13,789</u>	<u>-</u>	<u>13,789</u>	<u>13,501</u>

# Learning South West

## Notes to the Accounts for the Year ended 31 March 2005

### 14 ANALYSIS OF RESOURCES EXPENDED

				Total	Total
	Staff costs	Other costs	Depreciation	2005	2004
	£	£		£	£
<b>Charitable activities</b>					
Membership services	24,866	328	-	25,194	32,787
Educational Projects	249,874	206,115	-	455,989	346,875
Professional development	49,755	35,234	-	84,989	81,022
Youth services	56,304	15,323	-	71,627	81,533
ABC Accreditation services	83,630	8,762	-	92,392	72,865
Central budget support costs	-	81,979	37,727	119,706	113,695
Management and administration	7,826	5,963	-	13,789	13,501
	<u>472,255</u>	<u>353,704</u>	<u>37,727</u>	<u>863,686</u>	<u>742,278</u>
<b>Costs of generating funds</b>					
Letting Building	6,641	21,288	-	27,929	31,547
Publicity	-	21,182	-	21,182	26,168
	<u>478,896</u>	<u>396,174</u>	<u>37,727</u>	<u>912,797</u>	<u>799,993</u>

### 15 DIRECTORS' REMUNERATION

The directors received no remuneration for the year ended 31 March 2005 (2004 - nil).

### 16 STAFF COSTS

	2005	2004
	£	£
Wages and Salaries	409,254	368,991
Social Security Costs	34,235	28,611
Pension Costs	35,407	32,969
	<u>478,896</u>	<u>430,571</u>

One employee earned over £50,000 pa.

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

	2005	2004
	No.	No.
Fundraising and Publicity	0.5	0.6
Direct Charitable Expenditure	16.0	15.0
Management and Administration	0.2	0.2
	<u>16.7</u>	<u>15.8</u>

# Learning South West

## Notes to the Accounts for the Year ended 31 March 2005

### 17 TRANSACTIONS WITH TRUSTEES AND CONNECTED PERSONS

Seven trustees had their travel expenses reimbursed at a total cost of £943 (2004: £762).

The cost of trustees meetings was £97 (2004: £146).

### 18 INDEMNITY INSURANCE

Learning South West purchased Indemnity Insurance to protect the charity from loss arising from the neglect or default of its trustees, employees or agents and to indemnify the trustees or other officers against the consequences of any neglect or default on their part at a cost of £1575 (2004: £997).

### 19 RELATED PARTY TRANSACTIONS

No contracts or transactions were entered into by the charity with any of the Directors or any member of staff.

Learning South West is a partner in the Awarding Body Consortium with three other similar regional educational bodies. During the year Learning South West received income of £145,228 from its Awarding Body Consortium activities.

### 20 CAPITAL COMMITMENTS

At 31 March 2005 capital commitments had been contracted for in respect of improvements to the car park and external disabled access at Bishops Hull House at a cost of £6,735 excluding Value Added Tax (2004: nil). There were no other capital commitments at 31 March 2005.

### 21 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.

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

In accordance with Financial Reporting Standard No.17 Retirement Benefits (FRS 17) disclosure of certain information concerning assets, liabilities, income and expenditure related to pension schemes is required.

FRS 17 is fully implemented for accounting periods beginning on or after 1 January 2005. Upon full implementation any change in the defined benefit asset or liability will be recognised through the Statement of Financial Activities.

The latest actuarial valuation of the Somerset County Council Pension Fund took place on 31 March 2004. The principal assumptions used by the independent qualified actuaries in updating the valuations of the Fund for FRS 17 purposes were:

# Learning South West

## Notes to the Accounts for the Year ended 31 March 2005

### 21 PENSION COSTS (continued)

#### Local Government Pension Scheme (continued)

<u>Main financial assumptions</u>	2005 (% p.a)	2004 (% p.a)
Inflation	2.9	2.9
Rate of general long-term increase in salaries	4.4	4.4
Rate of increase to pensions in payment	2.9	2.9
Discount rate for scheme liabilities	5.3	5.4
Discount rate for pension cost over following year	5.3	5.4

We have been informed that the market value of the assets of the Somerset County Council Pension Fund at 31 March 2005 was £771.29M.

	Long-Term Rate of Return Expected at 31 March 2005 (% p.a.)	Estimated Value at 31 March 2005 (£M)	Long-Term Rate of Return Expected at 31 March 2004 (% p.a.)	Estimated Value at 31 March 2004 (£M)
Equities	7.7	604.66	7.7	513.26
Property	6.7	28.55	6.7	15.46
Government bonds	4.7	67.17	4.7	62.12
Corporate bonds	5.3	61.01	5.5	55.00
Other	4.8	9.90	4.2	50.46
<b>Total</b>	<b>7.2</b>	<b>771.29</b>	<b>6.9</b>	<b>696.30</b>

<u>Funding Position</u>	2005 £m	2004 £m
Share of assets	0.63	0.69
Estimated funded liabilities	1.02	1.04
Estimated unfunded Liabilities	0.00	0.00
<b>Learning South West's surplus (deficit)</b>	<b>(0.39)</b>	<b>(0.35)</b>

<u>Analysis of Amount Charged to Operating Profit</u>	2005 £m
Current Service Cost	0.03
Past Service Costs	0.00
Curtailments/Settlements	0.00
<b>Total Charged to Operating Charge</b>	<b>0.03</b>

# Learning South West

## Notes to the Accounts for the Year ended 31 March 2005

### 21 PENSION COSTS (continued)

#### Local Government Pension Scheme (continued)

<b><u>Analysis of Amount Credited to Other Finance Income</u></b>	<b>2005</b>
	£m
Expected return on pension scheme assets	0.05
Interest on pension scheme liabilities	(0.06)
<b>Net return</b>	<b>(0.01)</b>

<b><u>Analysis of amount recognised in Statement of Total Recognised Gains and Losses</u></b>	<b>2005</b>
	£m
Actual return less expected return on pension scheme assets	0.01
Experience gains and losses arising on the scheme liabilities	0.02
Changes in assumptions underlying the present value of the scheme liabilities	(0.05)
<b>Total actuarial gain (loss)</b>	<b>(0.02)</b>

<b><u>Analysis of movement in surplus during the year</u></b>	<b>2005</b>
	£m
Surplus (deficit) in scheme at the beginning of the year	(0.35)
Current service cost	(0.03)
Contributions	0.02
Past Service cost	0.00
Curtailments/settlements	0.00
Other finance income	(0.01)
Actuarial gain (loss)	(0.02)
<b>Surplus (deficit) in scheme at the end of the year</b>	<b>(0.39)</b>

<b><u>History of experience gains and losses</u></b>	<b>2005</b>
Difference between expected and actual return on scheme assets:	
Amount (£m)	0.01
Percentage of scheme assets	1.6%
Experience gains on scheme liabilities	
Amount (£m)	0.02
Percentage of present value of scheme liabilities	2.0%
Changes in assumptions	
Amount (£m)	(0.05)
Percentage of present value of scheme liabilities	(4.9%)
Total amount recognised in	
Amount (£m)	(0.02)
Percentage of present value of scheme liabilities	(2.0%)

# Learning South West

## Notes to the Accounts for the Year ended 31 March 2005

### 21 PENSION COSTS (continued)

#### Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, final salary scheme. The regulations under which the TPS operates are the Teachers' Pension Scheme Regulations 1997, as amended. These regulations apply to teachers in schools and other educational establishments in England and Wales maintained by local education authorities and also to teachers in many independent and voluntary aided schools and establishments of further and higher education. Teachers are able to opt out of the TPS.

Although teachers are employed by LEAs and various other bodies, their retirement and other superannuation benefits, including annual increases payable under the Pension (Increase) Acts, are, as provided in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the TPS, which is an unfunded scheme, 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 pension increases). With effect from 1 April 2001, the Account will be credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Not less than every five years, the Government Agency (GA), using normal actuarial principles, conducts an actuarial review of the TPS. The aim of the review is to specify the level of future contributions. The actuarial review as at 31 March 2001 made the following assumptions. The balance in the account as at 31 March 2001 shall be such that, in the current review, the value of the scheme assets equals the value of the scheme liabilities. The scheme assets consist of the notional investments and the future contributions in respect of existing members. Thus, the balance in the Account as at 31 March 2001 will be determined as the difference between the value of the scheme liabilities and the value of future contributions.

Contributions are assessed in two parts. First, a normal contribution is determined. This is the contribution, expressed as a percentage of the salary of a teacher newly entering service, which would defray the cost of benefits payable in respect of that service. Currently, teachers pay 6% of salary whilst their employers pay the balance of the normal contribution. Secondly, a supplementary contribution is payable by employers if, as a result of the actuarial investigation, it is found that the accumulated liabilities of the Account for benefits to past and present teachers are not fully covered by normal contributions to be paid in future and by the fund built up from past contributions. Because the liabilities were put into balance for the 2001 valuation there is no supplementary contribution. From 1 April 2003, employers pay 13.5% of salary.

The last valuation of the TPS was for the period 1 April 1996 to 31 March 2001. The GA's report of March 2003 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £142,880 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £142,880 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 is assumed to be 1.5%. The assumed gross rate of return is 7%.