

**The Learning Curve  
(Voluntary Sector Development)**

**Annual Report and Accounts for Year Ended  
31 December 2008**

**Company No 4324686  
Charity No: 1090735**

**Head Office:  
Unit 2  
Challemead Business Park  
Melksham, Wiltshire  
SN12 8BU  
Tel: 01225 792500**

THURSDAY



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COMPANIES HOUSE

**THE LEARNING CURVE (VOLUNTARY SECTOR DEVELOPMENT)  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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**Legal and Administrative Details of the Charity**

**Registered Company Number** 4324686  
**Registered Charity Number** 1090735

**Bankers:** CAF BANK Limited National Westminster Bank plc  
PO Box 289 30 High Street  
West Malling Chippenham  
Kent, M19 4TA Wiltshire, SN15 3HB

**Solicitor:** Nick Wykeham  
Wykeham & Co  
Trey House  
Lower Seagry  
Chippenham  
Wiltshire, SN15 5EP

**Auditors:** Monahans  
Clarks Mill  
Stallard Street  
Trowbridge  
Wiltshire, BA14 8HH

**Registered Office:** Unit 2, Challemead Business Park, Melksham, Wiltshire, SN12 8BU

**Company Secretary:** Mrs A Tew

**Trustees:**  
Trustees who acted during the year were:

Mr C Hewitt  
Mrs C Burt  
Mrs J Smith  
Mr S K Milner  
Mrs M M Hamblin (resigned October 2008)  
Mrs G McIntyre  
Mr M C Parker  
Mrs E Hinds (Appointed November 2008)  
Mrs A Kinloch (Appointed October 2008)  
Mr D Smith (Appointed October 2008)

**Chief Executive:** Mr T Ward

## **TRUSTEES REPORT**

The trustees of The Learning Curve (Voluntary Sector Development) are pleased to present their report, together with the audited financial statements for the year ended 31 December 2008.

### **Overview**

2008 was a year of development and progression for The Learning Curve. The new management team have worked together to achieve a stronger and more responsive organisation ably assisted by a team of very dedicated staff. A number of projects were successfully completed and the targets of the main LSC contract were fully met or exceeded. The organisation has continued to work in a wide geographical area including the West of England and the Dorset area with the new ladder4learning service covering the whole of the South West and part of the South East. The result has been a year that made a good surplus that has significantly contributed to rebuilding the reserves depleted in 2006.

### **Structure Governance and Management**

#### **The Governing Document**

The organisation is controlled by a set of Articles of Association, which were adopted at an extraordinary general meeting in October 2006 and updated with some minor amendments at the subsequent two AGMs.

#### **The Membership of The Learning Curve**

The membership of Learning Curve is now open to any organisation or individual who supports the aims of the organisation. Most of the members are delivery partners of the organisation as membership is a requirement of becoming a delivery partner. Additionally a small number of other organisations and individuals have also become members. Membership at the end of the year stood at 75 (56, 2007) showing continuous growth in line with the organisational spread.

#### **The Organisational and Decision making Structure**

The current trustee board consists of 7 trustees although there were 9 at the end of 2008. The chairman of the trustee board was Mike Parker at the end of 2008. The current chair, Gill McIntyre, was appointed as chair on 3 February 2009 and, of the remaining trustees, 3 were newly appointed during 2008.

In addition to the existing sub committees for audit, HR and remuneration at the end of 2008 a new sub committee for quality was established. Each committee has delegated powers laid out in the terms of reference approved by the main board.

The Chief Executive has responsibility for planning, development and management of the organisation within clear guidance and strategies set by the board. The Director of Finance, Governance and HR also has clear delegated authorities as laid down by the trustee board.

#### **Trustees' responsibilities**

Company law requires the board of trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the income and expenditure of the company for the year. In preparing those financial statements, the board of trustees has:

- Selected suitable accounting policies and applied them consistently
- Made judgements and estimates that are reasonable and prudent
- Followed applicable accounting standards and statements of recommended practice without material departures
- Prepared the financial statements on the going concern basis

The board of trustees is responsible for keeping proper accounting records which, at any time, enables them to disclose with reasonable accuracy the financial position of the company and ensure that the financial statements comply with the Companies Act 1985 and SORP 2005. They are also responsible for safeguarding the assets of the company and hence for taking all reasonable steps for the prevention of fraud and other irregularities.

### Trustee Recruitment, Induction and Training

Trustee development sessions have been run throughout the year on a variety of topics, responding to the governance requirements of the board and to fill knowledge gaps identified by the trustees themselves. During the year these sessions included 'Delivering Skills for Life', 'Quality', 'Matrix quality standard' and 'Strategic Development'.

Trustees appointed during the year were co-opted by the existing trustees and so will be appointed at the AGM by the members.

On appointment, each trustee signed a code of conduct and followed an induction programme including being provided with a full induction pack.

### Risk Assessment

The Board and management team have an ongoing process of risk management in line with the organisation's risk policy. The risk register is updated by the senior staff monthly to reflect new risks and changes in risk profile. It also details actions being undertaken to mitigate each risk in line with the organisation risk policy. The risk register goes to the Audit Sub Committee for scrutiny as well as to every main board meeting.

The biggest risks faced by the organisation have been identified as a combination of the cessation of the LSC (the organisation's main funder), the next general election and the current financial climate. This combination means the funding environment is very uncertain for the organisation especially from late 2009 and into 2010. A number of strategies are being put into place to enable us to capitalise on possible changes in policy and have sufficient reserves to accommodate a period of change.

### Relationships between the charity and related organisations

The Learning Curve has always worked in collaboration with other voluntary organisations. In 2008 we:

- Supported 28 partners to deliver learning and skills opportunities to disadvantaged individuals and communities, third sector organisations and small businesses
- Worked with voluntary sector infrastructure organisations across the SW and SE to support voluntary organisations and enable them to become more effective
- Collaborated with local, regional and national voluntary sector agencies to promote and represent the interests of third sector organisations involved with the learning and skills agenda
- Continued in membership of the Wiltshire Infrastructure Consortium, and also became a member of the newly formed infrastructure consortium for Swindon (Empower Swindon)

### The charity's objects, aims and strategies

#### Charitable Objects

The Charity's Objects as laid out in the Memorandum and Articles for The Learning Curve are 'To promote public education and training and promote the efficiency of charity'.

#### Aim / Mission

Within these Objects, the main aim of the organisation is summarised in our mission statement as follows:

'Our Mission is to maximise potential through learning and development'

In pursuing this mission in 2008 The Learning Curve:

- Provided learning and training to 3,298 individuals together with 28 partners
- Distributed £308,380 funding to third sector partners and other organisations

Review of Objectives set in 2007 Annual Report

Last year our main objectives were set as:

- Develop the organisational structure following a major restructuring during 2006. Outcome: We continued to make good progress with a clearer structure meeting the customer and organisation's needs
- Continue to improve performance against performance targets set by funders. Outcome: We achieved all the main performance targets set by funders and have started to implement a performance system to define and measure additional targets to help meet organisational objectives
- Maintain positive cash flow and continue to build free reserves. Outcome: We achieved this very successfully and the final outturn exceeded our expectations at the start of the year
- Meet the operational objectives of external contracts and grants. Outcome: We achieved this in all cases
- Establish a clear identity for the key organisational areas identified. Outcome: This occurred as a natural progression of the implementation of the new structure adapted to meet the structure laid down by our main funder the LSC and to meet the customer needs
- Continue to improve the quality of both our teaching and that of our delivery partners including setting minimum quality standards for teaching qualification, teacher registration and continuous professional development. Outcome: We have made clear progress in this area including being awarded the matrix standard but there is still much to do so this will be a target carried over into 2009

As can be seen from the analysis of the year above, all of these areas have shown good progress with some exceeding expectations.

Our activities in 2008 by operational area

Consortia Partnerships

**Highlights for 2008**

- Learner targets met and exceeded in all funded partnership areas
- Increase in number of delivery partners from neighbouring sub-regions
- Significant improvement of funding and contracting arrangements from August 2008
- Successful adaptation of systems to cope with major changes in LSC funding methodology
- Networks extended and developed to improve collaboration between, and representation of, voluntary sector learning providers

**Challenges for 2008**

- Over-achievement of learner numbers not funded by LSC leading to over-spend on payments to partner providers for period ending July 2008
- Refocussing of priorities by LSC creating challenges for some provision delivered by partners
- Some partner organisations closed or reduced activities because of financial problems leading to a reduction in our delivery capacity in some areas
- Working with disadvantaged learners has meant lower qualification achievement rates by some partners leading to scrutiny by the LSC

**Key Objectives for 2009**

- Ensure that all contract targets are met and funding is fully used
- Bring in new partner providers to meet changing requirements
- Ensure provision meets LSC minimum levels of performance
- Increase analysis of learner and customer feedback to ensure that high levels of quality are maintained or improved
- Obtain alternative funding to allow us to maintain the full range of learning activity

### Individual Responsive Learning

#### **Highlights for 2008**

- Targets reached for offender learning contract (Wiltshire Probation Area)
- Success of Initial Teacher Training Programme – programme delivered countywide to a diverse range of learners
- New programmes developed for learners with severe disabilities (Elizabeth House, Salisbury)
- First qualifications for learners on Probation intervention programmes (Wiltshire Probation Area)

#### **Challenges for 2008**

- Recruitment and retention of learners on some Skills for Life programmes
- Limited availability of suitable qualified Skills for Life staff

#### **Key Objectives for 2009**

- Increase learner recruitment and retention by adapting probation programmes to meet learners' needs more effectively
- Increase number of Initial Teacher Training Programmes delivered and investigate a broader offer
- Develop courses for recently redundant learners to ease the path back into work

### Employer Responsive/ Train to Gain

#### **Highlights of 2008**

- Learning Curve's regional Train to Gain contract has also enabled us to engage with new Third Sector learning providers and extend our work across the South West region. We currently work with new delivery partner organisations in Bristol, Dorset, Somerset, Plymouth and Gloucester alongside our established network of partner providers
- The extension of Train to Gain to volunteers announced in 2008 has enabled us to successfully develop and extended the scale and reach of Learning Curve's delivery to Third Sector organisations and other local employers.
- Since the beginning of the academic year we have successfully managed and exceeded outputs and targets relating to what has been a new and at times challenging contract to deliver.
- Alongside the development and extension of our National Vocational Qualification (NVQ) learning offer, we have also been successful in recruiting a significant number of new assessors, tutors and internal verifiers to meet learner demand.

#### **Challenges for 2008**

- The continuous changes introduced by the LSC including those relating to learner eligibility has been particularly challenging
- The development and implementation of a partner management and delivery partner which replicates and simplifies the LSC new demand-led funding model.
- Limited availability of suitably qualified Skills for Life tutors and assessors.

#### **Key Objectives for 2009**

- Increase the delivery of VRQ and taught NVQ programmes to meet employer and learner demand
- Effectively plan for and respond to changes in the funding of employer responsive learning

### Advice, Information and Support

#### **Highlights of 2008**

- ladder4learning (Big Lottery funded) project started in April
- ladder4learning team recruited
- Took over existing successful project in Hampshire which enabled us to hit some targets early, and widen the geographical area covered
- Interim website and helpline service were launched in June ahead of schedule
- Programme of events and workshops promoting workforce development launched across the South West region in partnership with other infrastructure organisations
- Led the organisation through a successful assessment of our information and advice provision, leading to the award of the matrix quality standard

### **Challenges for 2008**

- Turnover of initial staff team delayed the start of some parts of the project

### **Key objectives for 2009**

- Launch and publicise the new Ladder4learning website (April 2009)
- Raise awareness of the advice service to 4,500 organisations across the SW region and Hampshire, so that 850 organisations access support and advice.
- Work in partnership with 60 infrastructure organisations to promote the service, including taking part in a wide range of events to promote the importance of workforce development to third sector organisations across the South West region
- Work in partnership with Wiltshire colleagues to set up Step-Up, a new project aimed at providing specialist support to third sector organisations in Wiltshire

### Other services

### **Highlights of 2008**

- Introduced improved marketing and better booking processes with a dedicated member of staff focussed on the Chippenham training facility
- New customers used the Chippenham training facility during the year that had no previous relationship with the organisation
- Involved in key development work for other areas offering support services to the voluntary sector

### **Challenges of 2008**

- Still insufficient usage both internally and externally to cover the cost of running the training suites at Chippenham

### **Key objectives for 2009**

- Increase the external usage of both Chippenham training suites by 50%
- Continue to improve the quality across the whole organisation by integrating our internal and external quality systems

### Regional developments

Learning Curve will continue to play an important role in regional developments including:

- Development of ladder4learning, an information & advice service around third sector workforce development for the SW and SE regions
- Continuing to act as lead partner for Engage West, a voluntary sector learning consortium in West of England including managing a large European Social Funding project and other projects
- Leading on bids for LSC regional tenders involving other voluntary sector partners around the region
- Working jointly with Gloucestershire Association for Voluntary Action on a learning network for Gloucestershire
- Continuing to lead Engage Dorset working jointly with local partners
- Working with partners in the SE region to establish local and regional third sector learning networks
- Continuing to play a leading role in the SW regional workforce advisory group and LSC/Third sector advisory group
- Playing an active role in SWITCH (the SW centre for excellence in teacher training)
- The Chief Executive's appointment to the recently-established LSC SW Regional Council
- Work with South West Foundation to provide support to VCS organisations delivering the Community Grants programme across the SW region (excluding Cornwall)

### National developments

Learning Curve continues to be recognised as a leader in its field, leading to requests for support from others around the country developing similar learning consortia. This benefits the organisation in terms of its profile and reputation and creates an additional income stream in terms of consultancy and speaking fees.



The Learning Curve Chief Executive completed a part-time secondment to LSC National Office during 2008, working on third sector policy issues. The Learning Curve Chief Executive is a member of two national LSC advisory committees and is also a member of the VCS National Workforce Hub England Committee and the Third Sector Leadership Centre Advisory group. He has also played an active role in establishing a national voice for third sector learning providers – the Third Sector National Learning Alliance.

#### Review of Financial Position

The organisation finished the year with a £164K surplus and a closing balance sheet value of £273K. The £33K unrestricted balance brought forward from last year has been increased to a healthy reserve of £182K. This was achieved through good financial monitoring and control together with a robust forecasting system. It is however expected to be required to deal with risks identified above likely to materialise in 2010/11.

The majority of the organisation's funding comes from the LSC with the main contract covering delivery by both Learning Curve and partner organisations. The organisation has a range of other sources of funding, in particular partner organisations. This funding originally comes, in many cases, from the European Social Fund, The Big Lottery or various government funding streams.

This main funding contract is split into employer responsive and individual responsive delivery both of which can be either allocated to delivery partners or reallocated internally to one of the internal delivery activity areas to ensure that it is spent to achieve the delivery objectives set by the LSC. Other funding is allocated directly to the appropriate activity area, again to ensure the funding outcomes are achieved. Expenditure is then recorded against the activity area for which it has been spent as well as the funder for restricted funding to ensure expenditure is appropriate. The majority of expenditure has been used either to provide funds to partner organisations or to deliver training and salaries for our own staff to deliver training or work with groups to develop their organisations. Another significant amount of expenditure has been used to provide accommodation for training and our main office activities. All of these costs support the delivery objectives of The Learning Curve. All activity areas are aligned to the key objectives of the organisation.

The analysis of the five identified activity areas of the organisation, excluding governance, demonstrated that three areas generate surplus funds whilst two areas failed to cover all of their direct and indirect costs. The areas have been amended from last year due to changes in funding objectives focus.

Individual responsive delivery which mainly consists of skills for life delivery covers its direct costs but does not fully cover its contribution of overhead costs for that activity showing a net deficit of £59K. This is the second year running that this area has struggled to earn sufficient income to pay for the services which it provides and this is mainly due to low class sizes in the probation contract.

The employer delivery area which incorporates the management delivery area made a surplus of £167K. This was partly due to the huge success of the now completed delivery project in the West of England as well as success in the current project.

The Consortia Partnerships area showed an increased surplus of £56K, due to the successful meeting of all targets in this area.

The Advice, Information and Support area which mainly consists of the new ladder 4Learning project generated a surplus of £64K but this will be spent on the project in 2009 as it is a restricted fund project.

Other income generating services showed a deficit of £23K. This activity area is mainly made up of consultancy services which do make a surplus and the Chippenham training suite which does not cover its cost, and therefore this deficit is completely down to this facility not covering its costs. There are plans in place to try to increase the letting of this facility but the current economic climate does make this difficult to achieve.

The majority of income was for the 'consortia support' followed by 'employer responsive' and then 'individual responsive'. Similarly, so were the majority of costs for consortia support, however the second highest cost area is 'individual delivery' and then 'employer delivery' which reflects the fact there are surpluses on the 'employer responsive' area whilst there is a deficit on the 'individual responsive' area.

Comparing the results of 2008 to those of 2007 clearly demonstrates the improvements made continuing on from the improvements in 2007 compared to 2006. Income for 2008 has increased compared to 2007 to a level averaging 2006 and 2007 reflecting a consistent method of accounting for income after the change from 2006 to 2007. Direct costs continued to reduce as we increased direct delivery by the organisation's own staff. However overhead costs did increase, reflecting the office relocation and the small increase in headcount which was necessary after the dramatic reduction of two years before. Other costs continued to be controlled leading to an overall increased surplus compared to the previous two years.

Reserves Policy

The trustees have undertaken a detailed review of the risks that the organisation faces and which of those needs to be mitigated by having sufficient reserves. This led to the establishment of a new reserves policy during 2007. This policy identified a need to have free reserves of a minimum of 10% and a maximum of 20% of expenditure (both restricted and unrestricted). This is because one of the main risks being covered is potentially redundancy costs in the event of closure or additional cover costs in the event of sickness. Both these costs may relate to restricted expenditure due to the staff member being paid for out of restricted funds but in fact the redundancy or cover costs would usually have to be covered from unrestricted reserves. This sets the current ideal level at £220K, especially as the organisation's income streams are anticipated to be very unpredictable over the next two years. The £110K target for 2008 was exceeded as the result was in fact £140K.

Investment Policy Statement

Previously, due to limited free reserves and the charitable nature of the sector it was considered inappropriate to tie up short term surpluses. Therefore the investment strategy has been to use the charity bank to hold excess funds in accessible accounts. The organisation earns interest on its current account but transfers more significant balances to a higher interest account. However, as the free reserves being held have now increased significantly the trustees have agreed that in the current economic climate it is prudent to open three further high interest bearing accounts to spread the risk of holding all funds with one financial institution.

Statement as to Disclosure of Information to Auditors

So far as the Trustees are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By Order of the Trustees



Mrs G McIntyre  
Chair

Date .....12 August 2009.....

**Independent Auditors' Report to the Members of The Learning Curve (Voluntary Sector Development)**

We have audited the financial statements of The Learning Curve for the year ended 31 December 2008 on pages 10 to 19 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditors**

The responsibilities of the trustees (who are also the directors of The Learning Curve for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

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

**Basis of audit opinion**

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

**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 December 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985;
- the information provided in the Trustees' Annual Report is consistent with the financial statements.

*Monahans*

Monahans  
Chartered Accountants and Registered Auditor  
Clarks Mill  
Stallard Street  
Trowbridge  
Wiltshire  
BA14 8HH

Date *23 September 2009*

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2008 £	Total 2007 £
<b>Incoming Resources</b>					
Incoming resources from generated funds					
Activities for generating funds					
- Rental income		6,565	-	6,565	6,242
Investment income		15,115	-	15,115	10,242
Incoming resources from charitable activities					
Consortia Partnerships		400,377	37,491	437,868	418,976
Workforce Development		305	153,114	153,419	3,735
Learner Responsive		128,151	64,699	192,850	273,506
Other Services		44,968	-	44,968	86,815
Employer Responsive		394,972	1,850	396,822	304,818
Other incoming resources		150	-	150	47,797
	2	990,603	257,154	1,247,757	1,152,131
<b>Resources Expended</b>					
Charitable Activities					
Consortia Partnerships		333,025	48,769	381,794	387,809
Advice, Info & Support		888	88,924	89,812	18,009
Individual Responsive Learning		177,527	74,148	251,675	315,346
Other Services		43,385	24,581	67,966	94,861
Employer Responsive		228,291	1,850	230,141	211,609
Governance		58,511	4,358	62,869	59,632
<b>Total Resources Expended</b>	3	841,627	242,630	1,084,257	1,087,266
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR</b>		148,976	14,524	163,500	64,865
Balance b/fwd at 01.01.2008	12	33,264	76,513	109,777	44,912
Balances c/fwd at 31.12.2008	12/13	182,240	91,037	273,277	109,777

The company has no recognised gains or losses other than the net income/(expenditure) for the year and the funds brought forward.

The notes on pages 12-19 form part of these accounts.

**THE LEARNING CURVE (VOLUNTARY SECTOR DEVELOPMENT)  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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**BALANCE SHEET as at 31 December 2008**

		2008	Registered Number 4324686 2007
	Note	£	£
<b>Fixed Assets</b>			
Tangible assets	7	42,367	65,761
<b>Current Assets</b>			
Debtors	8	104,842	102,383
Cash at bank and in hand		302,758	242,567
		<u>407,600</u>	<u>344,950</u>
<b>Creditors: Amounts falling due within one year</b>	9	<u>176,690</u>	<u>300,934</u>
<b>Net Current Assets / (Liabilities)</b>		230,910	44,016
<b>Total Assets less Liabilities</b>		<u>273,277</u>	<u>109,777</u>
<b>Capital Funds</b>			
Unrestricted funds	13	182,240	33,264
Restricted funds	12/13	91,037	76,513
		<u>273,277</u>	<u>109,777</u>

Approved by the Trustees on and signed on its behalf by:



Mrs Gill McIntyre

12 August 2009

C. C. Burt.

Mrs Christine Burt

12 August 2009

The notes on pages 12-19 form part of these accounts.

## NOTES TO THE ACCOUNTS

### 1 Accounting Policies

#### *Basis of Preparation*

The accounts have been prepared under the historical cost convention, applicable Accounting Standards, the Companies Act 1985 and the recommendations of the Statement of Recommended Practice, Accounting and Reporting by Charities issued in March 2005.

#### *Grant Income*

The treatment of grant income depends on the terms of the funding. Where the grant is not conditional upon specific targets being met, then it is treated as income on receipt. Where grant income received is conditional upon the completion of certain targets being met and is returnable to the grant giver if the targets are not met, the income is credited to the income and expenditure account as the course targets are achieved. Any grants received, where the targets have not yet been achieved, are held as deferred income.

#### *Contract Services and Other Income*

Fees from courses and other services are credited to income in the period in which the course or service is provided, with any balance of monies received held as deferred income.

#### *Resources expended*

Expenditure is recognised on an accruals basis as a liability incurred. Expenditure includes any VAT which cannot be recovered and is reported as part of the expenditure to which it relates:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis as shown in note 3.

#### *Tangible fixed assets*

Fixed assets are stated at original cost, or if donated the value at date of receipt, less accumulated depreciation. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life. For assets which are acquired for the long term use of the charity, depreciation is charged at 33% per annum on the straight-line method. Other assets which are acquired for the purpose of distributing to recipients are depreciated over the period up to the known date of distribution.

Expenditure is only capitalised on individual assets with a cost of at least £100.

#### *Fund accounting*

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

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

#### *Pensions*

The company operates a defined contribution pension scheme. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

#### *Operating Leases*

All operating leases and rental expenses are charges to the Statement of Financial Activities as incurred.

NOTES TO THE ACCOUNTS (continued...)

Income

	Unrestricted Funds £	Restricted Funds £	Total 2008 £	Total 2007 £
<b>Grant Income and Contract Services</b>				
Avon & Somerset Probation XL	5,260	-	5,260	8,610
Banes Community Learn Services	-	-	-	8,308
Big Lottery – Ladder 4 Learning	-	153,114	153,114	-
Bristol City Council: Learning Champions	5,647	-	5,647	9,177
Bristol City Council: Observations	13,240	-	13,240	5,820
Bristol City Council: Toolkit - ESOL	44,713	-	44,713	5,400
Community Action Hampshire	-	-	-	10,165
Dorset Community Action	-	17,000	17,000	-
Futurebuilders	-	-	-	16,800
GOSW: Enact	-	-	-	3,735
LSC: 3 <sup>rd</sup> Sector Meeting admin	2,000	-	2,000	-
LSC: Achieve	257,700	-	257,700	213,220
LSC: Adult & Community Learning 06/07,07/08 & 08/09	55,678	-	55,678	40,932
LSC: Disadvantaged Communities	-	-	-	180
LSC: Dorset	-	18,000	18,000	18,000
LSC: Dorset BDP Volunteer	22,150	-	22,150	-
LSC: FE & Learner Network 06/07, 07/08 & 08/09 incl. Probation PDCL	372,032	-	372,032	379,497
LSC: FE Adult Learner Support 08/09	2,256	-	2,256	-
LSC: FE Capital	-	-	-	25,810
LSC: Hardship 07/08 & 08/09	-	491	491	-
LSC: Initial Teacher Training	-	-	-	6,284
LSC: NLDC 07/08 & 08/09	40,405	-	40,405	52,932
LSC: NLDC Capital	-	2,000	2,000	-
LSC: OLASS 07/08 & 08/09	-	53,549	53,549	86,567
LSC: SME e coach	-	-	-	3,504
LSC: Train 2 Gain	62,604	-	62,604	-
LSC: West of England	-	-	-	15,000
LSC: West of England Consortium Pilot	-	-	-	45,000
LSC: WIM – 710	-	-	-	(600)
NIACE: Capital Invest	-	-	-	9,950
NIACE: E Guides	-	-	-	2,958
NIACE: Vocality	-	-	-	5,000
Tribal	-	-	-	9,800
Wiltshire County Council: Rural Learn	-	-	-	15,000
Wiltshire County Council: Rural Renaissance	-	10,000	10,000	25,500
Wiltshire County Council: Smart Learn	1,085	-	1,085	2,250
Other	10,814	3,000	13,814	14,281
	<u>895,584</u>	<u>257,154</u>	<u>1,152,738</u>	<u>1,039,080</u>
<b>Courses and Training Income</b>	27,207	-	27,207	36,049
<b>Consultancy and tutor income</b>	25,867	-	25,867	12,720
<b>Bank Interest Receivable</b>	15,115	-	15,115	10,242
<b>Other Income</b>	26,830	-	26,830	54,040
	<u>990,603</u>	<u>257,154</u>	<u>1,247,757</u>	<u>1,152,131</u>

NOTES TO THE ACCOUNTS (continued...)

3 Total Resources Expended

	CHARITABLE ACTIVITIES					GOVERNANCE		TOTAL 2008	TOTAL 2007	ALLOCATION METHOD
	Consortia Partnerships	Advice, Info & Support	Individual Responsive Learning	Other Services	Employer Responsive					
<i>Activities Undertaken Directly</i>	<i>£</i> 341,840	<i>£</i> 59,391	<i>£</i> 214,623	<i>£</i> 58,006	<i>£</i> 192,322	<i>£</i> -	<i>£</i> 866,182	<i>£</i> 840,171		
<i>Support Costs</i>										
Portion of premises and office costs	4,670	7,005	7,005	2,335	7,005	-	28,020	31,382	<i>Desk Usage</i>	
Portion of administration costs	35,284	23,416	30,047	7,625	30,814	-	127,186	173,977	<i>Time</i>	
Proportion of governance and strategic development costs	-	-	-	-	-	62,869	62,869	41,736	<i>Proportion of direct costs</i>	
<i>Total Support Costs</i>	<i>39,954</i>	<i>30,421</i>	<i>37,052</i>	<i>9,960</i>	<i>37,819</i>	<i>62,869</i>	<i>218,075</i>	<i>247,095</i>		
<i>Total Resources Expended</i>	<i>381,794</i>	<i>89,812</i>	<i>251,675</i>	<i>67,966</i>	<i>230,141</i>	<i>62,869</i>	<i>1,084,257</i>	<i>1,087,266</i>		

There are trustees expenses of £1,063 (2007: £379) included in administration costs.



**THE LEARNING CURVE (VOLUNTARY SECTOR DEVELOPMENT)  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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**NOTES TO THE ACCOUNTS (continued...)**

**4 Net income / (expenditure) for the year**

Net incoming resources are stated after charging:

	2008	2007
	£	£
Depreciation	39,014	32,923
Loss on disposal of fixed assets	4,602	-
Auditors remuneration - statutory audit	3,160	2,397
- accountancy services	3,160	2,397
	<u>          </u>	<u>          </u>

**5 Staff Costs**

	2008	2007
	£	£
Wages and salaries	462,009	419,720
Redundancy costs	6,354	-
Social Security costs	42,063	38,743
Other Pension costs	22,270	21,120
	<u>532,696</u>	<u>479,583</u>

No employee of the charity received emoluments of greater than £60,000 in the current or previous year.

No trustees received remuneration during this year or last.

The average number of full time equivalent employees during the year was:

	2008	2007
Consortia Partnerships	3	1
Advice, Info & Support	2	2
Individual Responsive Learning	8	6
Other Services	5	5
Employer Responsive	3	1
	<u>21</u>	<u>15</u>

**6 Taxation**

No corporation tax is charged in the accounts of The Learning Curve (Voluntary Sector Development) due to the charitable status of the company.

7 Tangible Fixed Assets

	Computer Equipment £	Furniture & Equipment £	Total £
<b>Cost</b>			
At 01.01.08	156,652	56,987	213,639
Additions	16,127	4,095	20,222
Disposals	(28,106)	(217)	(28,323)
At 31.12.08	<u>144,673</u>	<u>60,865</u>	<u>205,538</u>
<b>Depreciation</b>			
At 01.01.08	115,710	32,168	147,878
Write off on disposal	(24,340)	(181)	(24,521)
Charge for the year	23,467	16,347	39,814
As 31.12.08	<u>114,837</u>	<u>48,334</u>	<u>163,171</u>
<b>Net Book Value</b>			
As at 31.12.08	<u>29,836</u>	<u>12,531</u>	<u>42,367</u>
As at 31.12.07	<u>40,942</u>	<u>24,819</u>	<u>65,761</u>

NOTES TO THE ACCOUNTS (continued...)

8 Debtors

	2008	2007
	£	£
Grants receivable	22,001	64,717
Contracts for services	56,036	15,283
Other debtors	6,389	3,459
Prepayments	20,416	18,924
	<u>104,842</u>	<u>102,383</u>

9 Creditors

	2008	2007
	£	£
Creditors	32,448	26,757
Other taxes and social security	10,772	13,502
Accruals and deferred income	133,470	260,675
	<u>176,690</u>	<u>300,934</u>

Included within creditors above are pension contributions totalling £4,242 (2007: £4,057) which were payable to the fund at the year-end.

10 Deferred Income

	Grant Income £	Contract Service Income £	Course Income £	Total 2008 £	Total 2007 £
Balance deferred as at 1 January 2008	-	146,553	-	146,553	33,453
Amount released to incoming resources	-	(146,553)	-	(146,553)	(33,453)
Amount deferred in the year	-	23,223	-	23,223	146,553
Balance deferred as at 31 December 2008	<u>-</u>	<u>23,223</u>	<u>-</u>	<u>23,223</u>	<u>146,553</u>

Deferred income comprises services invoiced in advance of the period in which they are to be delivered.

11 Operating Lease Commitments

The following payments are committed to be paid within one year:

	2008	2007
	£	£
<b>Expiring:</b>		
Between one and five years	<u>55,077</u>	<u>63,001</u>

NOTES TO THE ACCOUNTS (continued...)

12 Restricted Funds

	Balance at 01.01.08 £	Incoming Resources £	Expenditure & Transfers £	Balance at 31.12.08 £
Futurebuilders	6,516	-	6,516	-
New Road Capital Grant (GOSW)	18,775	-	13,406	5,369
Big Lottery – Ladder 4 Learning	-	153,114	93,281	59,833
FE Capital	15,988	-	6,295	9,693
Learning Skills Council				
- Capital NLDC 07/08	-	2,000	2,000	-
- Dorset Development	13,743	18,000	31,743	-
- Initial Teacher Training	6,284	-	6,284	-
- Hardship Learner Support Grant 07/08	575	168	109	634
- Hardship Learner Support Grant 08/09	-	323	-	323
- OLASS 06/07	95	-	37	58
- OLASS 07/08	-	31,549	31,549	-
- OLASS 08/09	-	22,000	22,000	-
NIACE				
- Capital Investment	9,374	-	3,214	6,160
Learning SW – Teaching Mentoring	-	3,000	3,000	-
Dorset Community Action	-	17,000	8,033	8,967
UK Online	1,666	-	1,666	-
Wiltshire County Council				
- Rural Learn	291	-	291	-
- Rural Renaissance	3,206	10,000	13,206	-
	<u>76,513</u>	<u>257,154</u>	<u>242,630</u>	<u>91,037</u>

**Big Lottery – Ladder 4 Learning**

To offer Information & Advice on Workforce Development for workers within the voluntary sector and volunteers in the South West region and other local areas.

**Dorset Community Action – Development worker**

To fund a development worker to work with Dorset organisations to develop learning opportunities.

**Futurebuilders**

To improve management of information and to set up structures to communicate with VCS organisations to enable them to be awarded more LSC funding. To improve accreditation service within Learning Curve so as more ESOL training can be offered in the region.

**New Road Capital grant (GOSW)**

Capital grant for upgrading the facilities at the New Road office to provide two training suites with disabled access and facilities.

**Learning South West – Teaching Mentoring**

To fund the training of delivery teaching staff to comply with new teaching guidelines.

**Learning and Skills Council –**

**FE Capital**

Grant to upgrade or increase the number of computers and or computing facilities available to Learning Curve to enhance learning and training and to support delivery of the new diplomas, including improving fixtures and fittings and minor works to improve quality or layout of premises.

**Dorset Development**

To fund a development worker to work with Dorset organisations to develop learning opportunities.

**Initial Teacher Training**

To provide support to organisations to ensure systems are in place for complying with major reforms and regulations which came into force in September 2007 to give ITT to new and qualifying teachers in the workplace including mentoring, training for (ITT), (ATLS) and (QTLS) along with continuing professional development of at least 30 hours each year, observations and feedback.

**Hardship Learner Support Grants (07/08, 08/09)**

To allow learners access to education in cases of particular hardship or childcare needs.

**NLDC Capital 07/08**

Grant to enable local voluntary organisations to purchase capital items to improve the service they can offer.

**Probation OLASS 06/07**

To purchase computer equipment as required to provide the management/administrative support and provide a small class uplift to deliver the probation basic skills delivery contract 06/07.

**Probation (OLASS) (07/08, 08/09)**

To provide the management/administrative support and provide a small class uplift to deliver the probation basic skills delivery contract 07/08 and 08/09.

**NIACE -**

**Capital Investment**

To support learning delivery, refurbishment or to enhance existing premises and to secure ICT provision.

**Wiltshire County Council -**

**Rural Learn**

To fund a co-ordinator salary to develop locally based learning opportunities for rural areas in Wiltshire.

**Rural Renaissance**

To improve basic skills in rural areas

**13 Analysis of Net Assets Between Funds**

Fund balances at 31<sup>st</sup> December 2008 are represented by:

	Unrestricted Funds £	Restricted Funds £	Total £
Fixed assets	8,757	33,610	42,367
Debtors	82,720	22,122	104,842
Cash	261,856	40,902	302,758
Creditors	(171,093)	(5,597)	(176,690)
	<u>182,240</u>	<u>91,037</u>	<u>273,277</u>

**DETAILED INCOME AND EXPENDITURE ACCOUNT**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
<b>INCOME</b>		
Grants	284,677	580,356
Contract Services	868,061	458,724
Courses and training income	27,207	36,049
Consultancy & tutor income	25,867	12,720
Bank Interest	15,115	10,242
Other income	26,830	54,040
	<u>1,247,757</u>	<u>1,152,131</u>
<b>EXPENDITURE</b>		
Wages, salaries and pension costs	532,696	479,583
Associates	40,529	42,883
Training providers & tutor costs	308,380	350,733
Temporary staff	-	69
Distributed Assets/Upgraded facilities	2,000	1,651
Associates expenses	609	941
Travel expenses	17,313	19,135
Meeting costs	833	753
Trustees expenses	1,063	379
Recruitment	3,024	2,361
Publicity and promotion	5,105	3,498
Postage, printing and stationery	2,987	3,892
Telephone	7,064	6,946
Training Resources	1,069	1,422
Training	2,735	4,006
Accreditation and exam fees	14,361	11,808
Learners support	3,422	4,182
Subscriptions	1,005	635
Licences	6,219	11,057
Computer consumables	1,036	2,075
Other equipment	6	394
Repairs and renewals	15,212	8,519
Room and equipment hire	2,999	2,867
Rent and rates	43,648	48,926
Insurance	4,366	5,241
Heat and light	3,115	5,015
Security costs	846	844
Cleaning	3,536	2,925
Relocation costs	-	46
Legal and professional	6,562	25,560
Audit and accountancy	6,320	4,794
Miscellaneous	2,301	799
Bank charges	170	273
Carriage	110	131
Depreciation	39,014	32,923
Loss on disposal of fixed assets	4,602	-
	<u>1,084,257</u>	<u>1,087,266</u>
 Net income for the year	 <u>163,500</u>	 <u>64,865</u>