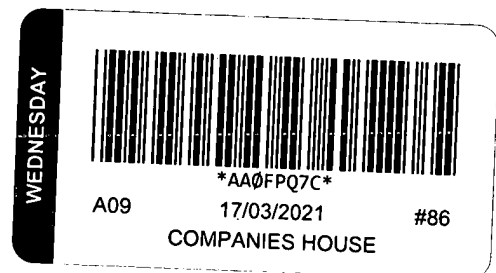


COMPANY REGISTRATION NUMBER: 04527579
CHARITY REGISTRATION NUMBER: 1094451

Swarthmore Education Centre
Company Limited by Guarantee
Financial statements
31st July 2020



Swarthmore Education Centre

Company Limited by Guarantee

Financial statements

year ended 31st July 2020

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Swarthmore Education Centre

Company Limited by Guarantee

Trustees' annual report (incorporating the director's report)

year ended 31st July 2020

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31st July 2020.

Chair's report

Who could possibly have predicted the major challenges that we would face as an adult education centre in this financial year. Under the cloud of a worldwide pandemic for a third of the year, from March through to July 2020, having to change our learner experience from one of almost fully face to face to a complete digital offer supported by working from home packages and personal connection. The centre moved our teachers quickly and adapted well to delivering digital learning, including offering one to one support as needed to get our teachers used to "Google Classrooms". The study programme team put together study packs for our learners, which were posted out on a weekly basis. Our learners were called regularly and supported by a range of digital methods in the initial stages, followed by our purchasing of chrome books for each student and teaching each learner how to access Google classroom to enable their ongoing remote learning. By making improvements to the building we were able to create adequate social distancing to enable some students to return for the last two weeks of July. This was incredibly positive for the students, the staff and the centre, which suddenly came back to life a little for two weeks. In line with our values to reduce inequality and support where possible, we provided vouchers for free school meals students in these incredibly difficult COVID times when many families were affected badly financially.

I feel rightly proud that despite the difficult worldwide pandemic situation, and the backdrop of a financial deficit for the past two years, we had the ability, drive and leadership to adapt as necessary in this most challenging of years by bringing in adequate funding from a combination of the Education and Skills Funding Agency (ESFA), from Leeds City Council (LCC) and the Government Job Retention Scheme. The ESFA funding for 2019/20 was £609,276 plus a further entitlement to £251,747 for additional learner support, totalling £861,023 gross income. Our LCC funding for 2019/20 was £292,683 which enabled on line course delivery for our wider adult learning community across Leeds. Finally, there was the funding as part of the job retention scheme in 2019/20 was £107,295 for our staff who we're unable to teach and guarantee income to the centre.

As a result of all these speedy adaptations, moving to a full digital delivery in just three weeks, and all the funding received we have been able not only to survive the pandemic in the short term, but to end this academic year in a financial balance with a small surplus of £11,410. This is a great credit to the leadership within our organisation, it shows the adaptability of our staff and the sensible new systems put in place to support our decision making and governance processes. The Trustee Council increased the frequency of meetings to twice monthly to ensure that we were aware of the changes needing to be made in light of the quickly changing COVID environment. The Trustee Council also went digital, delivering all of our meetings by zoom.

To put all this in context, this year has seen a great shake up of charities, businesses and Government alike across the country. I am aware that 10% of UK charities have had to close their doors or merge with others to continue their work and it is predicted in some quarters that a further 10% of charities are unlikely to survive this pandemic in the longer term.

Swarthmore Education Centre Company Limited by Guarantee

Trustees' annual report (incorporating the director's report) (continued)

year ended 31st July 2020

We have worked hard during this time to continue to bring in funding from grants, bids and extra activity. This included me running a Chair's Swarthmore book club by zoom, primarily funded by LCC which enabled books and delivery to those isolating due to COVID. We successfully recruited over twenty five members to the club, who read three classic books and then had a zoom meeting with a new author who had written an autobiography about her battle against cancer and abuse as a child. The book club continues as a learning community, but individuals now purchase or share the chosen books. We secured £5,300 from the national lottery to support an art in isolation project. The fantastic outcome of this work can still be viewed online. We received further funding to support our cycling to work scheme - part of our ongoing drive to reduce the use of cars by staff and learners alike.

In terms of capital expenditure, our planned fundraising campaign to support improvements of the hall and increase room hire income had to be postponed in March 2020, with the first COVID lockdown. Our main capital expenditure this year has been on refurbishing and opening up our reception area to enable social distancing, making the reception area more learner centric and revealing some of the original features of our incredible building. We are rightly proud of our heritage and building and we have repaired and adapted a number of rooms during lockdown to enable social distancing. Our new reception area includes screens and improved disability access. I believe the reception area changes set a clear vision for how Swarthmore can best move forward - putting our learners and their needs at the very heart of all we do.

As we moved into full digital delivery due to COVID, we have this year spent £5,933 on a much needed upgrade to our wi-fi system. We also made significant investment into Chromebooks for our learners, and our funding for that included generous support through a donation from the Quakers of £1,200. It is important that Swarthmore continues to enable all our learners to engage from home with online learning thus helping to reduce the recognised digital divide in our society. This approach fits well with our key value of reducing inequalities in our society. Digital access and capability has become so important in today's society, again more than ever during COVID.

So this year has been a steep learning curve for us, and we look forward now to harnessing the full commitment, energy, inspiration and talent of all our Trustees, our Director, the management team, our staff, our volunteers and Swarthmore's learners to create a strong and sustainable adult education delivery model going forward. Working through the demands of a global pandemic has encouraged us to adopt a stronger entrepreneurial approach for now and the future. This has included bringing in specialist expertise to develop bids with a view to opening up new and innovative ways of improving the centre, our facilities and our adult education provision.

In these difficult and changing times we will continue to develop a flexible and adaptable forward plan that has, at the heart of it, a way of ensuring that Swarthmore is recognised by all for our high quality education delivery and our innovative approach to learning and education in the widest sense. Our capacity and capability to meet the current needs for adult learners will continue to require our staff to be multi skilled and willing to adapt to new situations. Something they have achieved extremely well during the pandemic. We see this as a significant point in time for our organisation to rise from the ashes and it offers a unique opportunity for Swarthmore to future proof itself so that we are ready to respond well to our modern ever changing times. This will continue to require us to work closely with staff and learners alike so that we can respond to requirements, based on our strong and pervasive values of providing inclusive, supportive and friendly learning for all.

I would like to thank our management team, all of our staff, our highly skilled and motivated team of teachers and teaching assistants, our Trustees who all donate their time willingly and freely, and to our many supporters. I particularly would like to thank Chris Baillie, our Director, who has stepped up to every challenge thrown at her with a "can do" attitude and who has spent more time leading the organisation during the pandemic conditions than before them. She has worked tirelessly over this year with our management team, staff and Trustees - holding firmly on the tiller in an incredible storm. I look forward to working together in the coming year with all our committed staff ensuring we can adapt, as required, making continuous improvements going forward for the betterment of Swarthmore.

So thanks to all who have contributed so willingly, thus enabling Swarthmore to survive this most difficult year.

Swarthmore Education Centre

Company Limited by Guarantee

Trustees' annual report (incorporating the director's report) *(continued)*

year ended 31st July 2020

Reference and administrative details

| | |
|---|---|
| Registered charity name | Swarthmore Education Centre |
| Charity registration number | 1094451 |
| Company registration number | 04527579 |
| Principal office and registered office | Swarthmore Education Centre 2/7 Woodhouse Square Leeds LS3 1AD |

The trustees

| | |
|------------------|--------------------------------|
| Ms M Belt | |
| Mr P Hall | |
| Mr M Walters | (Resigned 27th February 2020) |
| Ms A W M Katung | (Appointed 29th May 2020) |
| Mrs D Hodgkinson | (Appointed 28th October 2019) |
| Dr E J Roberts | (Appointed 30th January 2020) |
| Mr N H M Zaman | (Appointed 27th February 2020) |
| Ms K J Badon | |
| Mrs S Sinha | |
| Ms C J Knight | (Resigned 30th March 2020) |
| Ms C Wigzell | |
| Mr I Greenwood | |
| Ms M Ellis | |

Senior management team

P Johnson
A Torbitt
J Macleod
A Hill
C Baillie (From 04/11/2019)
J Stokes (Until 11/10/2019)

Company secretary

C Baillie

Auditor

Sagars Accountants Ltd
Chartered accountants & statutory auditor
Gresham House
5-7 St Paul's Street
Leeds
LS1 2JG

Swarthmore Education Centre

Company Limited by Guarantee

Trustees' annual report (incorporating the director's report) *(continued)*

year ended 31st July 2020

Structure, governance and management

Governing Document

Swarthmore is an incorporated company limited by guarantee and the company's Memorandum and Articles of Association are the legal framework upon which our governance is based. It is a registered charity with the Charity Commission. Anyone over the age of 18 can become a member of Swarthmore and there are currently 1,519 registered.

Appointment of trustees

As set out in the Articles of Association the chair of the trustees is nominated by the Trustee Council. Up to 13 members of the Trustee Council are nominated by the members of the charitable company, up to 2 are appointed by the Leeds Society of Friends and up to one third may be co-opted by the Trustee Council to provide specialist skills, subject to an overall maximum of 15 members.

In accordance with the Articles of Association all officers and co-opted members and one third of elected members of the Management Committee retire at the Annual General Meeting and being eligible, offer themselves for re-election

Trustee induction and training

New trustees are given an induction pack and inducted by the Chair of Trustees and other members of the Council. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Organisation

The Trustee Council administers the charity. The Council meets monthly and there are currently three sub committees covering HR, Health and Safety and Finance who also meet monthly. A Chief Executive is appointed by the Trustees to manage the day to day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance, employment, and the activities of the Centre.

Swarthmore Education Centre

Company Limited by Guarantee

Trustees' annual report (incorporating the director's report) *(continued)*

year ended 31st July 2020

Objectives and activities

Our purposes and activities

The purposes of the charity are:

- To provide a learning community for personal development and social activity for those who may have been excluded from mainstream educational opportunities.
- To provide opportunities and activities for the benefit of the community based on the recognition of human personality in all people

The vision that shapes our annual activities remains the promotion of education, encouragement to participate through friendly learning whilst ensuring equality of opportunity for all. The charity also has the general aim of contributing to the quality of life of the people of Leeds by expanding their horizons through the provision of exciting, challenging and accessible professional and community courses and events.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance "public benefit: running a charity (PB2)". Swarthmore relies on a combination of public funding and the income from fees and charges to cover its operating costs. Affordability and access to our courses and activities is important to us and is reflected in our pricing policy set out in detail later in this report.

We endeavour to encourage all within our community to participate in our activities and to enjoy our cafe and/or to view our exhibitions. The courses we provide are to be enjoyed by all from those young adults attending our full time study programme, or our supported adult classes, through to our classes for working and retired adults and those seeking work.

The strategies employed to achieve the charity's aims and objectives are to:

- Deliver a broad range of courses, events and exhibitions for the enjoyment and education of our local community.
- Offer opportunities for a broad range of adults to get involved in education, personal enrichment, developing their confidence, self-esteem, employability, digital skills, knowledge and understanding.
- Provide facilities for like minded organisations to hold meetings, give talks and hold events at discounted rates for hire of space.
- Provide facilities for our students, staff and members of the public to eat and socialise in our Cafe at affordable prices for all of our community.
- Provide affordable childcare for pre-school children to enable their parents/carers to access courses.
- Provide information, advice and guidance to all adults to help them prepare for their next steps to education, employment and volunteering.

Putting these strategies into action we have five major areas of activity which are: educational programmes, hire of facilities, cafe, creche and information, advice and guidance. This year there has been an impact on each of these five areas due to the COVID worldwide pandemic.

Educational programmes

We offer an extensive range of courses in the Arts, Languages, Health and Wellbeing, Maths, English and ICT. These range in level from entry to level 3, accredited and non-accredited, short and year long courses. We work with partners to deliver courses and activities out in the community to reach groups of people that would not normally access the Centre. We also provide a full time study programme to young adults with learning difficulties who develop skills to improve their independence and support them to progress to further learning, work or volunteering opportunities.

Hire of facilities

The Centre has a number of rooms for hire ranging from small meeting rooms to our large hall and art studios. We provide these facilities at discounted rates for charities and community groups so they can hold meetings, events and courses. The Centre is utilised by occasional users as well as long established groups, such as Leeds People's Choir and Gay Abandon who now organise themselves independently.

Café

The cafe is the social hub of the centre and is a valuable resource to students, members of the public and staff. It also provides an environment for exhibitions.

Swarthmore Education Centre

Company Limited by Guarantee

Trustees' annual report (incorporating the director's report) *(continued)*

year ended 31st July 2020

Creche

The creche provides registered childcare in a lively, safe and stimulating environment for pre-school children. This activity produces limited income but is important to the Centre as it allows adults to return to learning who may otherwise not be able to afford private childcare. This reflects our philosophy of inclusivity for all.

Information, advice and guidance (IAG)

We have been delivering high quality, impartial and free IAG to adults for over 10 years.

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

Achievements and performance

| | 2019/20 | 2018/19 | 2017/18 |
|---|---------|---------|---------|
| Students enrolled onto a course at Swarthmore | 1,674 | 1,809 | 1,795 |
| Courses delivered | 343 | 362 | 351 |
| Swarthmore (self-financing) students completed and achieved | 94.2% | 94.6% | 95.0% |
| Leeds City Council (non-accredited) students completed and achieved | 89.5% | 92.0% | 94.6% |
| Leeds City College (accredited) students completed and achieved | 89.1% | 88.5% | n/a |

Study Programme

Despite the pandemic, it has been another successful year for our study programme.

Qualifications achieved:

2 GCSE Maths - 2 students- grade 6 and 9
2 English - L2 and grade 6 GCSE
Kennel Management - L3

Placements:

Little Cake Cottage - following several work experience opportunities and a day course at Betty's (arranged and paid for by the SP) - this resulted in employment for our student.

Top Dog - after many personal trials and tribulations our student achieved a level 3 qualification 'Professional Daycare and Boarding' - with an overall mark of 67%, and secured employment.

Revive - Student completed a Health and Safety certificate whilst working at Revive.

The study programme was inspected by Ofsted in November 2017 and maintained its grade 2, Good.

Swarthmore Education Centre

Company Limited by Guarantee

Trustees' annual report (incorporating the director's report) *(continued)*

year ended 31st July 2020

Financial review

Swarthmore Education Centre achieved a surplus of £11,410 in the Year to 31st July 2020 compared to a deficit of £69,212 in the prior Year.

The principal sources of income to the Centre were:

- Student Fees of £131,723
- ESFA funding for the Study Programme of £609,276
- Leeds City Council funding of £544,430

The support of our partners continues to be essential to maintaining such a varied programme of courses, including Maths, English, a wide variety of arts, computing, health & wellbeing, languages and counselling.

Although the Centre was able to offer room hire and the Café facilities at the outset of the financial year, both services were adversely impacted due to the COVID pandemic.

Swarthmore continues to explore opportunities for additional funding, building upon its relationship with Leeds City Council, and establishing new relationships with funders such as The National Lottery. Pressure to retain existing funding streams while establishing new sources became only more difficult in the face of a national lockdown in March.

Swarthmore's provision is predominantly face to face, but the organisation reacted swiftly and effectively to continue provision to students remotely. The Study Programme sent out packs of materials and resources to ensure that the students could continue to learn/engage with Tutors regularly. Microsoft Teams allowed staff to communicate effectively whilst working from home and we implemented Google for Education to enable us to continue to deliver our Leeds City Council contract

Our Pricing Policy

Our pricing policy reflects our strategy of enabling all within our community, whatever their means, to take part in our courses and activities.

- Self financing courses range from as little as £30 for 8 hours (Yoga) and up to £850 for 90 hours (Level 2 Counselling)
- Concessions are offered against the full cost, allowing those in receipt of State Pension, Disability Allowance or Full time students a discount of 25% against course fees.
- Those receiving other qualifying benefits may receive a discount of 50% against course fees.
- In addition to Self Financing courses, Swarthmore offers a range of courses funded by Leeds City Council, leading to a significantly lower cost to students, with the highest rate being charged at £3 per hour down to free of charge to the student, if they qualify for certain benefits. (all courses in term 3 were offered free of charge).

Subcontracting through Leeds City Council allowed "Swarthmore Online" to deliver classes remotely to existing and new students, whilst offering an opportunity for Swarthmore to expand its reach and engage with students who may have previously been unable to attend prior to COVID restrictions.

Room Hire charges are similarly tiered:

- Full price rooms varying from £17 to £32 per hour
- Charity rates varying from £12 to £27 per hour
- Community rates varying from £ 10 to £21 per hour

This structure allows us to meet our charitable purpose of serving the community, while ensuring that a fair price is charged to different types of organisations.

It is the aim of Swarthmore to set prices that are affordable enough to attract students to attend courses, whilst ensuring that enough revenue is generated to make the courses viable. We believe that our courses are exceptional value for money, compared to other organisations, and course fees will continue to be reviewed.

Pay policy for senior staff

The directors consider the board of trustees and the senior management team as listed on page 1 as comprising the key management personnel of the charity. All trustees give their time freely and no trustee remuneration was paid. The pay of senior staff is reviewed annually, with the last increase in October 2016.

Swarthmore Education Centre

Company Limited by Guarantee

Trustees' annual report (incorporating the director's report) *(continued)*

year ended 31st July 2020

Reserves Policy and Going Concern

Reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned emergency repairs and other expenditure. The trustees consider three months of expenditure to be the ideal level of reserves. Based on our current operations, monthly expenditure is estimated to be around £125,000, meaning the reserves to be held at 31st July should exceed £375,000. Current free reserves stand at £265,756, backed up by Fixed Assets of £1,154,878, total unrestricted funds of £1,420,634. This indicates a deficit of £109,244 in current reserves. The trustees acknowledge the policy, and continue to address all areas for improvement, including focussing on quality and the learner experience.

Plans for future periods

The Charity swiftly took action to mitigate the impact of the COVID pandemic on the centre and its ongoing operations, embracing technologies such as Microsoft Teams to facilitate communication, and Google's G-Suite for Education to allow delivery of Education to continue, albeit remotely. The adoption of G-Suite was supported by the local Council and ensured that funds would continue to be earned in relation to delivery. This has given Swarthmore the knowledge and experience required to continue delivery, and to build up the online offering which we aim to continue even when students can return to the centre.

A major concern for Swarthmore is the ongoing impact that the COVID pandemic will have on the Centre and its students, but adaptations to the physical environment in the centre such as a refurbished reception allow for increased social distancing, and a more open and welcoming environment for when students start to return to the centre.

We continue to strengthen and develop our links with the community, external partners and our customers.

Our volunteers

Swarthmore is fortunate to have a number of volunteers, who are or have been, students at the Centre. Volunteers provide a counselling service for staff and students, valuable in class support to students and they also help maintain our roof terrace plants and flowers for all to enjoy.

Related parties and co-operation with other organisations

None of our trustees receive remuneration or other benefit from their work with the charity. Any connection between a trustee or senior manager of the charity with any contractual organisation must be disclosed to the full Trustee Council. In the current year no such related party transactions were reported.

Risk Management

Financial sustainability is the major financial risk for the charity, especially in the context of the COVID pandemic. A key element in the management of financial risk is a regular review of available liquid funds to settle debts as they fall due and active management of trade debtors and creditors balances to ensure sufficient working capital by the charity. Attention has also been focussed on implementing systems and procedures to mitigate financial risks where possible. Attention has also been focussed on managing the risk of not providing high quality teaching, learning and assessment to all our students. These risks are managed by ensuring we recruit the right tutors and learning support assistants, providing support and training and having policies and procedures in place to quality assure our provision.

Fundraising activities

The Charity does not use any professional fundraiser or commercial participator to carry out activities on the Charity's behalf. Due to the low level of fundraising the Charity undertakes, the Charity is not a participator of any voluntary scheme for regulating fundraising, or any voluntary standard of fundraising for the activities carried out on behalf of the Charity.

Swarthmore Education Centre

Company Limited by Guarantee

Trustees' annual report (incorporating the director's report) *(continued)*

year ended 31st July 2020

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

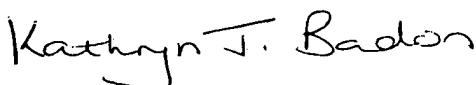
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies 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 and other irregularities.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The trustees' annual report and the strategic report were approved on ^{25 Jan} 2021 and signed on behalf of the board of trustees by:



Ms K J Badon
Trustee

Swarthmore Education Centre

Company Limited by Guarantee

Independent auditor's report to the member of Swarthmore Education Centre

year ended 31st July 2020

Opinion

We have audited the financial statements of Swarthmore Education Centre (the 'charity') for the year ended 31st July 2020 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st July 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Swarthmore Education Centre

Company Limited by Guarantee

Independent auditor's report to the member of Swarthmore Education Centre *(continued)* **year ended 31st July 2020**

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Swarthmore Education Centre

Company Limited by Guarantee

Independent auditor's report to the member of Swarthmore Education Centre *(continued)*

year ended 31st July 2020

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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



Susan Seaman BA FCA CIOT (Senior Statutory Auditor)

For and on behalf of
Sagars Accountants Ltd
Chartered accountants & statutory auditor
Gresham House
5-7 St Paul's Street
Leeds
LS1 2JG

4 February 2021

Swarthmore Education Centre

Company Limited by Guarantee

Statement of financial activities (including income and expenditure account)

year ended 31st July 2020

| | | 2020 | | | 2019 |
|---|-------|-------------------------|-----------------------|------------------|------------------|
| | Note | Unrestricted funds £ | Restricted funds £ | Total funds £ | Total funds £ |
| Income and endowments | | | | | |
| Donations and legacies | 5 | 111,047 | 219 | 111,266 | 1,531 |
| Charitable activities | 6 | 1,372,143 | 10,000 | 1,382,143 | 1,350,019 |
| Other trading activities | 7 | 62,477 | – | 62,477 | 149,529 |
| Other income | 8 | 9,028 | – | 9,028 | 9,391 |
| Total income | | <u>1,554,695</u> | <u>10,219</u> | <u>1,564,914</u> | <u>1,510,470</u> |
| Expenditure | | | | | |
| Expenditure on raising funds: | | | | | |
| Costs of other trading activities | 9 | 91,261 | – | 91,261 | 108,956 |
| Expenditure on charitable activities | 10,11 | 1,436,962 | 25,281 | 1,462,243 | 1,470,726 |
| Total expenditure | | <u>1,528,223</u> | <u>25,281</u> | <u>1,553,504</u> | <u>1,579,682</u> |
| Net income/(expenditure) and net movement in funds | | <u>26,472</u> | <u>(15,062)</u> | <u>11,410</u> | <u>(69,212)</u> |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | <u>1,394,162</u> | <u>28,352</u> | <u>1,422,514</u> | <u>1,491,726</u> |
| Total funds carried forward | | <u>1,420,634</u> | <u>13,290</u> | <u>1,433,924</u> | <u>1,422,514</u> |

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 16 to 25 form part of these financial statements.

Swarthmore Education Centre

Company Limited by Guarantee

Statement of financial position

31st July 2020

| | Note | 2020 £ | £ | 2019 £ |
|--|------|----------------|------------------|------------------|
| Fixed assets | | | | |
| Tangible fixed assets | 17 | | 1,154,878 | 1,203,166 |
| Current assets | | | | |
| Debtors | 18 | 159,063 | | 256,068 |
| Cash at bank and in hand | | 247,990 | | 272,167 |
| | | <u>407,053</u> | | <u>528,235</u> |
| Creditors: Amounts falling due within one year | 19 | <u>128,007</u> | | <u>306,747</u> |
| Net current assets | | | 279,046 | 221,488 |
| Total assets less current liabilities | | | 1,433,924 | 1,424,654 |
| Creditors: Amounts falling due after more than one year | 20 | | – | 2,140 |
| Net assets | | | <u>1,433,924</u> | <u>1,422,514</u> |
| Funds of the charity | | | | |
| Restricted funds | | | 13,290 | 28,352 |
| Unrestricted funds | | | <u>1,420,634</u> | <u>1,394,162</u> |
| Total charity funds | 22 | | <u>1,433,924</u> | <u>1,422,514</u> |

These financial statements were approved by the board of trustees and authorised for issue on 25 January 2021, and are signed on behalf of the board by:

Kathryn J. Badon

Ms K J Badon
Trustee

The notes on pages 16 to 25 form part of these financial statements.

Swarthmore Education Centre

Company Limited by Guarantee

Statement of cash flows

year ended 31st July 2020

| | 2020 | 2019 |
|---|-----------------------|-----------------------|
| | £ | £ |
| Cash flows from operating activities | | |
| Net income/(expenditure) | 11,410 | (69,212) |
| <i>Adjustments for:</i> | | |
| Depreciation of tangible fixed assets | 56,905 | 80,049 |
| <i>Changes in:</i> | | |
| Trade and other debtors | 97,005 | (42,694) |
| Trade and other creditors | (180,880) | 90,606 |
| Cash generated from operations | <u>(15,560)</u> | <u>58,749</u> |
| Net cash (used in)/from operating activities | <u>(15,560)</u> | <u>58,749</u> |
| Cash flows from investing activities | | |
| Purchase of tangible assets | (8,617) | (16,413) |
| Proceeds from sale of tangible assets | <u>–</u> | <u>1,729</u> |
| Net cash used in investing activities | <u>(8,617)</u> | <u>(14,684)</u> |
| Net (decrease)/increase in cash and cash equivalents | (24,177) | 44,065 |
| Cash and cash equivalents at beginning of year | 272,167 | 228,102 |
| Cash and cash equivalents at end of year | <u>247,990</u> | <u>272,167</u> |

The notes on pages 16 to 25 form part of these financial statements.

Swarthmore Education Centre

Company Limited by Guarantee

Notes to the financial statements

year ended 31st July 2020

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Swarthmore Education Centre, 2/7 Woodhouse Square, Leeds, LS3 1AD.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Charities SORP (FRS102)) and the Charities Act 2011.

Swarthmore Education Centre meets the definition of a public benefit entity under FRS102.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The directors consider the charitable company to be a going concern and the financial statements have been prepared on that basis. In coming to this conclusion the directors have considered the continued impact of Covid-19 on the forecasts and post year end results. Although Covid has had some financial impact this has been mitigated by steps management have taken to control costs and therefore, the overall financial impact is not thought to be significant.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Details of these judgements are set out in the accounting policies.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Swarthmore Education Centre

Company Limited by Guarantee

Notes to the financial statements *(continued)*

year ended 31st July 2020

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Swarthmore Education Centre

Company Limited by Guarantee

Notes to the financial statements *(continued)*

year ended 31st July 2020

3. Accounting policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

In accordance with SORP 2000 the Management Committee capitalised freehold land and buildings at 2-5 Woodhouse Square, Leeds gifted on 1 April 2003 at their estimated value to the centre of £1,100,000. Subsequently, there has been £226,563 of improvements to the property.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

| | | |
|-----------------------|---|--|
| Freehold property | - | 2% straight line |
| Leasehold property | - | Remaining life of lease |
| Fixtures and Fittings | - | 25% Straight line / 15% reducing balance |

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Swarthmore Education Centre

Company Limited by Guarantee

Notes to the financial statements *(continued)*

year ended 31st July 2020

4. Limited by guarantee

The company is limited by guarantee to the value of £1 per member on winding up.

5. Donations and legacies

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2020 £ |
|----------------------------------|----------------------------|--------------------------|--------------------------|
| Donations | | | |
| Donations | 3,752 | 219 | 3,971 |
| Grants | | | |
| Coronavirus Job Retention Scheme | 107,295 | — | 107,295 |
| | <u>111,047</u> | <u>219</u> | <u>111,266</u> |
| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2019 £ |
| Donations | | | |
| Donations | 1,531 | — | 1,531 |
| Grants | | | |
| Coronavirus Job Retention Scheme | — | — | — |
| | <u>1,531</u> | <u>—</u> | <u>1,531</u> |

6. Charitable activities

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2020 £ |
|--|----------------------------|--------------------------|--------------------------|
| Leeds City Council Adult learning | 286,448 | — | 286,448 |
| Leeds City Council Additional learning support | 257,982 | — | 257,982 |
| Other Grants | 52,186 | 10,000 | 62,186 |
| Student fees | 131,723 | — | 131,723 |
| Membership fees | 18,231 | — | 18,231 |
| Sale of educational materials | 4,584 | — | 4,584 |
| Contract income | 11,013 | — | 11,013 |
| Creche | 700 | — | 700 |
| Education Funding Agency | 609,276 | — | 609,276 |
| | <u>1,372,143</u> | <u>10,000</u> | <u>1,382,143</u> |

Swarthmore Education Centre

Company Limited by Guarantee

Notes to the financial statements *(continued)*

year ended 31st July 2020

6. Charitable activities *(continued)*

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2019 £ |
|--|----------------------------|--------------------------|--------------------------|
| Leeds City Council Adult learning | 335,556 | — | 335,556 |
| Leeds City Council Additional learning support | 219,770 | — | 219,770 |
| Other Grants | 47,205 | — | 47,205 |
| Student fees | 175,317 | — | 175,317 |
| Membership fees | 15,451 | — | 15,451 |
| Sale of educational materials | 7,425 | — | 7,425 |
| Contract income | 21,843 | — | 21,843 |
| Creche | 16,440 | — | 16,440 |
| Education Funding Agency | 511,012 | — | 511,012 |
| | <u>1,350,019</u> | <u>—</u> | <u>1,350,019</u> |

7. Other trading activities

| | Unrestricted Funds £ | Total Funds 2020 £ | Unrestricted Funds £ | Total Funds 2019 £ |
|---------------|----------------------------|--------------------------|----------------------------|--------------------------|
| Cafe income | 36,917 | 36,917 | 60,318 | 60,318 |
| Rental income | 25,560 | 25,560 | 89,211 | 89,211 |
| | <u>62,477</u> | <u>62,477</u> | <u>149,529</u> | <u>149,529</u> |

8. Other income

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2020 £ |
|--|----------------------------|--------------------------|--------------------------|
| Gain on disposal of tangible fixed assets held for charity's own use | — | — | — |
| Miscellaneous income | 9,028 | — | 9,028 |
| | <u>9,028</u> | <u>—</u> | <u>9,028</u> |
| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2019 £ |
| Gain on disposal of tangible fixed assets held for charity's own use | 287 | — | 287 |
| Miscellaneous income | 431 | 8,672 | 9,104 |
| | <u>718</u> | <u>8,672</u> | <u>9,391</u> |

9. Costs of other trading activities

| | Unrestricted Funds £ | Total Funds 2020 £ | Unrestricted Funds £ | Total Funds 2019 £ |
|-----------------|----------------------------|--------------------------|----------------------------|--------------------------|
| Cafe expenses | 70,783 | 70,783 | 75,339 | 75,339 |
| Rental expenses | 20,478 | 20,478 | 33,617 | 33,617 |
| | <u>91,261</u> | <u>91,261</u> | <u>108,956</u> | <u>108,956</u> |

Swarthmore Education Centre

Company Limited by Guarantee

Notes to the financial statements (continued)

year ended 31st July 2020

10. Expenditure on charitable activities by fund type

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2020 £ |
|---------------|----------------------------|--------------------------|--------------------------|
| Courses | 1,071,206 | – | 1,071,206 |
| Creche | 22,633 | – | 22,633 |
| Support costs | 343,123 | 25,281 | 368,404 |
| | <u>1,436,962</u> | <u>25,281</u> | <u>1,462,243</u> |
| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2019 £ |
| Courses | 1,092,166 | – | 1,092,166 |
| Creche | 20,551 | – | 20,551 |
| Support costs | 353,709 | 4,299 | 358,009 |
| | <u>1,466,426</u> | <u>4,299</u> | <u>1,470,726</u> |

11. Expenditure on charitable activities by activity type

| | Activities undertaken directly £ | Support costs £ | Total funds 2020 £ | Total fund 2019 £ |
|------------------|---|--------------------|--------------------------|-------------------------|
| Courses | 1,071,206 | 314,264 | 1,385,470 | 1,399,818 |
| Creche | 22,633 | 4,364 | 26,997 | 24,390 |
| Governance costs | – | 49,776 | 49,776 | 46,518 |
| | <u>1,093,839</u> | <u>368,404</u> | <u>1,462,243</u> | <u>1,470,726</u> |

12. Analysis of support costs

| | Courses £ | Creche £ | Governance £ | Total 2020 £ | Total 2019 £ |
|-----------------------------|----------------|--------------|-----------------|-----------------|-----------------|
| Staff costs | 124,914 | 1,558 | 39,904 | 166,376 | 173,030 |
| Premises | 107,900 | 2,538 | – | 110,438 | 72,499 |
| Communications and IT | 5,868 | 202 | – | 6,070 | 4,531 |
| General office | 15,239 | 66 | 32 | 15,337 | 12,238 |
| Depreciation | 56,904 | – | – | 56,904 | 80,049 |
| Legal and professional fees | 3,439 | – | 9,840 | 13,279 | 15,662 |
| | <u>314,264</u> | <u>4,364</u> | <u>49,776</u> | <u>368,404</u> | <u>358,009</u> |

13. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

| | 2020 £ | 2019 £ |
|--|-----------|--------------|
| Depreciation of tangible fixed assets | 56,905 | 80,049 |
| Gains on disposal of tangible fixed assets | <u>–</u> | <u>(287)</u> |

Swarthmore Education Centre

Company Limited by Guarantee

Notes to the financial statements *(continued)*

year ended 31st July 2020

14. Auditors remuneration

| | 2020 £ | 2019 £ |
|--|--------------|--------------|
| Fees payable for the audit of the financial statements | <u>7,600</u> | <u>6,090</u> |

15. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

| | 2020 £ | 2019 £ |
|--------------------|------------------|------------------|
| Wages and salaries | <u>1,203,638</u> | <u>1,184,799</u> |

The average head count of employees during the year was 88 (2019: 83). The average number of full-time equivalent employees during the year is analysed as follows:

| | 2020 No. | 2019 No. |
|-----------------|-------------|-------------|
| Number of staff | <u>88</u> | <u>83</u> |

No employee received employee benefits of more than £60,000 during the year (2019: Nil).

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £239,081 (2019: £242,781).

16. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees. No expenses were reimbursed to the trustees during the year.

17. Tangible fixed assets

| | Freehold property £ | Long leasehold property £ | Fixtures and fittings £ | Total £ |
|--------------------------|---------------------------|---------------------------------|-------------------------------|------------------|
| Cost | | | | |
| At 1st August 2019 | 1,335,297 | 188,136 | 525,706 | 2,049,139 |
| Additions | – | – | 8,617 | 8,617 |
| At 31st July 2020 | <u>1,335,297</u> | <u>188,136</u> | <u>534,323</u> | <u>2,057,756</u> |
| Depreciation | | | | |
| At 1st August 2019 | 397,721 | 25,539 | 422,713 | 845,973 |
| Charge for the year | 26,706 | 5,302 | 24,897 | 56,905 |
| At 31st July 2020 | <u>424,427</u> | <u>30,841</u> | <u>447,610</u> | <u>902,878</u> |
| Carrying amount | | | | |
| At 31st July 2020 | <u>910,870</u> | <u>157,295</u> | <u>86,713</u> | <u>1,154,878</u> |
| At 31st July 2019 | <u>937,576</u> | <u>162,597</u> | <u>102,993</u> | <u>1,203,166</u> |

Swarthmore Education Centre

Company Limited by Guarantee

Notes to the financial statements *(continued)*

year ended 31st July 2020

18. Debtors

| | 2020 £ | 2019 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | 27,535 | 33,766 |
| Prepayments and accrued income | 131,528 | 222,302 |
| | <u>159,063</u> | <u>256,068</u> |

19. Creditors: Amounts falling due within one year

| | 2020 £ | 2019 £ |
|---------------------------------|----------------|----------------|
| Trade creditors | 35,762 | 84,711 |
| Accruals and deferred income | 65,695 | 196,070 |
| Social security and other taxes | 17,061 | 18,012 |
| Other creditors | 9,489 | 7,954 |
| | <u>128,007</u> | <u>306,747</u> |

20. Creditors: Amounts falling due after more than one year

| | 2020 £ | 2019 £ |
|-----------------|-----------|-----------|
| Trade creditors | — | 2,140 |

21. Deferred income

| | 2020 £ | 2019 £ |
|---------------------------|--------------|---------------|
| At 1st August 2019 | 66,229 | 46,036 |
| Amount released to income | (66,229) | (46,036) |
| Amount deferred in year | 4,496 | 66,229 |
| At 31st July 2020 | <u>4,496</u> | <u>66,229</u> |

Deferred income relates to course fees, membership fees and room bookings paid in advance

Swarthmore Education Centre

Company Limited by Guarantee

Notes to the financial statements (continued)

year ended 31st July 2020

22. Analysis of charitable funds

Unrestricted funds

| | At 1st August 2019 £ | Income £ | Expenditure £ | Transfers £ | At 31st July 2020 £ |
|----------------------------|----------------------------|------------------|--------------------|----------------|---------------------------|
| Unrestricted Income Fund | 293,989 | 1,554,695 | (1,496,215) | – | 352,469 |
| Unrestricted Property Fund | 1,100,173 | – | (32,008) | – | 1,068,165 |
| | <u>1,394,162</u> | <u>1,554,695</u> | <u>(1,528,223)</u> | <u>–</u> | <u>1,420,634</u> |

| | At 1st August 2018 £ | Income £ | Expenditure £ | Transfers £ | At 31st July 2019 £ |
|----------------------------|----------------------------|------------------|--------------------|----------------|---------------------------|
| Unrestricted Income Fund | 334,989 | 1,501,797 | (1,542,797) | – | 293,989 |
| Unrestricted Property Fund | 1,132,758 | – | (32,585) | – | 1,100,173 |
| | <u>1,467,747</u> | <u>1,501,797</u> | <u>(1,575,382)</u> | <u>–</u> | <u>1,394,162</u> |

The unrestricted property fund represents monies held in freehold and leasehold property at the year end. During the year it was agreed donations could be spent on the spalling brickwork.

Restricted funds

| | At 1st August 2019 £ | Income £ | Expenditure £ | Transfers £ | At 31st July 2020 £ |
|---|----------------------------|---------------|------------------|----------------|---------------------------|
| UK Online | 9,268 | – | – | – | 9,268 |
| Lift fund | – | – | – | – | – |
| Leeds City Council Adult learning funding | 8,321 | – | (4,299) | – | 4,022 |
| Spalling brickwork fund | 10,763 | 10,219 | (20,982) | – | – |
| | <u>28,352</u> | <u>10,219</u> | <u>(25,281)</u> | <u>–</u> | <u>13,290</u> |

| | At 1st August 2018 £ | Income £ | Expenditure £ | Transfers £ | At 31st July 2019 £ |
|---|----------------------------|--------------|------------------|----------------|---------------------------|
| UK Online | 9,268 | – | – | – | 9,268 |
| Lift fund | 2,091 | – | – | (2,091) | – |
| Leeds City Council Adult learning funding | 12,620 | – | (4,299) | – | 8,321 |
| Spalling brickwork fund | – | 8,672 | – | 2,091 | 10,763 |
| | <u>23,979</u> | <u>8,672</u> | <u>(4,299)</u> | <u>–</u> | <u>28,352</u> |

UK Online is a grant from the Tinder Foundation to support specific programmes of digital inclusion activity.

The Brickwork fund was for works carried out in the year. The works was necessary for the upkeep of the building.

Leads City Council Adult learning funding was a grant received to purchase equipment to support Adult learning delivery.

Swarthmore Education Centre

Company Limited by Guarantee

Notes to the financial statements *(continued)*

year ended 31st July 2020

23. Analysis of net assets between funds

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2020 £ |
|-------------------------------|----------------------------|--------------------------|--------------------------|
| Tangible fixed assets | 1,150,787 | 4,091 | 1,154,878 |
| Current assets | 397,854 | 9,199 | 407,053 |
| Creditors less than 1 year | (128,007) | – | (128,007) |
| Creditors greater than 1 year | – | – | – |
| Net assets | 1,420,634 | 13,290 | 1,433,924 |

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2019 £ |
|-------------------------------|----------------------------|--------------------------|--------------------------|
| Tangible fixed assets | 1,194,776 | 8,390 | 1,203,166 |
| Current assets | 508,273 | 19,962 | 528,235 |
| Creditors less than 1 year | (306,747) | – | (306,747) |
| Creditors greater than 1 year | (2,140) | – | (2,140) |
| Net assets | 1,394,162 | 28,352 | 1,422,514 |

24. Financial instruments

The carrying amount for each category of financial instrument is as follows:

| | 2020 £ | 2019 £ |
|--|-----------|-----------|
| Financial assets measured at fair value through income and expenditure | | |
| Financial assets measured at fair value through income and expenditure | 275,595 | 305,933 |
| Financial liabilities measured at fair value through income and expenditure | | |
| Financial liabilities measured at fair value through income and expenditure | 110,946 | 290,875 |

25. Analysis of changes in net debt

| | At 1 Aug 2019 £ | Cash flows £ | At 31 Jul 2020 £ |
|--------------------------|--------------------|-----------------|---------------------|
| Cash at bank and in hand | 272,167 | (24,177) | 247,990 |

26. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

| | 2020 £ | 2019 £ |
|--|-----------|-----------|
| Later than 1 year and not later than 5 years | 27,669 | 38,656 |