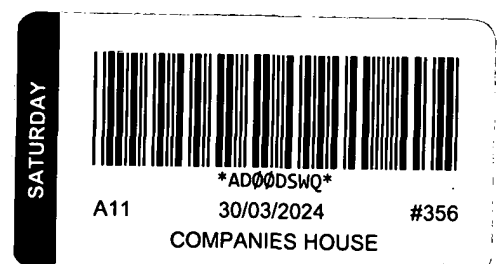


Registered number: 04527579
Charity number: 1094451

SWARTHMORE EDUCATION CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023



SWARTHMORE EDUCATION CENTRE
(A company limited by guarantee)

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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 2023**

Trustees	Mr N H Zaman Ms C L Walker Ms K J Badon Mrs S Sinha Dr E J Watkins Mr I Greenwood Mrs S L Taylor Miss L R Huxley Miss E J Exeter (appointed 25 April 2023) Ms R J Lucas (appointed 22 February 2023)
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Company registered number	04527579
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Charity registered number	1094451
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Registered office	2/7 Woodhouse Square Leeds LS3 1AD
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Company secretary	C Baillie
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Senior management team	P Johnson A Torbitt J Macleod C Baillie S Emmett
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Independent auditors	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)

CHAIR'S STATEMENT
FOR THE YEAR ENDED 31 JULY 2023

In my sixth year as Chair at Swarthmore and one in which we sought to put COVID behind us, face the cost-of-living crisis headlong and move from "striving to thriving" - I believe we have made immense progress.

In recognition of the hard work of our staff all Trustees agreed the need to increase pay by circa 5% across the board. Alongside that our income increased by £150,000, moving from £1.6m to £1.75m turnover. This included more students in adult education classes, more room hire, better coffee bar income, and a range of other additional income including our "*Art at the Heart*", "*Be More*" and "*Creative Communities*", all aimed at improving educational opportunities for those most disadvantaged in our communities. We reduced costs for our software and licensing, telephony and contracting out services. All very positive stuff.

However, that was counterbalanced by the increases in utility costs of £65,000 and the 8% interest charge on the Government's Coronavirus Business Interruption Loan Scheme (CBILS) that we needed to enable us to get through COVID. This has resulted in us being in a deficit position at the end of the year.

For the second year in a row, we were awarded the Education North award for our excellent community engagement. We offered a warm spaces opportunity for those in the community who were struggling in the cost-of-living crisis. In addition, we offered a series of unwind sessions to support the mental health of both our staff and students. A wide range of capital improvements have taken place to the building including hall refurbishment, reception area, and painting and updating across all rooms.

I am greatly encouraged by the improved relations with external partners, which has resulted in the money coming in much quicker to the organisation. There is also a very positive ethos and increased energy from our management right through to our staff on the ground, creating a new culture that is striving to make continuous improvements, be the best and maintain and ensure there is a forward-thinking philosophy.

I feel that we are well placed to face the real challenges of the 2023/24 financial year with greater confidence and compassion as we continue to support our staff and students to do, and be, their best for lifelong learning across the city of Leeds.



Julie Badon
Date: 21 February 2024

SWARTHMORE EDUCATION CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2023

The Trustees present their annual report together with the audited financial statements of the Swarthmore Education Centre for the year 1 August 2022 to 31 July 2023. 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.

Swarthmore's focus moved from recovering from the Impact of Covid to mitigating the financial risks presented by the emerging Cost of Living Crisis. A greater number and range of courses were made available for students to attend, as well as further exploration for new revenue streams, including Grants for Projects. The result was the successful allocation of funding for the BeMore project, the Unwind project, and confirmation of significant funding for a 2 year project called Creative Communities.

SWARTHMORE EDUCATION CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

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 placed extra resource into promoting our exhibition space in the Café, successfully attracting a new and varied selection of contributors. Hosting launch evenings promoted the space and raised awareness of Swarthmore.

Strategies employed

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

- Deliver a broad range of courses, projects, events and exhibitions for the enjoyment and education of our local community.
- Offer opportunities for adults to get involved in education, personal enrichment, developing their confidence, self-esteem, employability, digital skills, knowledge and understanding.
- Provide facilities for organisations and individuals who share our values to hire space to facilitate meetings, talks and hold events at discounted rates.
- Provide facilities for our students, staff and members of the public to eat and socialise in our Cafe at affordable prices.
- Provide information, advice and guidance to all adults to help them prepare for their next steps to education, employment and volunteering.

The Finance Committee explored opportunities for the organisation to ensure future success. It was identified that the greatest opportunities to generate surplus funds would be from growth of income rather than cost cutting exercises. The main areas were highlighted as having the greatest impact:

- The diversity and availability of Swarthmore's own courses, resulting in a drive to recruit more/new tutors/talent.
- Expanding the range of courses, allowing us to run workshops and taster sessions, introducing potential new students to the centre and its specialist art facilities.
- Improving facilitation of Room hire to utilise space not being used for classes/workshops.

In addition to the new sources of income, it is necessary to build upon Swarthmore's reputation and to raise awareness of the centre, focussing on the range of courses, the talent of Tutors, and the facilities and spaces available for multiple uses. More resource would be added to support marketing, events, and social media engagement.

Alongside word of mouth, an improvement in the use of social media, has proven an efficient and effective way to raise awareness to a much wider audience.

The Website is to be redeveloped/refreshed to make it more accessible and easier to navigate when looking for information or to enrol on courses or workshops.

Adult Education programmes

We offer an extensive range of courses in the Arts, Crafts, Languages, Health and Wellbeing, Maths, English and ESOL. These range in level from entry to level 3, accredited and non-accredited, short courses and year long courses. We offer a range of supported courses for those students requiring additional support for their learning. 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. This year we have focussed on recruiting new tutors to facilitate a greater range of workshops and courses.

SWARTHMORE EDUCATION CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Objectives and activities (continued)

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 ESFA contract increased this year, enabling us to support 80 students within the programme. Flexible learning enables students to access education in a way and at a pace that suits their needs.

At the end of the Academic Year there was a change in Management, as after a long career developing the study programme, Amanda Torbitt retired from her role as Manager. We were pleased that an internal candidate, Malgorzata Ciesluk, was successfully appointed to that role which has provided continuity for both the team and the students.

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 and BeMore.

Several of our volunteers went on to successfully apply for roles as Learning Support Assistants at the centre.

The Trustee Council is also made up entirely of volunteers who bring their skills and knowledge to support the Governance of the Centre.

Hire of facilities

Our centre has a diverse range of rental spaces, including specialist art facilities, small, medium and large rooms, and a Hall. This allows us to accommodate a wide range of needs and requirements in the community. We offer discounted rates, specifically tailored for charities and local groups seeking venues for meetings, events, and educational courses. Our facilities continue to be embraced by both occasional users and established groups like the Trade Unions Council, Little London and Woodhouse Neighbourhood Group and Leeds People's Choir.

We continued to review our room rental fees and remain competitive and economically viable. We saw an increase in room hire bookings this year.

Cafe

The cafe is the social hub of the Centre and a valuable resource to students, members of the public and staff. It also provides an environment for exhibitions. Swarthmore provided a "warm space" using funding from [Voluntary Action Leeds] with the Café providing a hot meal and a drink for those most affected by the impact of the Cost of Living Crisis.

Information and advice

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

SWARTHMORE EDUCATION CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Strategic report

Achievements and performance

Main achievements of the company

	2022/23	2021/22	2020/21
Students enrolled onto a course at Swarthmore	847	771	555
Courses delivered	165	176	171
Swarthmore (self-financing) students completed and achieved	80.1%	77.4%	n/a
Leeds City Council (non-accredited) students completed and achieved	79.1%	70.1%	84.6%
Leeds City College (accredited) students completed and achieved	67.2%	55.2%	78.3%

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.

This year, the focus for fundraising was to provide access to Swarthmore to those in the community who have not previously engaged, such as refugees and asylum seekers, and those in areas of the city who face financial hardship.

At the end of the financial year a new Hardship Fund was developed to support those in our community to have equal access to courses and workshops at the centre.

SWARTHMORE EDUCATION CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

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 £108,754, backed up by Fixed Assets of £1,114,224 out of total unrestricted funds of £1,222,978. This indicates a deficit of £341,246 in current reserves. The trustees acknowledge the policy, and continue to address all areas for improvement, including focussing on quality and the learner experience.

The implementation of the Business Strategy to develop revenue streams will continue, and is expected to drive an increase in reserves, while also addressing ways to offset further increases in wages and costs that are expected to continue.

Swarthmore's forecast on future income, and the related cash flow, is based, as always, on a conservative and prudent approach. The Business Strategy launched last year is being used to guide business growth, and there are a series of opportunities that are likely to generate £200,000 in the next financial year. These have not yet been included in the forecast as they are not yet fully agreed and awarded, but there is a strong belief that these and other opportunities will lead to a significant increase in new business over the next twelve months.

Swarthmore's overall financial position therefore is highly likely to improve and, whilst reserves are currently lower than it would wish, the growth plans are beginning to bear fruit, and we are confident that Swarthmore remains a going concern.

Deficit

Swarthmore Education Centre finished with a deficit of £70,423 in the Year to 31st July 2023 compared to a deficit of £98,924 in the previous year.

Improvements in revenue generation saw total income at around £150K more than the previous year, which in an ordinary year may have seen Swarthmore generate a small surplus, however in 2022/23 the increases in staff salaries following an increase in Minimum Wage, utility costs going up by over 300%, and general supplies seeing significant increases as the Cost of Living Crisis impacted adversely on the surplus/deficit position for the year.

Risk management

Financial sustainability is the major financial risk for the charity, especially in the context of a Cost of Living Crisis. 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.

SWARTHMORE EDUCATION CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Principal funding

The principal sources of income to the Centre were:

- ESFA funding for the Study Programme of £953,270
- Leeds City Council funding of £460,300 (Includes Funding for Inclusion)
- Student Fees of £94,995

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, and languages.

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. Over £200K of funding was granted by The National Lottery Community Fund to run a 2-year project. Pressure to retain existing funding streams while establishing new sources continued to be a challenge throughout the year.

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 and their attendance continues to grow.
- 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).
- Swarthmore is committed to maintaining prices that strike a balance between affordability for students and the financial viability of our courses. We understand the importance of making education financially accessible. To further this commitment, we have established a Hardship Fund to assist those facing financial challenges.

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 offer value for money, 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 April 2023.

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 527 registered members.

There was a review of the Memorandum and Articles of Association during the year to ensure that they remain fit for purpose. The updated version was submitted to Companies House on 14 March 2023.

SWARTHMORE EDUCATION CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Structure, governance and management (continued)

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 1 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.

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. Online training will be made available and it is expected that this will improve accessibility for trustees to take up relevant training.

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

Financial year 2022/23 saw the launch of our three-year business strategy, "Surviving to Thriving". We have made a good and solid foundation in this first year, growing in all areas of our delivery including the study programme, adult education and our secondary business including room hire and cafe.

Swarthmore will continue to nurture our growth through effective partnerships with our commissioners and stakeholders. The human resource strategy will be published, and positive steps taken to put in place a joint consultative committee. Our capital investment plan will enable us to invest wisely and ensure efficient and effective delivery in this area.

Whilst we recognise the current financial climate is not an easy one, the long-term prospects for Swarthmore are good as we have put in place the right policies and systems to continue to deliver high quality education for all, based on a strong values culture that is respectful of diversity.

SWARTHMORE EDUCATION CENTRE
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

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 2024 and signed on their behalf by:



SWARTHMORE EDUCATION CENTRE
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SWARTHMORE EDUCATION CENTRE

Opinion

We have audited the financial statements of Swarthmore Education Centre (the 'charitable company') for the year ended 31 July 2023 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 2023 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.

SWARTHMORE EDUCATION CENTRE
(A company limited by guarantee)

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

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.

SWARTHMORE EDUCATION CENTRE
(A company limited by guarantee)

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

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 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. 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 members, 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 members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



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 2024

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 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	4	1,283	23,075	24,358	23,810
Charitable activities	5	1,598,282	-	1,598,282	1,499,602
Other trading activities	6	119,916	-	119,916	80,333
Other income	7	13,537	-	13,537	3,125
Total income		1,733,018	23,075	1,756,093	1,606,870
Expenditure on:					
Raising funds		87,178	-	87,178	74,440
Charitable activities	8	1,728,699	10,640	1,739,339	1,631,354
Total expenditure		1,815,877	10,640	1,826,517	1,705,794
Net movement in funds		(82,859)	12,435	(70,424)	(98,924)
Reconciliation of funds:					
Total funds brought forward		1,305,837	15,998	1,321,835	1,420,759
Net movement in funds		(82,859)	12,435	(70,424)	(98,924)
Total funds carried forward		1,222,978	28,433	1,251,411	1,321,835

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

The notes on pages 18 to 33 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 JULY 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	1,114,225	1,157,471
		<u>1,114,225</u>	<u>1,157,471</u>
Current assets			
Debtors	14	264,221	240,301
Cash at bank and in hand		167,363	163,744
		<u>431,584</u>	<u>404,045</u>
Creditors: amounts falling due within one year	15	(213,166)	(137,435)
Net current assets		<u>218,418</u>	<u>266,610</u>
Total assets less current liabilities		<u>1,332,643</u>	<u>1,424,081</u>
Creditors: amounts falling due after more than one year	16	(81,232)	(102,246)
Total net assets		<u><u>1,251,411</u></u>	<u><u>1,321,835</u></u>
Charity funds			
Restricted funds	17	28,433	15,998
Unrestricted funds	17	1,222,978	1,305,837
Total funds		<u><u>1,251,411</u></u>	<u><u>1,321,835</u></u>

The financial statements were approved and authorised for issue by the Trustees on 21 February 2024 and signed on their behalf by:

Kathy J. Pugh

The notes on pages 18 to 33 form part of these financial statements.

SWARTHMORE EDUCATION CENTRE
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	20	51,673	(29,579)
Cash flows from investing activities			
Purchase of tangible fixed assets		(27,040)	(36,516)
Net cash used in investing activities		(27,040)	(36,516)
Cash flows from financing activities			
Repayments of borrowing		(21,014)	(23,045)
Net cash used in financing activities		(21,014)	(23,045)
Change in cash and cash equivalents in the year		3,619	(89,140)
Cash and cash equivalents at the beginning of the year		163,744	252,884
Cash and cash equivalents at the end of the year	21	167,363	163,744

The notes on pages 18 to 33 form part of these financial statements

SWARTHMORE EDUCATION CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

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 through both significant increases in energy costs and the need to meet future wage demands in order to remain competitive and provide a quality education delivery. Recognising that there is a financial impact to the organisation of these decisions, our management have taken two major steps to mitigate the impact by (a) increased controls on costs and (b) passing these on where possible. The three-year business strategy, shared at the 2023 AGM, continues to be used as a basis to 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.

SWARTHMORE EDUCATION CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

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

All expenditure is inclusive of irrecoverable VAT.

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.

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.

SWARTHMORE EDUCATION CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

2. Accounting policies (continued)

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 £270,668 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

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.

SWARTHMORE EDUCATION CENTRE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

2. Accounting policies (continued)

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 2023**

4. Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Donations	1,283	-	1,283
Grants	-	23,075	23,075
	<u>1,283</u>	<u>23,075</u>	<u>24,358</u>

	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>

5. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £
Leeds City Council Adult Learning	259,081	259,081
Leeds City Council Additional Learning Support	201,219	201,219
Other grants	54,773	54,773
Student fees	94,995	94,995
Membership fees	6,626	6,626
Sale of education materials	4,141	4,141
Tutoring services provided to community	24,177	24,177
Education Funding Agency	953,270	953,270
	<u>1,598,282</u>	<u>1,598,282</u>

SWARTHMORE EDUCATION CENTRE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

5. Income from charitable activities (continued)

	Unrestricted funds (As restated) 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	38,587	38,587
Student fees	100,084	100,084
Membership fees	6,938	6,938
Sale of educational 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>

The split of income in the comparative has been amended. There is no impact on the net movement in funds of the company.

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2023 £	Total funds 2023 £
Cafe income	40,939	40,939
Rental income	78,977	78,977
	<u>119,916</u>	<u>119,916</u>

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

SWARTHMORE EDUCATION CENTRE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

7. Other incoming resources

	Unrestricted funds 2023 £	Total funds 2023 £
Miscellaneous income	13,537	13,537

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

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Courses	1,239,491	10,113	1,249,604
Governance costs	70,860	-	70,860
Support costs	418,348	527	418,875
	<u>1,728,699</u>	<u>10,640</u>	<u>1,739,339</u>

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Courses	1,206,109	1,293	1,207,402
Governance costs	69,670	-	69,670
Support costs	353,816	466	354,282
	<u>1,629,595</u>	<u>1,759</u>	<u>1,631,354</u>

SWARTHMORE EDUCATION CENTRE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

9. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Courses	1,249,604	-	1,249,604
Governance costs	-	70,860	70,860
Support costs	-	418,875	418,875
	<u>1,249,604</u>	<u>489,735</u>	<u>1,739,339</u>

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
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>

Analysis of support costs

	Governance 2023 £	Courses 2023 £	Total funds 2023 £
Staff costs	-	145,405	145,405
Depreciation	-	70,286	70,286
Premises	-	148,011	148,011
Communications and IT	-	9,548	9,548
General office	-	43,329	43,329
Legal and professional fees	-	2,296	2,296
Governance costs	70,860	-	70,860
	<u>70,860</u>	<u>418,875</u>	<u>489,735</u>

SWARTHMORE EDUCATION CENTRE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Governance 2022 £	Courses 2022 £	Total funds 2022 £
Staff costs	-	143,440	143,440
Depreciation	-	72,629	72,629
Premises	-	112,783	112,783
Communication 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>

10. Auditors' remuneration

	2023 £	2022 £
Fees payable to the company's auditor for the audit of the company's annual accounts	<u>10,500</u>	<u>9,500</u>

11. Staff costs

	2023 £	2022 £
Wages and salaries	1,236,219	1,172,360
Social security costs	96,018	91,348
Other pension costs	31,689	28,557
	<u>1,363,926</u>	<u>1,292,265</u>

Included within staff costs are statutory redundancy, termination and settlement payments made during the year totalling £nil (2022 - £23,936).

The average head count of employees during the year was 71 (2022: 77).

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

	2023 No.	2022 No.
Number of staff	<u>45</u>	<u>45</u>

SWARTHMORE EDUCATION CENTRE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

11. Staff costs (continued)

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 £212,764 (2022: £214,992).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 July 2023, Trustee travel expenses totalling £nil have been incurred (2022 - £21).

13. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 August 2022	1,367,482	188,136	640,110	2,195,728
Additions	3,186	-	23,854	27,040
At 31 July 2023	1,370,668	188,136	663,964	2,222,768
Depreciation				
At 1 August 2022	479,009	41,267	517,981	1,038,257
Charge for the year	27,408	5,123	37,755	70,286
At 31 July 2023	506,417	46,390	555,736	1,108,543
Net book value				
At 31 July 2023	864,251	141,746	108,228	1,114,225
At 31 July 2022	888,473	146,869	122,129	1,157,471

SWARTHMORE EDUCATION CENTRE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

14. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	90,203	18,971
Other debtors	-	2,571
Prepayments and accrued income	174,018	218,759
	<u>264,221</u>	<u>240,301</u>

15. Creditors: Amounts falling due within one year

	2023 £	2022 £
Bank loans	22,808	22,808
Trade creditors	51,344	38,204
Other taxation and social security	26,562	21,126
Other creditors	8,295	3,562
Accruals and deferred income	104,157	51,735
	<u>213,166</u>	<u>137,435</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.

	2023 £	2022 £
Deferred income at 1 August 2022	24,109	19,797
Resources deferred during the year	63,416	24,109
Amounts released from previous periods	(24,109)	(19,797)
	<u>63,416</u>	<u>24,109</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

	2023 £	2022 £
Bank loans	<u>81,232</u>	<u>102,246</u>

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 2023**

17. Statement of funds

Statement of funds - current year

	Balance at 1 August 2022 £	Income £	Expenditure £	Balance at 31 July 2023 £
Unrestricted funds				
Unrestricted Income fund	270,496	1,733,018	(1,786,532)	216,982
Unrestricted Property fund	1,035,341	-	(29,345)	1,005,996
	<u>1,305,837</u>	<u>1,733,018</u>	<u>(1,815,877)</u>	<u>1,222,978</u>

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

	Balance at 1 August 2022 £	Income £	Expenditure £	Balance at 31 July 2023 £
Restricted funds				
UK Online	9,268	-	-	9,268
National Lottery Grant (Be More)	-	10,000	(8,489)	1,511
Adidas project	1,386	-	(1,109)	277
Community grant - Art at the Heart	5,344	3,709	(183)	8,870
National Lottery Community Fund	-	8,366	(65)	8,301
Leeds Mind	-	1,000	(794)	206
	<u>15,998</u>	<u>23,075</u>	<u>(10,640)</u>	<u>28,433</u>

	Balance at 1 August 2022 £	Income £	Expenditure £	Balance at 31 July 2023 £
Total of funds	<u>1,321,835</u>	<u>1,756,093</u>	<u>(1,826,517)</u>	<u>1,251,411</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.

Creative Communities - 2 year project delivering free creative workshops in South Leeds and promoting Pride in Place.

Leeds Mind - Lunch time tasters for students and staff to help promote mental health and well-being.

SWARTHMORE EDUCATION CENTRE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 August 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2022 £
Unrestricted funds					
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>
	Balance at 1 August 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2022 £
Restricted funds					
UK Online	9,268	-	-	-	9,268
National Lottery Grant (Be More)	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 £
Total of funds	<u>1,420,759</u>	<u>1,606,870</u>	<u>(1,705,794)</u>	<u>-</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 2023**

18. Summary of funds

Summary of funds - current year

	Balance at 1 August 2022 £	Income £	Expenditure £	Balance at 31 July 2023 £
General funds	1,305,837	1,733,018	(1,815,877)	1,222,978
Restricted funds	15,998	23,075	(10,640)	28,433
	<u>1,321,835</u>	<u>1,756,093</u>	<u>(1,826,517)</u>	<u>1,251,411</u>

Summary of funds - prior 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>

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	1,114,224	-	1,114,224
Current assets	403,152	28,432	431,584
Creditors due within one year	(213,166)	-	(213,166)
Creditors due in more than one year	(81,232)	-	(81,232)
Total	<u>1,222,978</u>	<u>28,432</u>	<u>1,251,410</u>

SWARTHMORE EDUCATION CENTRE
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior 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)
Total	1,305,837	15,998	1,321,835

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

	2023 £	2022 £
Net expenditure for the year (as per Statement of Financial Activities)	(70,424)	(98,924)
Adjustments for:		
Depreciation charges	70,286	72,629
Decrease/(increase) in debtors	(23,920)	29,601
Increase/(decrease) in creditors	75,731	(32,885)
Net cash provided by/(used in) operating activities	51,673	(29,579)

21. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	167,363	163,744
Total cash and cash equivalents	167,363	163,744

SWARTHMORE EDUCATION CENTRE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

22. Analysis of changes in net debt

	At 1 August 2022	Cash flows	At 31 July 2023
	£	£	£
Cash at bank and in hand	163,744	3,619	167,363
Debt due within 1 year	(26,368)	(4,735)	(31,103)
Debt due after 1 year	(102,246)	21,014	(81,232)
	<u>35,130</u>	<u>19,898</u>	<u>55,028</u>

23. Operating lease commitments

At 31 July 2023 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	<u>21,989</u>	<u>5,695</u>