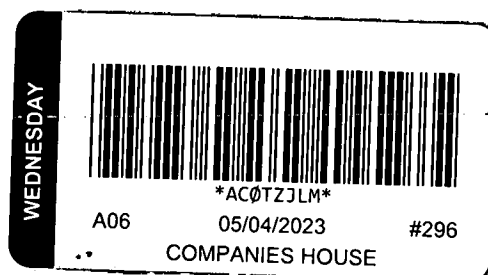


Registered number: 04527579  
Charity number: 1094451

**SWARTHMORE EDUCATION CENTRE**  
(A company limited by guarantee)

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2022**



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<p><b>SWARTHMORE EDUCATION CENTRE</b> <b>(A company limited by guarantee)</b></p>
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**CONTENTS**

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	Page
Reference and administrative details of the company, its Trustees and advisers	1
Chairman's statement	2 - 3
Trustees' report	4 - 10
Independent auditors' report on the financial statements	11 - 14
Statement of financial activities	15
Balance sheet	16
Statement of cash flows	17
Notes to the financial statements	18 - 34

**SWARTHMORE EDUCATION CENTRE**  
**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 JULY 2022**

<b>Trustees</b>	Mr P Hall (resigned 31 March 2022) Ms A W M Katung (resigned 31 May 2022) Mrs D Hodgkinson (resigned 31 March 2022) Dr E J Roberts (resigned 31 December 2021) Mr N H Zaman Ms C L Walker Ms K J Badon Mrs S Sinha Dr E J Watkins Ms C Wigzell (resigned 31 March 2022) Mr I Greenwood Ms M Ellis (resigned 31 March 2022) Mr J L Arnison (appointed 31 March 2022, resigned 26 October 2022) Mrs S L Taylor (appointed 31 March 2022) Miss L R Huxley (appointed 31 March 2022)
<b>Company registered number</b>	04527579
<b>Charity registered number</b>	1094451
<b>Registered office</b>	2/7 Woodhouse Square Leeds LS3 1AD
<b>Company secretary</b>	C Baillie
<b>Senior management team</b>	P Johnson A Torbitt J Macleod C Baillie S Emmett
<b>Independent auditors</b>	Sagars Accountants Ltd Gresham House 5-7 St Pauls Street Leeds LS1 2JG

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**SWARTHMORE EDUCATION CENTRE**  
**(A company limited by guarantee)**

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**CHAIR'S STATEMENT**  
**FOR THE YEAR ENDED 31 JULY 2022**

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This has been my fifth year as Chair of the Trustee Council at Swarthmore and the Trustees were very pleased to be able to reopen the Centre to learners after the long COVID lockdown. We were well placed to make this a year of strong recovery despite the ongoing prevalence of COVID, with the Omicron variant hitting us hardest in December 2021, just as the Government support came to an end. We also had to deal with the reality that for some people who may have otherwise come along to Swarthmore, there was still a degree of caution about returning to face-to-face learning. Despite that, over the full financial year we saw slowly the numbers of new learners coming to Swarthmore increasing and thus benefitting from our many and varied adult education courses. Part of the increase was down to our ongoing blended learning approach, keeping some digital classes alongside our face-to-face ones and a mix of both. We continued to make great strides forward on the digital delivery front and we were proud to win the Educate North award for Digital Education and Development in April 2022, against stiff competition. This was a great testament to both the quality and innovation of our digital delivery at Swarthmore.

We continued to invest in our building, fully refurbishing the hall, decorating, and refreshing all classrooms and creating an improved and positive learning environment throughout. We restarted our room hire in earnest in Spring 2021 and as a result we have seen a slow increase in room hire uptake. We placed purifiers in many rooms, reducing greatly the potential for spread of infection. We continued to invest in our IT infrastructure to enable our business to grow, and we achieved the Cyber Essentials as required. Our ambition looking forward is to work toward Cyber Essentials Plus in the coming year.

This year also saw Swarthmore deliver a uniquely tailored programme for a number of Ukrainian refugees who came to Leeds. Our programme aimed to support the refugees and enable them to assimilate well in our city by gaining skills, knowledge and ultimately jobs. Not only did the programme support the refugees, but it also enabled our civic leaders and host families to deliver on their ambitions to provide a safe place with a future and promise of hope. Our Art at the Heart project, funded by the European Social Fund, enabled the sharing of creativity with many who would otherwise not get that opportunity.

This year we were able to reopen our on-site café, recreating our community and exhibition space, thus bringing the heart back into Swarthmore. This in turn has helped with the mental health of many who had felt isolated and lonely during COVID lockdown.

The Study Programme - that delivers to a wide range of students aged between 18 and 24 - continued to show steady growth. Our specially tailored programme for each student, taking full account of their needs requires special teaching skills and patience, but in return it offers the genuine reward of making a real difference in their lives, in their families lives and within their communities. We were particularly proud this year as for the first time one of our Study Programme students accepted a place at University after he gained three A levels - two A\* and one grade A. What a fantastic achievement. The Study Programme achieved an amazing 100% pass rate for GCSE's, whilst across the Centre our overall pass rate was 95%.

To enable us to deliver education in the widest sense, we continued during the year to work with a wide range of partners including Leeds University, Pyramid Arts, many employers in the area, Leeds Older People's Forum and the Age Friendly Steering Group. Our ongoing relationships with close partners, including Leeds City Council, Leeds City College and MoJ continued to grow and improve, providing much needed income to the Centre.

**SWARTHMORE EDUCATION CENTRE**  
**(A company limited by guarantee)**

**CHAIR'S STATEMENT (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

Financially, we had income from ESFA £882,973, Leeds City Council £443,800 and Leeds City College £39,107 alongside our income from paying students, room hire and our café. Despite all of this we still disappointingly ended the year in a deficit position, which means we must now move forward to a year of growth.

So, looking forward, to achieve the growth necessary we will have ongoing improvements by investing further in our staff, our building and our governance which will enable us to realise further the full potential in the Centre, based on a strong strategic business plan.

So may I close this report with many thanks to all our students for supporting Swarthmore, to our incredible staff who work tirelessly to deliver high quality education, to our management team that continues to grow stronger, to our Director, Chris Baillie, who has set a high standard in the Centre and created a positive culture across the organisation and last but not least to all the Trustees, who give their time freely to provide Swarthmore with strategic leadership. By working together, putting the best interests of Swarthmore first, we are making a difference in many lives.

I am looking forward to continued improvements in the coming year so we can continue to realise our full potential as an organisation as the adult education provider across Leeds.



Julie Badon  
Date: 21 February 2023

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**SWARTHMORE EDUCATION CENTRE**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 JULY 2022**

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The Trustees present their annual report together with the audited financial statements of the Swarthmore Education Centre for the year 1 August 2021 to 31 July 2022. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

**Objectives and activities**

**Policies and objectives**

The objects of the company shall be to promote the education of the residents of Leeds and surrounding areas through the provision of an educational establishment, and in particular but not exclusively:

- (a) to provide a learning community for personal development and social activity for those who may have been excluded from mainstream educational opportunities;
- (b) to provide opportunities and activities for the benefit of the community based on the recognition of the skills and experience which all people bring.

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.

The year 2021/2022 was our post covid 'Recovery year'. The Centre opened to face to face classes in adult delivery, (LCC/Full Cost, etc) the café reopened on reduced hours of opening, room hire was available for booking, and we had a number of successful exhibitions throughout the year. Study Programme numbers increased, and a blended approach to continuous learning remained in place for our most vulnerable learners. The first term was affected by the Omicron variant, and numbers were still low for recruitment, which was still predominantly online in the first term, with face to face classes increasing over the year. We invested in air purifiers across the Centre to provide a safe environment for students, staff and visitors.

We successfully applied for funding for a small project working with refugees in the Centre. Art at the Heart was funded by the ESF, and we engaged with the Ukrainian community to deliver an arts and ESOL programme, culminating in a well attended celebration event in August 2022. Our commitment to engaging with those furthest away from education and training remains a key factor in our provision.

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**SWARTHMORE EDUCATION CENTRE**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

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**Objectives and activities (continued)**

In April 2022, we won the Educate North Digital Education and Development Award for our Swarthmore Connected project. A proud achievement for our work during the pandemic.

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, both accredited and non-accredited, are to be enjoyed by all, from the young adults attending our full-time study programme, our supported adult classes, 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 information, advice and guidance to all adults to help them prepare for their next steps to education, employment and volunteering.

**Adult Education programmes**

We aim to 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. Our full cost courses were reinstated this year, offering one day workshops and longer courses ranging from 6 hours to 12 weeks in length.

**Study Programme**

We provide a full time study programme for young adults with learning difficulties who develop skills to improve their independence and support them to progress to further learning, work or volunteering opportunities. The success of the programme was further celebrated by one of our students gaining 3 A levels at grades A A\*A\* and securing a place at University. The ESFA contract increased this year and our contractual arrangements continued.

Flexible learning enables students to access education in a way and at a pace that suits their needs. The study programme was inspected by Ofsted in November 2017 and maintained its grade 2, Good.

**Volunteers**

Swarthmore is fortunate to have a number of volunteers, who this year provided invaluable support to our funded projects, such as Art at the Heart.

**SWARTHMORE EDUCATION CENTRE**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

**Objectives and activities (continued)**

**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. Although there was an increase in fees for room hire this year, we remain competitive, and we have continued to see growth in this area.

**Cafe**

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. The café returned this year, albeit with reduced hours.

**Information and advice**

We continued to provide high quality, impartial and free information and advice to our prospective students throughout the year. We achieved the Matrix standard this year.

**Strategic report**

**Achievements and performance**

**Main achievements of the company**

	<b>2021/22</b>	<b>2020/21</b>	<b>2019/20</b>
Students enrolled onto a course at Swarthmore	771	555	1,674
Courses delivered	176	171	343
Swarthmore (self-financing) students completed and achieved	77.4%	n/a	94.2%
Leeds City Council (non-accredited) students completed and achieved	70.1%	84.6%	89.5%
Leeds City College (accredited) students completed and achieved	-	85.0%	89.1%

**Fundraising activities and income generation**

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.

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**SWARTHMORE EDUCATION CENTRE**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

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**Strategic report (continued)**

**Financial review**

**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 £150,000, meaning the reserves to be held at 31st July should exceed £450,000. Current free reserves stand at £148,366, backed up by Fixed Assets of £1,157,471 total unrestricted funds of £1,305,837. This indicates a deficit of £301,634 in current reserves. The trustees acknowledge the policy, and continue to address all areas for improvement, including focussing on quality and the learner experience.

**Deficit**

Swarthmore Education Centre finished with a deficit of £98,923 in the Year to 31st July 2022 compared to a deficit of £13,165 in the previous year.

**Risk management**

Financial sustainability is the major financial risk for the charity, especially in the context of a recovery year post 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 continued to be focussed on implementing systems and procedures to mitigate financial risks where possible.

**Principal funding**

The principal sources of income to the Centre were:

- ESFA funding for the Study Programme of £882,973
- Leeds City Council funding of £443,800 (Includes Funding for Inclusion)
- Student Fees of £126,907

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

A planned restructure was implemented and following the consultation period in the summer of 2021, a small number of staff had requested voluntary redundancy. New roles were agreed with a renewed focus on improving the student experience and developing external links to provide us with a range of new/additional income opportunities whilst maximising existing relationships.

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 continued to be a challenge throughout the year as the Centre slowly recovered from the impact of the pandemic.

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**SWARTHMORE EDUCATION CENTRE**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

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### **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 (Swarthmore full cost) courses resumed in September 2021
- In addition to Self-Financing courses, Swarthmore offers a range of courses funded by Leeds City Council. (Free in the previous year, the charges resumed in 2021)

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 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 September 2021.

### **Structure, governance and management**

#### **Constitution**

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 once enrolled on a Swarthmore course, and there are currently 510 registered members.

#### **Methods of appointment or election 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.

#### **Organisational structure and decision-making policies**

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 regularly. 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 the delegation approved by the Trustees, for operational matters including finance, employment, and the activities of the Centre.

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**SWARTHMORE EDUCATION CENTRE**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

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**Structure, governance and management (continued)**

**Policies adopted for the induction and training of Trustees**

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.

**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.

**Plans for future periods**

Our recovery year has seen a steady growth in adult learning delivery, room hire and events. Our Study Programme continued to deliver learning to our students and embraced the new technology available by offering a blended approach to maintain engagement. The study programme has increased in number to 80 students and remains fully subscribed.

Although no longer accessing any government funding, we have seen an increase in income, compared to previous years. Our plan is to increase the uptake in courses, promoting the facilities at the centre, and accessing additional funds where we are able. Recruitment and retention of staff remains a key factor in the success of the Centre, as plans for further growth are in progress.

A review of costs for our courses is in place, particularly in light of the cost of living crisis and costs of materials etc. Although prices have increased, we remain competitive and offer value for money to our students.

Still impacted by the pandemic, we invested in air purifiers and CO2 monitors, making the centre as safe as possible for our community to return.

Refurbishment of our Hall as an entertainment and events space aims to improve our room hire offer, and we are already seeing an increase in bookings, despite an increase in rates.

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

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**SWARTHMORE EDUCATION CENTRE**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

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**Statement of Trustees' responsibilities**

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the Trustees' report including the strategic 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 Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its incoming resources and application of resources, including its 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Disclosure of information to auditors**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

**Auditors**

The auditors, Sagars Accountants Ltd, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 21 February 2023 and signed on their behalf by:



**Ms K J Badon**  
Trustee

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**SWARTHMORE EDUCATION CENTRE**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SWARTHMORE EDUCATION CENTRE**

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**Opinion**

We have audited the financial statements of Swarthmore Education Centre (the 'charitable company') for the year ended 31 July 2022 which comprise the statement of financial activities, the balance sheet, the 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 Financial Reporting Standard 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 charitable company's affairs as at 31 July 2022 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; and
- 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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**SWARTHMORE EDUCATION CENTRE**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SWARTHMORE EDUCATION CENTRE**  
**(CONTINUED)**

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**Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**Matters on which we are required to report by exception**

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

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; 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 of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

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**SWARTHMORE EDUCATION CENTRE**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SWARTHMORE EDUCATION CENTRE**  
**(CONTINUED)**

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**Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS102) 2019 and the Education and Skills Funding Agency.

We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context were Charities Commission Regulations and Health and Safety and safeguarding considerations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be with regards to the timing of recognition of income and the override of controls by management.

Our audit procedures to respond to these risks included:

- enquiries of management and the Trustees about their own identification and assessment of the risks of irregularities,
- sample testing on the posting of journals,
- reviewing accounting estimates for biases,
- reviewing contracts and carrying out detailed substantive testing on the completeness of income,
- reading minutes of meetings of those charged with governance; and
- obtaining confirmation from the trustees that there was no regulatory correspondence with the Charity Commission or other regulatory bodies.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

**SWARTHMORE EDUCATION CENTRE**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SWARTHMORE EDUCATION CENTRE**  
**(CONTINUED)**

**Use of our report**

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees 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.

*Susan Seaman*

**Susan Seaman BA FCA CIOT (Senior Statutory Auditor)**

For and on behalf of Sagars Accountants Ltd

Gresham House  
5-7 St Pauls Street  
Leeds  
LS1 2JG

21 February 2023

Sagars Accountants Ltd are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**SWARTHMORE EDUCATION CENTRE**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 JULY 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Income from:</b>					
Donations and legacies	4	6,720	17,090	23,810	202,751
Charitable activities	5	1,499,602	-	1,499,602	1,282,183
Other trading activities	6	80,333	-	80,333	4,342
Other income	7	3,125	-	3,125	11,231
<b>Total income</b>		<b>1,589,780</b>	<b>17,090</b>	<b>1,606,870</b>	<b>1,500,507</b>
<b>Expenditure on:</b>					
Raising funds		74,440	-	74,440	46,954
Charitable activities	8	1,626,594	4,760	1,631,354	1,466,718
<b>Total expenditure</b>		<b>1,701,034</b>	<b>4,760</b>	<b>1,705,794</b>	<b>1,513,672</b>
<b>Net (expenditure)/income</b>		<b>(111,254)</b>	<b>12,330</b>	<b>(98,924)</b>	<b>(13,165)</b>
Transfers between funds	17	6,064	(6,064)	-	-
<b>Net movement in funds</b>		<b>(105,190)</b>	<b>6,266</b>	<b>(98,924)</b>	<b>(13,165)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		1,411,027	9,732	1,420,759	1,433,924
Net movement in funds		(105,190)	6,266	(98,924)	(13,165)
<b>Total funds carried forward</b>		<b>1,305,837</b>	<b>15,998</b>	<b>1,321,835</b>	<b>1,420,759</b>

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

The notes on pages 18 to 34 form part of these financial statements.

**SWARTHMORE EDUCATION CENTRE**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 04527579**

**BALANCE SHEET**  
**AS AT 31 JULY 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	13	1,157,471	1,193,584
		<u>1,157,471</u>	<u>1,193,584</u>
<b>Current assets</b>			
Debtors	14	240,301	269,902
Cash at bank and in hand		163,744	252,884
		<u>404,045</u>	<u>522,786</u>
Creditors: amounts falling due within one year	15	(137,435)	(170,739)
<b>Net current assets</b>		<u>266,610</u>	<u>352,047</u>
<b>Total assets less current liabilities</b>		<u>1,424,081</u>	<u>1,545,631</u>
Creditors: amounts falling due after more than one year	16	(102,246)	(124,872)
<b>Net assets excluding pension asset</b>		<u>1,321,835</u>	<u>1,420,759</u>
<b>Total net assets</b>		<u><u>1,321,835</u></u>	<u><u>1,420,759</u></u>
<b>Charity funds</b>			
Restricted funds	17	15,998	9,732
Unrestricted funds	17	1,305,837	1,411,027
<b>Total funds</b>		<u><u>1,321,835</u></u>	<u><u>1,420,759</u></u>

The financial statements were approved and authorised for issue by the Trustees on 21 February 2023 and signed on their behalf by:



**Ms K J Badon**  
Trustee

The notes on pages 18 to 34 form part of these financial statements.

**SWARTHMORE EDUCATION CENTRE**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 JULY 2022**

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	20	(29,579)	(41,750)
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(36,516)	(101,456)
<b>Net cash used in investing activities</b>		(36,516)	(101,456)
<b>Cash flows from financing activities</b>			
Cash inflows from new borrowing		-	150,000
Repayments of borrowing		(23,045)	(1,900)
<b>Net cash (used in)/provided by financing activities</b>		(23,045)	148,100
<b>Change in cash and cash equivalents in the year</b>		(89,140)	4,894
Cash and cash equivalents at the beginning of the year		252,884	247,990
<b>Cash and cash equivalents at the end of the year</b>	21	163,744	252,884

The notes on pages 18 to 34 form part of these financial statements

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**SWARTHMORE EDUCATION CENTRE**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2022**

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**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. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: 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 (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Swarthmore Education Centre meets the definition of a public benefit entity under FRS 102.

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.

**2.2 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 residual impact of Covid-19, and the increasing pressures of the Cost of Living crisis, presenting significant increases in energy costs and desire to meet future wage demands. Although there is a financial impact to the organisation, management have taken steps to mitigate this by controlling costs or passing these on where it is unavoidable. A new 3-year business strategy currently under development will further strengthen Swarthmore's financial position for the period ahead.

**2.3 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.

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**SWARTHMORE EDUCATION CENTRE**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2022**

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**2. Accounting policies (continued)**

**2.4 Income**

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.

**2.5 Expenditure**

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.

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**SWARTHMORE EDUCATION CENTRE**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2022**

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**2. Accounting policies (continued)**

**2.6 Government grants**

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

**2.7 Tangible fixed assets and depreciation**

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 £267,482 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.

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.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- 2% Straight line
Leasehold property	- Remaining life of the lease
Fixtures and fittings	- 25% Straight line/ 15% Reducing balance

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**SWARTHMORE EDUCATION CENTRE**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2022**

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**2. Accounting policies (continued)**

**2.8 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.

**2.9 Operating leases**

Rentals paid under operating leases are charged to the statement of financial activities on a straight-line basis over the lease term.

**2.10 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

**2.11 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.

**3. Limited by guarantee**

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

**SWARTHMORE EDUCATION CENTRE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2022**

**4. Income from donations and legacies**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Donations	5,251	-	5,251
Grants	-	17,090	17,090
Government Coronavirus Job Retention Scheme grant	1,469	-	1,469
	<u>6,720</u>	<u>17,090</u>	<u>23,810</u>

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Donations	3,741	13,800	17,541
Grants	-	59,086	59,086
Government Coronavirus Job Retention Scheme grant	126,124	-	126,124
	<u>129,865</u>	<u>72,886</u>	<u>202,751</u>

**5. Income from charitable activities**

	Unrestricted funds 2022 £	Total funds 2022 £
Leeds City Council Adult Learning	254,629	254,629
Leeds City Council Additional Learning Support	189,171	189,171
Other grants	11,764	11,764
Student fees	126,907	126,907
Membership fees	6,938	6,938
Sale of education materials	3,743	3,743
Tutoring services provided to community	23,477	23,477
Education Funding Agency	882,973	882,973
	<u>1,499,602</u>	<u>1,499,602</u>

**SWARTHMORE EDUCATION CENTRE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2022**

**5. Income from charitable activities (continued)**

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Leeds City Council Adult Learning	277,292	277,292
Leeds City Council Additional learning support	149,910	149,910
Other Grants	27,956	27,956
Student fees	226	226
Membership fees	6,153	6,153
Sale of educational materials	148	148
Contract income	3,096	3,096
Education Funding Agency	817,402	817,402
	<u>1,282,183</u>	<u>1,282,183</u>

**6. Income from other trading activities**

**Income from non charitable trading activities**

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Cafe income	29,375	29,375
Rental income	50,958	50,958
	<u>80,333</u>	<u>80,333</u>

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Cafe income	4,588	4,588
Rental income	(246)	(246)
	<u>4,342</u>	<u>4,342</u>

**SWARTHMORE EDUCATION CENTRE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2022**

**7. Other incoming resources**

	Unrestricted funds 2022 £	Total funds 2022 £
Miscellaneous income	3,125	3,125

	Unrestricted funds 2021 £	Total funds 2021 £
Miscellaneous income	11,231	11,231

**8. Analysis of expenditure on charitable activities**

**Summary by fund type**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Courses	1,203,108	4,294	1,207,402
Governance costs	69,670	-	69,670
Support costs	353,816	466	354,282
	<u>1,626,594</u>	<u>4,760</u>	<u>1,631,354</u>

**SWARTHMORE EDUCATION CENTRE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2022**

**8. Analysis of expenditure on charitable activities (continued)**

**Summary by fund type (continued)**

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Courses	1,041,604	39,026	1,080,630
Creche	18,039	-	18,039
Governance costs	55,711	-	55,711
Support costs	306,070	6,268	312,338
	<u>1,421,424</u>	<u>45,294</u>	<u>1,466,718</u>

**9. Analysis of expenditure by activities**

	<i>Activities undertaken directly 2022 £</i>	<i>Support costs 2022 £</i>	<i>Total funds 2022 £</i>
Courses	1,207,402	-	1,207,402
Governance costs	-	69,669	69,669
Support costs	-	354,282	354,282
	<u>1,207,402</u>	<u>423,951</u>	<u>1,631,354</u>

	<i>Activities undertaken directly 2021 £</i>	<i>Support costs 2021 £</i>	<i>Total funds 2021 £</i>
Courses	1,080,630	-	1,080,630
Creche	18,039	-	18,039
Governance costs	-	55,711	55,711
Support costs	-	312,338	312,338
	<u>1,098,669</u>	<u>368,049</u>	<u>1,466,718</u>

**SWARTHMORE EDUCATION CENTRE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2022**

**9. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Courses 2022 £</b>	<b>Governance 2022 £</b>	<b>Total funds 2022 £</b>
Staff costs	-	143,440	143,440
Depreciation	-	72,629	72,629
Premises	-	112,783	112,783
Communications and IT	-	11,068	11,068
General office	-	12,550	12,550
Legal and professional fees	-	1,812	1,812
Governance costs	69,669	-	69,669
	<u>69,669</u>	<u>354,282</u>	<u>423,951</u>

	<b>Courses 2021 £</b>	<b>Governance 2021 £</b>	<b>Total funds 2021 £</b>
Staff costs	-	133,917	133,917
Depreciation	-	62,750	62,750
Premises	-	81,198	81,198
Communication and IT	-	10,320	10,320
General office	-	21,701	21,701
Legal and professional fees	-	2,452	2,452
Governance costs	55,711	-	55,711
	<u>55,711</u>	<u>312,338</u>	<u>368,049</u>

**SWARTHMORE EDUCATION CENTRE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2022**

**10. Auditors' remuneration**

	2022 £	2021 £
Fees payable to the company's auditor for the audit of the company's annual accounts	<u>9,500</u>	<u>6,400</u>

**11. Staff costs**

	2022 £	2021 £
Wages and salaries	1,172,360	1,085,723
Social security costs	91,348	77,241
Other pension costs	28,557	29,148
	<u>1,292,265</u>	<u>1,192,112</u>

Included within staff costs are statutory redundancy, termination and settlement payments made during the year totalling £23,936 (2021 - £18,938).

The average head count of employees during the year was 77 (2021: 74).

The average number of full-time equivalent employees during the year is analysed as follow:

	2022 No.	2021 No.
Number of staff	<u>45</u>	<u>45</u>

No employee received remuneration amounting to more than £60,000 in either year.

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 £214,992 (2021: £247,261).

**12. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 July 2022, Trustee travel expenses totalling £21 have been incurred (2021 - £NIL).

**SWARTHMORE EDUCATION CENTRE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2022**

**13. Tangible fixed assets**

	Freehold property £	Long-term leasehold property £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>				
At 1 August 2021	1,367,482	188,136	603,594	2,159,212
Additions	-	-	36,516	36,516
At 31 July 2022	1,367,482	188,136	640,110	2,195,728
<b>Depreciation</b>				
At 1 August 2021	451,659	36,143	477,826	965,628
Charge for the year	27,350	5,124	40,155	72,629
At 31 July 2022	479,009	41,267	517,981	1,038,257
<b>Net book value</b>				
At 31 July 2022	888,473	146,869	122,129	1,157,471
At 31 July 2021	915,823	151,993	125,768	1,193,584

**14. Debtors**

	2022 £	2021 £
<b>Due within one year</b>		
Trade debtors	18,971	2,180
Other debtors	2,571	2,117
Prepayments and accrued income	218,759	265,605
	240,301	269,902

**SWARTHMORE EDUCATION CENTRE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2022**

**15. Creditors: Amounts falling due within one year**

	2022 £	2021 £
Bank loans	22,808	23,228
Trade creditors	38,204	71,271
Other taxation and social security	21,126	14,319
Other creditors	3,562	8,261
Accruals and deferred income	51,735	53,660
	<u>137,435</u>	<u>170,739</u>

The bank loan included in creditors falling due in less than one year is secured by the company. The security is by a fixed and floating charge over all assets and undertakings of the company.

	2022 £	2021 £
Deferred income at 1 August 2021	19,797	4,496
Resources deferred during the year	24,109	19,797
Amounts released from previous periods	(19,797)	(4,496)
	<u>24,109</u>	<u>19,797</u>

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

**16. Creditors: Amounts falling due after more than one year**

	2022 £	2021 £
Bank loans	102,246	124,872

Included within creditors: amounts falling due after more than one year is an amount of £nil (2021: £25,520) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The bank loan included in creditors falling due in after more than one year is secured by the company. The security is by a fixed and floating charge over all assets and undertakings of the company.

**SWARTHMORE EDUCATION CENTRE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2022**

**17. Statement of funds**

**Statement of funds - current year**

	Balance at 1 August 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2022 £
<b>Unrestricted funds</b>					
Unrestricted Income fund	343,212	1,589,780	(1,668,560)	6,064	270,496
Unrestricted Property fund	1,067,815	-	(32,474)	-	1,035,341
	<u>1,411,027</u>	<u>1,589,780</u>	<u>(1,701,034)</u>	<u>6,064</u>	<u>1,305,837</u>

The unrestricted property fund represents monies held in freehold and leasehold property at the year end.

	Balance at 1 August 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2022 £
<b>Restricted funds</b>					
UK Online	9,268	-	-	-	9,268
National Lottery grant	464	-	(464)	-	-
Adidas project	-	1,606	(220)	-	1,386
Community grant - Art at the Heart	-	15,484	(4,076)	(6,064)	5,344
	<u>9,732</u>	<u>17,090</u>	<u>(4,760)</u>	<u>(6,064)</u>	<u>15,998</u>

	Balance at 1 August 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2022 £
<b>Total of funds</b>	<u>1,420,759</u>	<u>1,606,870</u>	<u>(1,705,794)</u>	<u>-</u>	<u>1,321,835</u>

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

National Lottery funding relates to grants received to help with the impact of the Covid-19 pandemic on the ability to provide learning to students.

Adidas Project relates to promoting inclusion of females in sport.

Community Grant - Art at the heart relates to community art based project for refugees.

The transfer of £6,064 between the restricted and unrestricted fund relates to the purchase of Chromebooks in the year for the Community Grant - Art for the heart.

**SWARTHMORE EDUCATION CENTRE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2022**

**17. Statement of funds (continued)**

**Statement of funds - prior year**

	<i>Balance at 1 August 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 July 2021 £</i>
<b>Unrestricted funds</b>					
Unrestricted Income fund	352,469	1,427,621	(1,435,843)	(1,035)	343,212
Unrestricted Property fund	1,068,165	-	(32,535)	32,185	1,067,815
	<u>1,420,634</u>	<u>1,427,621</u>	<u>(1,468,378)</u>	<u>31,150</u>	<u>1,411,027</u>

	<i>Balance at 1 August 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 July 2021 £</i>
<b>Restricted funds</b>					
UK Online	9,268	-	-	-	9,268
Leeds City Council Adult Learning funding	4,022	-	(4,022)	-	-
Supply of Chromebooks from DfE	-	13,800	-	(13,800)	-
National Lottery grant	-	59,086	(41,272)	(17,350)	464
	<u>13,290</u>	<u>72,886</u>	<u>(45,294)</u>	<u>(31,150)</u>	<u>9,732</u>

	<i>Balance at 1 August 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 July 2021 £</i>
<b>Total of funds</b>	<u>1,433,924</u>	<u>1,500,507</u>	<u>(1,513,672)</u>	<u>-</u>	<u>1,420,759</u>

**SWARTHMORE EDUCATION CENTRE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2022**

**18. Summary of funds**

**Summary of funds - current year**

	Balance at 1 August 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2022 £
General funds	1,411,027	1,589,780	(1,701,034)	6,064	1,305,837
Restricted funds	9,732	17,090	(4,760)	(6,064)	15,998
	<u>1,420,759</u>	<u>1,606,870</u>	<u>(1,705,794)</u>	<u>-</u>	<u>1,321,835</u>

**Summary of funds - prior year**

	Balance at 1 August 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2021 £
General funds	1,420,634	1,427,621	(1,468,378)	31,150	1,411,027
Restricted funds	13,290	72,886	(45,294)	(31,150)	9,732
	<u>1,433,924</u>	<u>1,500,507</u>	<u>(1,513,672)</u>	<u>-</u>	<u>1,420,759</u>

**19. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	1,157,471	-	1,157,471
Current assets	388,047	15,998	404,045
Creditors due within one year	(137,435)	-	(137,435)
Creditors due in more than one year	(102,246)	-	(102,246)
<b>Total</b>	<u>1,305,837</u>	<u>15,998</u>	<u>1,321,835</u>

**SWARTHMORE EDUCATION CENTRE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2022**

**19. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	1,193,584	-	1,193,584
Current assets	513,054	9,732	522,786
Creditors due within one year	(170,739)	-	(170,739)
Creditors due in more than one year	(124,872)	-	(124,872)
<b>Total</b>	<b>1,411,027</b>	<b>9,732</b>	<b>1,420,759</b>

**20. Reconciliation of net movement in funds to net cash flow from operating activities**

	<b>2022 £</b>	<b>2021 £</b>
Net expenditure for the year (as per Statement of Financial Activities)	<b>(98,924)</b>	<b>(13,165)</b>
<b>Adjustments for:</b>		
Depreciation charges	<b>72,629</b>	62,750
Decrease/(increase) in debtors	<b>29,601</b>	(110,839)
Increase/(decrease) in creditors	<b>(32,885)</b>	19,504
<b>Net cash used in operating activities</b>	<b>(29,579)</b>	<b>(41,750)</b>

**21. Analysis of cash and cash equivalents**

	<b>2022 £</b>	<b>2021 £</b>
Cash in hand	<b>163,744</b>	252,884
<b>Total cash and cash equivalents</b>	<b>163,744</b>	252,884

**SWARTHMORE EDUCATION CENTRE**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2022**

**22. Analysis of changes in net debt**

	At 1 August 2021	Cash flows	At 31 July 2022
	£	£	£
Cash at bank and in hand	252,884	(89,140)	163,744
Debt due within 1 year	(23,228)	420	(22,808)
Debt due after 1 year	(124,872)	22,626	(102,246)
	<u>104,784</u>	<u>(66,094)</u>	<u>38,690</u>

**23. Operating lease commitments**

At 31 July 2022 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	5,695	-
Later than 1 year and not later than 5 years	-	16,682
	<u>5,695</u>	<u>16,682</u>