

COMPANIES  
HOUSE

# Sagars

Chartered Accountants  
& Business Advisers

**Swarthmore Education Centre**

**Financial statements**

**Year Ended 31 July 2006**

Company registration number 4527579

Charity number 1094451

WEDNESDAY



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COMPANIES HOUSE

**Financial Statements**  
**for the year ended 31 July 2006**

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## Trustees Annual Report

### year ended 31 July 2006

The trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements of the charity for the year ended 31 July 2006.

#### Reference and administrative details

Registered charity name	Swarthmore Education Centre
Charity registration number	1094451
Company registration number	4527579

Registered office	Swarthmore Education Centre 2/7 Woodhouse Square Leeds LS3 1AD
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#### The trustees

The trustees who served the charity during the period were as follows:

F Matthews  
J Arnison  
M Belt  
F Chapel  
I Heron  
R McDuffus  
K Stainsby  
A Goundry  
M Wainwright  
P Hall  
M Hashiguchi  
Dr H Hubbard  
W Collins  
J Major  
G Twigge  
K Bailey  
Cllr J P Ewens  
R Parker

I Heron retired as a trustee on 14 December 2005.

M Hashiguchi retired as a trustee on 14 December 2005.

Secretary	Malcolm Walters
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Auditor	Sagars LLP Chartered Accountants & Registered Auditors Elizabeth House Queen Street Leeds LS1 2TW
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#### Structure, governance and management

As set out in the Articles of Association up to 13 members of the Management Committee 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 Management Committee 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.

## **Trustees Annual Report** *(continued)*

**year ended 31 July 2006**

### **Trustees Recruitment and training**

There are fifteen trustees on the Swarthmore Board. They are recruited from the Swarthmore membership, which is made up of students on the whole. In addition some trustees are targeted with particular skills and others from particular organisations.

There is an induction pack available for all new trustees. The director and other relevant members of the Board of Management Team carry out induction. Relevant training is provided as needed free of charge.

### **Objectives and activities**

Swarthmore is a registered charity originally established in 1909, with historic links to the Quaker movement and named after the original Quaker meeting place. The centre is one of the oldest Quaker movement and named after the original Quaker meeting place. The centre is one of the oldest independent adult education centres in the country with over 2000 student members. We are committed to user participation.

Swarthmore offers a distinct learning atmosphere characterised by an encouragement of "friendly learning". We offer a unique range of integrated learning opportunities for adults housed under one roof. Over 150 courses per year are offered including counselling, arts and crafts, computing, health, dance and music as well as English and maths. There are courses linked to qualifications. We offer a wide range of chances to make a first step, improve career prospects, develop confidence and skills, and to make new friends while learning.

The centre is committed to providing an integrated learning environment, with a range of targeted courses on offer (for example for people with learning disabilities). There are free reduced rate courses and financial support for students who have difficulty paying fees. Class times are flexible, arranged around school hours and courses are located in the building to accommodate mobility needs.

Swarthmore is also a community resource, offering meeting space, a venue for conferences and training events, and studios for hire.

The management of Swarthmore is by the Management Committee otherwise known as the 'Council', which comprises student representatives and co-opted members from a number of local organisations. The Council has the overall responsibility for the strategic direction and management of the Centre. An operations director is appointed by the Council to manage the day-to-day activities of the charity.

Swarthmore works in partnership with other organisations on certain projects. These include a number of projects working with other voluntary organisations and local colleges.

The other services which Swarthmore offers are childcare, the coffee bar and a base for occasional users as well as long established groups what now organise themselves independently.

Swarthmore also offers an independent education advice service that is available for potential students.

There have been no material changes in the overall aims and objectives of the Centre during the year.

There are no specific restrictions on the operation of the Centre and the Management Committee have power to invest where they consider it is appropriate.

## Trustees Annual Report *(continued)*

### year ended 31 July 2006

#### Achievements and performance

Swarthmore has continued to develop relationships with a number of partners and external organisations, with the overall aim of seeking to inspire lives through friendly learning, within a commitment to equality of opportunity.

Leeds City Council has contributed during this year the amount of £165,018 for the 12-month period. This has included funding towards our legal responsibility under DDA legislation.

The LSC has contributed £321,312 for the 12-month period. This has been a more challenging year as the grant funding made no allowance for inflation. However despite this we managed to reach our learner numbers as well as our cash target. Notification was given during the year of further financial cuts in the future. The Council has agreed action to be taken so as to begin a process of identifying alternative funding. In addition all expenditure has been reviewed and some areas of spending have been reduced. It has also been agreed that further action will have to be planned for in the coming year.

The Ellen Heaton Lecture took place for the second year on the anniversary of the birthday of Ellen Heaton on the 17 November 2005. Brett Harrison gave a talk on 'Making a New Life - Holocaust Survivors in Yorkshire'. This was part of the international remembrance of the Holocaust. Over 50 people attended this very interesting lecture.

In November 2005 we organised a Memorial Service for Homeless people called 'No Farewell'. Over 120 people attended this very successful event. The Deputy Lord Mayor attended

House 2 refurbishment was completed this year. All 4 ground floor rooms were turned into teaching areas with a Community Capital grant amounting to £25,000. As a result we have moved the UK Online room to more accessible space and provided new IT systems. In addition we have created a resource and teaching area for the Skills for Life programmes again with new IT systems. The entrance hall has also been refurbished as well as the ground floor toilet.

We have been fortunate in receiving a grant from Leeds City Council to address the DDA legislation and to bring the building up to the required standards. This year we have spent over £40,000 on DDA works. This has included a new platform lift in the Art Studio; a refurbished counter area in the coffee bar to allow access for those in wheelchairs; new equipment to cater for DDA needs.

We continue to develop programmes in the local community. Our new ESOL programmes at the Cardigan Centre have attracted a good number of students from the local BME community.

We have worked with other local Community organisations in helping to promote learning. We helped organise a 'Yellow Bus' to tour the area. We have also taken part in local events to promote learning such as Hyde Park Highlights at Burley Lodge.

We have increased our fees again by 5% this year, which is well over the rate of inflation. The pressure for this has come from the LSC who want individuals to pay more for their learning. In addition we have needed to make our Swarthmore courses financially viable. This year the student fee represents a contribution of at least 27.5% for accredited courses.

The Council agreed to raise the hire rate of rooms again by an additional 3% in line with inflation. We have produced attractive literature to enhance our income from lettings.

Leeds City Council's Alternative Programme Unit continues to expand the number of young pupils aged 14-16 years at the centre. The Unit feels that Swarthmore is able to offer a very non-threatening venue for their unusually disturbed young people. This project has continued to develop and now includes other curriculum areas in ICT and Skills for Life. There are some exciting examples of young people who have progressed on to other courses when they reach 16 years. They have also been successful in obtaining external accreditation for their studies.

We have been successful in obtaining a small grant to run a Healthy Living project in the local community

We continue to refurbish our teaching rooms at Swarthmore. Over the past year we have improved the decoration in an additional 5 rooms.

We have obtained funding to create a new interview room for our education advice service. In addition we have created a staff resource room so that tutors can find a quiet area to work.

## **Trustees Annual Report** *(continued)*

### **year ended 31 July 2006**

Our local Councillor Penny Ewens obtained funding to provide a further 4 cycle racks outside the front door.

We have had 3 visits this year from the Adult Learning Inspectorate(ALI). First we had a Quality Monitoring visit from ALI in September 2005, which was very positive. In October 2005 we were inspected by ALI as part of the Leeds City Council ACL provision. In May 2006 we had a full inspection by ALI as part of their piloting of their new Phase 2 Inspection. We improved our inspection grades on our previous inspection in 2003. This time we received an average Grade 2 but also have Grade 1's in Equality & Diversity and the Arts.

We have been able to afford pay increases of 3% to all staff this year. This is in line with our plan to increase pay rates in line with inflation every year.

We have been successful in achieving PQASSO level 2 Quality mark this year. In addition our IIP review was successful.

We have been successful in working with Little Woodhouse Community Association in obtaining funding to make improvements to Woodhouse Square. Leeds City Council has found about £50,000 to spend on improvements.

We continue to be grateful to approximately 25 volunteers for the provision of learning support in computing, basic skills, arts, crafts and dance activities. We are also grateful to volunteers who have assisted in fund raising, and to the voluntary members of Swarthmore's Management Committee. Their names are listed on the first page of the accounts.

#### **Financial review**

During the year Swarthmore received grants and donations from various sources. These are set out in notes 2-6 to the accounts.

The attached audited financial statement show a surplus on general funds of £58,430 as a result of the Centre's performance in the year.

The balance sheet of Swarthmore as at 31 July 2006 shows that the Centre has net assets of £1,398,902. In preparing the balance sheet as at 31 July 2006, the freehold land and buildings are included at their deemed estimated value to the Centre less depreciation of £1,058,104.

The Centres overall aim is to ensure that any resources which are generated, are retained within the organisation to provide improved services. The centre continues to operate in a changing environment, with many conflicting demands on the Centre's resources. As such, the Management Committee and staff management are aware of the need to prioritise the services that are provided and to ensure that the Centre has sufficient resources to meet any expected demands.

#### **Reserves Policy**

The policy of the Management Committee is to maintain freely available funds (that is those not tied up in fixed assets or designated or restricted funds) sufficient to meet expected costs for the next twelve months, so as to ensure that there are sufficient funds available to provide the highest possible standards of education should income levels fall or unexpected maintenance costs arise.

The Management Committee has calculated the level of free reserves required as at 31st July 2006 would be approximately £300,000. The actual free reserves as at 31st July 2006 are approximately £260,000, which is approximately £40,000 short of our target figure.

Whilst the current level of reserves may prove sufficient it is the trustees view that it is prudent to ensure there are sufficient free reserves to provide financial flexibility over the course of future years.

#### **Risk Management**

The Management Committee Members hold regular strategic meetings to identify strengths and weaknesses of the Centre and have introduced policies and procedures to deal with possible risks.

## Trustees Annual Report *(continued)*

### year ended 31 July 2006

#### Plans for future periods

Swarthmore is entering a period of uncertainty as the new Government policies on funding start to be implemented. There is real concern that changes to the 19+ FE contract will affect what we do as an organisation. However whatever we do we need to remind ourselves of our mission statement and what Swarthmore was founded to do.

Mission Statement: "Swarthmore seeks to inspire lives through learning, friendship and fun within a commitment to equality of opportunity"

Action needed over the next 5 years:

1. We need to look for new funding streams
2. Consider changing some of the focus of our provision
3. Review of our provision to reduce unnecessary expenditure
4. Consider any necessary restructure to provide a more efficient organisation

Present Action carried out or being considered:

1. Increase student fees in 2006/07 by 12%.
2. Process of increasing fees by substantial amounts to be continued
3. New projects being carried out: Coaching Skills and LearnDirect
4. Restructure of caretakers to provide a better service with staff who can do more necessary maintenance
5. Review of the Management Team to be carried out in 2006/07
6. Review of the administration team
7. Review of the arts technician post which has led to 50% saving on this budget
8. New bids made to different funding bodies
9. Increase our 14-16 work especially in direct work with schools
10. Increase our Skills for Life provision as this is a Government priority
11. Increase our Leisure programme in all appropriate areas.
12. Cut courses that are not cost effective

#### Responsibilities of the trustees

The trustees are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with Companies Act 1985. The trustees 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**Trustees Annual Report** *(continued)*

**year ended 31 July 2006**

**Auditor**

During the year BDO Stoy Hayward were resigned as auditors and Sagars LLP were appointed in their place. A resolution to reappoint Sagars LLP will be proposed at the forthcoming Annual General Meeting.

Signed by order of the trustees on 20 November 2006

A handwritten signature in black ink, appearing to read 'Malcolm Walters', written in a cursive style.

Malcolm Walters  
Company Secretary

Registered office:  
Swarthmore Education Centre  
2/7 Woodhouse Square  
Leeds  
LS3 1AD



## Independent auditor's report to the members of Swarthmore Education Centre for the year ended 31 July 2006

We have audited the financial statements of Swarthmore Education Centre for the year ended 31 July 2006 on pages 8 to 15 which have been prepared under the historical cost convention and the accounting policies set out on pages 10 to 11.

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

### Respective responsibilities of the trustees and auditors

The responsibilities of the trustees (who also act as directors of Swarthmore Education Centre for the purposes of company law) for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Responsibilities of the Trustees on page 5.

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

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

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

### Basis of audit opinion

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

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

We have undertaken the audit in accordance with the requirements of the APB Ethical Standards including the APB Ethical Standards – Provisions Available for Small Entities, in the circumstances set out below:

In common with many other businesses of its size and nature, the charitable company uses its auditors to assist with the preparation of the financial statements.

### Opinion

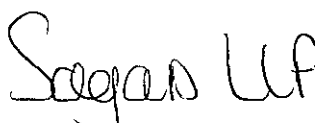
In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 July 2006 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees Annual Report is consistent with the financial statements.

Elizabeth House  
Queen Street  
Leeds  
LS1 2TW

20 November 2006

SAGARS LLP  
Chartered Accountants  
& Registered Auditors



## Statement of Financial Activities (Incorporating the Income and Expenditure Account)

as at 31 July 2006

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2006 £	Total Funds 2005 £
<b>Incoming resources</b>					
Incoming resources from generating funds:					
Voluntary income	2	550	—	550	16,720
Activities for generating funds	3	131,657	—	131,657	137,007
Investment income	4	5,273	—	5,273	4,831
Incoming resources from charitable activities					
	5	780,506	—	780,506	788,531
Other incoming resources	6	4,568	—	4,568	7,525
<b>Total incoming resources</b>		<b>922,554</b>	<b>—</b>	<b>922,554</b>	<b>954,614</b>
<b>Resources expended</b>					
Costs of generating funds:					
Fundraising trading: cost of goods sold and other costs	7	(91,917)	(1,155)	(93,072)	(121,993)
Charitable activities	8/9	(641,718)	(3,665)	(645,383)	(648,517)
Governance costs	10	(130,489)	(201)	(130,690)	(120,860)
<b>Total resources expended</b>		<b>(864,124)</b>	<b>(5,021)</b>	<b>(869,145)</b>	<b>(891,370)</b>
<b>Net incoming resources before transfers</b>	11	<b>58,430</b>	<b>(5,021)</b>	<b>53,409</b>	<b>63,244</b>
Transfer between funds	12	42,505	(42,505)	—	—
<b>Net income for the year</b>		<b>100,935</b>	<b>(47,526)</b>	<b>53,409</b>	<b>63,244</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		1,297,967	47,526	1,345,493	1,282,249
<b>Total funds carried forward</b>		<b>1,398,902</b>	<b>—</b>	<b>1,398,902</b>	<b>1,345,493</b>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 10 to 15 form part of these financial statements.

## Balance Sheet

as at 31 July 2006

	Note	2006 £	£	2005 £	£
<b>Fixed assets</b>					
Tangible assets	14		1,138,598		1,150,375
<b>Current assets</b>					
Debtors	15	90,345		105,451	
Cash at bank and in hand		202,242		127,346	
		292,587		232,797	
<b>Creditors: Amounts falling due within one year</b>	16	(32,283)		(37,679)	
<b>Net current assets</b>			260,304		195,118
<b>Total assets less current liabilities</b>			1,398,902		1,345,493
<b>Net assets</b>			1,398,902		1,345,493
<b>Funds</b>					
Restricted income funds	17		—		47,526
Unrestricted income funds	18		1,398,902		1,297,967
<b>Total funds</b>			1,398,902		1,345,493

These financial statements were approved by the members of the committee on the 20 November 2006 and are signed on their behalf by:

F Matthews  
Director

*F Matthews*

The notes on pages 10 to 15 form part of these financial statements.

## **Notes to the Financial Statements**

### **for the year ended 31 July 2006**

#### **1. Accounting policies**

##### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) and the Companies Act 1985.

##### **Cash flow statement**

The trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small.

##### **Incoming resources**

###### **Grants receivable**

Grants for immediate expenditure are accounted for when they become receivable, so long as there is reasonable certainty regarding receipt. Grants restricted to future accounting periods are deferred and recognised in those periods.

Grants received for specific purposes are treated as restricted funds.

###### **Donations and legacies**

Income from donation, legacies and covenants are accounted for on a cash basis. Gifts in kind are included at their value at the time of the gift or at the amount realised as appropriate.

###### **Student and membership fees**

Fees from students and members are accounted for on an accruals basis.

**Educational programme contracts and sales of educational material** income from educational contracts and sales of educational materials are accounted for on an accruals basis.

###### **Rents and service charges**

Income from rent of rooms is accounted for on an accruals basis.

###### **Interest receivable**

Interest is included when receivable by the charity.

###### **Other incoming resource**

All other incoming resources are accounted for on a cash received basis.

##### **Resources expended**

All resources expended are included in the statement of financial activities on an accruals basis and include attributable VAT which cannot be recovered.

Costs of generating funds are those costs incurred directly in the pursuit fundraising activities.

Costs of charitable activities comprise all costs directly attributable to and in support of the provision of adult education.

Governance costs are those costs attributable to the management of the charity's assets and organisational administration.

## Notes to the Financial Statements

### for the year ended 31 July 2006

#### 1. Accounting policies *(continued)*

##### Fixed assets

Material expenditure on fixed assets for charity is capitalised in the Balance Sheet at cost, where acquired, or estimated value as determined by the Management Committee where donated. They are stated in the financial statements at cost/original value less depreciation.

##### Depreciation

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

Freehold Property	-	2% straight line
Computer equipment	-	25% straight line
Fixtures and fittings	-	15% reducing balance

##### Pension costs

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the statement of financial activities.

#### 2. Voluntary income

	Unrestricted Funds £	Total Funds 2006 £	Total Funds 2005 £
Donations	550	550	16,720

#### 3. Incoming resources from activities for generating funds

	Unrestricted Funds £	Total Funds 2006 £	Total Funds 2005 £
Coffee bar	64,713	64,713	65,010
Rental income	66,944	66,944	71,997
	<u>131,657</u>	<u>131,657</u>	<u>137,007</u>

#### 4. Investment income

	Unrestricted Funds £	Total Funds 2006 £	Total Funds 2005 £
Bank interest receivable	5,273	5,273	4,831

## Notes to the Financial Statements

### for the year ended 31 July 2006

#### 5. Incoming resources from charitable activities

	Unrestricted Funds £	Total Funds 2006 £	Total Funds 2005 £
Learning and Skills Council Grants	315,745	315,745	364,376
Leeds City Council Grants	118,155	118,155	94,164
Other Grants	9,150	9,150	59,909
Student fees	112,820	112,820	102,647
Membership fees	11,216	11,216	10,099
Sale of educational materials	3,777	3,777	5,751
Contract income	198,356	198,356	147,389
Childcare	7,365	7,365	4,254
Donations	8	8	—
Rental	136	136	—
Copying and printing	38	38	—
Maintenance	2	2	—
Other charges	3,338	3,338	(68)
Training	400	400	10
	<u>780,506</u>	<u>780,506</u>	<u>788,531</u>

#### 6. Other incoming resources

	Unrestricted Funds £	Total Funds 2006 £	Total Funds 2005 £
Commissions	119	119	180
Copying and printing	81	81	301
Other charges	3,596	3,596	6,207
Telephone	142	142	33
Training	630	630	—
Maintenance	—	—	804
	<u>4,568</u>	<u>4,568</u>	<u>7,525</u>

#### 7. Fundraising trading: Cost of goods sold and other costs

	Unrestricted Funds £	Restricted Funds £	Total Funds 2006 £	Total Funds 2005 £
Coffee bar expenses	69,719	201	69,920	99,298
Rental expenses	22,198	954	23,152	22,695
	<u>91,917</u>	<u>1,155</u>	<u>93,072</u>	<u>121,993</u>

#### 8. Costs of charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2006 £	Total Funds 2005 £
Courses	324,585	—	324,585	348,903
Creche	10,037	—	10,037	12,038
Support costs	307,096	3,665	310,761	287,576
	<u>641,718</u>	<u>3,665</u>	<u>645,383</u>	<u>648,517</u>

## Notes to the Financial Statements

### for the year ended 31 July 2006

#### 9. Costs of charitable activities by activity type

	Activities undertaken directly	Support costs	Total Funds 2006	Total Funds 2005
	£	£	£	£
Courses	324,585	305,328	629,913	631,349
Creche	10,037	5,434	15,471	17,168
	<u>334,622</u>	<u>310,762</u>	<u>645,384</u>	<u>648,517</u>

#### 10. Governance costs

	Unrestricted Funds	Restricted Funds	Total Funds 2006	Total Funds 2005
	£	£	£	£
Salaries and wages	105,115	–	105,115	92,763
Premises costs	3,015	201	3,216	3,565
Audit fees	3,269	–	3,269	3,725
Other professional fees	2,772	–	2,772	4,061
Legal fees	323	–	323	1,040
Bank charges	352	–	352	395
Sundry expenses	925	–	925	2,502
Conference and travel expenses	1,117	–	1,117	1,550
Advertising	6,983	–	6,983	4,231
Office expenses	6,618	–	6,618	7,028
	<u>130,489</u>	<u>201</u>	<u>130,690</u>	<u>120,860</u>

#### 11. Net incoming resources for the year

This is stated after charging:

	2006	2005
	£	£
Depreciation	44,566	40,079
Auditors' remuneration: - audit of the financial statements	<u>7,784</u>	<u>8,869</u>

#### 12. Fund transfers

During the year the trustees reviewed the terms and conditions of certain restricted funds. As part of the review the terms and conditions were considered to establish that all terms have been complied with. Accordingly residual balances have been transferred to unrestricted funds where the conditions permit.

#### 13. Staff costs and emoluments

Total staff costs were as follows:

	2006	2005
	£	£
Wages and salaries	542,370	519,246
Social security costs	41,717	40,283
Other pension costs	9,213	10,073
	<u>593,300</u>	<u>569,602</u>

## Notes to the Financial Statements

### for the year ended 31 July 2006

#### 13. Staff costs and emoluments *(continued)*

##### Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	2006	2005
	No	No
Number of administrative staff	<u>75</u>	<u>74</u>

No employee received emoluments of more than £60,000 during the year (2005 - Nil).

#### 14. Tangible fixed assets

	Freehold property £	Fixtures & Fittings £	Total £
<b>Cost</b>			
At 1 August 2005	1,132,747	101,741	1,234,488
Additions	-	32,789	32,789
<b>At 31 July 2006</b>	<u>1,132,747</u>	<u>134,530</u>	<u>1,267,277</u>
<b>Depreciation</b>			
At 1 August 2005	51,988	32,125	84,113
Charge for the year	22,655	21,911	44,566
<b>At 31 July 2006</b>	<u>74,643</u>	<u>54,036</u>	<u>128,679</u>
<b>Net book value</b>			
<b>At 31 July 2006</b>	<u>1,058,104</u>	<u>80,494</u>	<u>1,138,598</u>
At 31 July 2005	<u>1,080,759</u>	<u>69,616</u>	<u>1,150,375</u>

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. There have been no revaluations since that date.

All fixed assets are used for charitable purposes.

#### 15. Debtors

	2006 £	2005 £
Trade debtors	89,131	103,994
Prepayments	1,214	1,457
	<u>90,345</u>	<u>105,451</u>

#### 16. Creditors: Amounts falling due within one year

	2006 £	2005 £
Trade creditors	24,680	17,675
Other creditors	-	400
Accruals	7,603	19,604
	<u>32,283</u>	<u>37,679</u>



## Notes to the Financial Statements

### for the year ended 31 July 2006

#### 17. Restricted income funds

	Balance at 1 Aug 2005 £	Outgoing resources £	Transfers £	Balance at 31 Jul 2006 £
LSC - Disabled access	10,679	-	(10,679)	-
LCC - Room 3 refurbishment	7,572	-	(7,572)	-
LCC - Neighbourhood learning	1,806	-	(1,806)	-
LCC - UK Online	9,174	-	(9,174)	-
Lloyds TSB - room 4 refurbishment	5,000	(5,021)	21	-
LCC - house 2 refurbishment	13,295	-	(13,295)	-
	<u>47,526</u>	<u>(5,021)</u>	<u>(42,505)</u>	<u>-</u>

During the year the trustees reviewed the terms and conditions of certain restricted funds. As part of the review the terms and conditions were considered to establish that all terms have been complied with. Accordingly residual balances have been transferred to unrestricted funds where the conditions permit.

#### 18. Analysis of net assets between funds

	Tangible fixed assets £	Net current assets/ (liabilities) £	Total £
Unrestricted Income Funds	1,138,598	260,304	1,398,902
Total Funds	<u>1,138,598</u>	<u>260,304</u>	<u>1,398,902</u>

**Management information**  
**for the year ended 31 July 2006**

**The following pages do not form part of the statutory financial statements  
which are the subject of the independent auditors report on page 7**

## Five Year Summary

for the year ended 31 July 2006

	Company			Unincorporated Charity	
	16 Months Ended 31 July				
	2006	2005	2004	2003	2002
	£	£	£	£	£
<b>Incoming Resources</b>					
Student fees (less refunds)	112,820	102,647	123,497	94,216	98,455
Membership fees	11,216	10,099	13,067	9,204	8,789
Rents receivable and service charges	66,944	71,997	102,635	68,111	68,402
Sale of educational materials	3,777	5,751	4,485	2,909	4,112
Educational programme contracts	595,020	665,838	765,542	395,761	374,076
Improvement grants and donations	46,936	16,720	21,318	401	996
Income from coffee bar	64,713	65,010	75,332	49,783	45,141
Childcare	7,365	4,254	7,942	9,378	6,696
Interest receivable	5,273	4,831	2,184	1,223	231
Other income	8,489	7,467	12,882	6,480	7,370
	922,554	954,614	1,128,884	637,466	614,268
<b>Resources Expended</b>					
Wages and salaries	548,381	577,754	700,725	409,736	375,259
Repairs & building refurbishment	39,064	39,570	39,035	20,752	13,656
Coffee bar expenditure	66,526	60,732	71,833	47,847	46,836
Childcare costs	10,079	13,182	19,936	12,580	9,317
Contract costs	15,490	5,924	11,578	6,556	11,918
Heat and light	15,671	15,206	19,916	11,648	14,311
Rates and water	6,161	7,299	8,403	5,262	4,618
Cleaning materials	2,426	2,582	3,294	2,280	2,462
Educational materials and equipment	35,537	45,597	61,879	33,392	30,053
Printing, postage, stationery & publicity	30,831	24,362	29,670	18,109	15,048
Telephone	3,537	3,296	5,212	4,257	4,786
Travel and conferences	10,610	7,052	593	207	191
Insurance	22,654	22,880	24,656	8,523	6,075
Bank interest and charges	745	941	5,911	4,312	4,309
Audit and accountancy	7,784	8,869	7,385	5,400	3,201
Legal and professional	5,500	12,986	1,857	2,329	726
Sundry and volunteer expenses	3,584	3,059	4,374	2,623	11,836
Depreciation	44,566	40,079	44,034	12,021	12,285
Mortgage interest	-	-	-	2,049	3,111
	869,145	891,370	1,060,291	609,883	569,998
<b>Operating surplus for period</b>	53,409	63,244	68,593	27,583	44,270
Donation - Swarthmore Educational Centre	-	-	1,213,656	-	-
<b>Surplus for period</b>	53,409	63,244	1,282,249	27,583	44,270