

Registration number 04527579

Swarthmore Education Centre

Company Limited by Guarantee

Financial statements

for

31 July 2014

Charity Number 1094451



Trustees annual report year ended 31 July 2014

The trustees, who are also directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 July 2014.

Reference and administrative details

Registered charity name	Swarthmore Education Centre
Charity registration number	1094451
Company registration number	04527579

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

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

F Matthews
M Belt
A Goundry
P Hall
Dr H Hubbard
A Bowers
J Vallely
B O F Coghill
M Walters
Mrs B Randolph-Horn
A Needham
Ms I Shaw
Mr J Barker
Mr G Harper
Mrs J E Towers

Ms I Shaw was appointed as a trustee on 1 October 2013.

Mr J Barker was appointed as a trustee on 30 June 2014.

Mrs J E Towers was appointed as a trustee on 20 May 2014.

B O F Coghill retired as a trustee on 19 September 2013.

Secretary	M Butterworth
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Auditor	Sagars Accountants Ltd Chartered Accountants & Statutory Auditor Gresham House 5-7 St Paul's Street Leeds LS1 2JG
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Trustees annual report *(continued)*

year ended 31 July 2014

Structure, governance and management

The charity is an incorporated company limited by guarantee and is governed by the company's Memorandum and Articles of Association.

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 Recruitment and training

There are fourteen 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.

Trustees annual report *(continued)*

year ended 31 July 2014

Objectives and activities

Swarthmore is a registered charity originally established in 1909, with historic links to the Quaker movement. The centre is one of the oldest Quaker settlements named after the original Quaker meeting place. The centre is one of the oldest independent adult education centres in the country with over 2000 part-time 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 as well as 'leisure courses'. 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. We also deliver provision across Leeds and have worked in over 25 different venues across the city during 2013/14 targeting those areas with most disadvantages.

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 good reduced rate courses and financial support for students who have difficulty paying fees. Class times are flexible, arranged often 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 led through the Management Committee otherwise known as 'Swarthmore Council', which comprises student representatives and co-opted members from a number of local organisations. Swarthmore 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 cafe and a base for occasional users as well as long established groups who now organise themselves independently.

Swarthmore also offers an independent careers and education advice service through sub-contracting with Careers Yorkshire and the Humber and is available for potential students and the wider community.

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 2014

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.

2013/14 was a challenging year for Swarthmore. The largest challenge was getting the refurbishment work across the top floor completed in time for the start of the new E.F.A. 3 year full-time Study Programme for H.N.S. (High Needs Support) young people 16 - 24 years old from 1st September 2013. This was achieved at an initial cost of £65,576, of which £24,678 has been capitalised and a further £40,898 has been included in expenditure for the year. This has helped us to have a safe, better and more comfortable environment and will enable us to achieve excellence. In January 2014 the E.F.A. provision was subject to an Ofsted inspection. Swarthmore were awarded Grade 2s (good) across all areas - the effectiveness of leadership and management, the quality of teaching, learning and assessment, outcomes for learners and the overall effectiveness of provision were all graded good.

Open Door in Sheffield continued to be the lead provider for the SFA Adult Skills budget grant and Swarthmore continued to be a sub-contractor of Open Door Adult Learning Centre. Challenges were changing from being paid as a hybrid model during the year to being paid on actuals and being categorised as a work based learning provider with a different set of rules to when we were paid on profile. In 2013/14 we lost 20% of our funding because we couldn't demonstrate that students had achieved their learning aim by the month their course ended because we were awaiting exam results. We were also subject to a clawback of funding in Period 9 due to over delivery in Periods 1 to 8.

Leeds City Council has contributed during this year the amount of approx. £230,257 for the 12-month period for non accredited courses. The SFA (Skills Funding Agency) has contributed approx. £217,481 (£188,159 Adult Skills Budget, £25,443 Adult Safeguarded Learning and £38,379 Discretionary Learner Support Fund) to Swarthmore for the 12-month period through Open Door Adult Learning Centre. This has been a challenging year as the grant funding made no allowance for inflation although core course was not reduced. Growth was actually less than 1%.

The EFA (Education Funding Agency) contributed approx. £223,315 in total to support full-time Study programmes for HNS learners aged 16 - 18(19-24).

The Council has agreed action to be taken so as to begin a process of identifying alternative funding as well as the core funding above. It has also been agreed that further action will have to be planned for in the coming years with more imminent public spending cuts ahead. The Government's plans to cut budgets over the next year (16% SFA ASB) and changes to the commissioning process will further impact on the sector and Swarthmore.

We continue to apply for new contracts and bid for new money and this year we have been successful in bidding for a small contract from Igen approx. £37,850 to help young people gain qualifications in Maths and English. The Lloyds TSB project continued to be funded until the end of June 2014 ensuring different communities across Leeds were able to take part in 'taster' sessions from our programmes. A high percentage of people progressed on to longer courses at Swarthmore.

Swarthmore continued to be partners with 2 other providers from Sheffield - Open Door (our lead provider) and Matrec. We validated each other's SARs (Self-Assessment Reports) and held regular partnership meetings throughout the year. We continued to develop programmes in the local community. Our Computing programmes and Healthy Living courses in the community have attracted a good number of students from the disadvantaged Super Output Areas. We have worked with other local Community and statutory organisations and developed a range of Employability Skills and Ukonline related courses to promote learning to people living with a mental health condition. We have also taken part in local events to promote learning such as the Arts at Leeds festival and the Environmental Extravaganza on Woodhouse Moor. We also attended Unity Day on Woodhouse Moor where we ran the Memory Lane tent for older people and served homemade cake and refreshments and organised some interactive activities. We also promoted Swarthmore's courses at all these events.

We increased our course fees this year by 1% for SFA and self -financing part-time courses only as we believe people are still struggling financially from the recession.

Swarthmore implemented the living wage in February 2014 and aspires to becoming a living wage employer. During 2013/14 there was a 1% pay rise towards the end of the year for all staff but no incremental rises for people earning over £21,000.

We continue to be grateful to approximately 12 volunteers for the provision of learning support in computing,

Trustees annual report *(continued)*

year ended 31 July 2014

basic skills, arts, crafts and language classes. We are also grateful to volunteers who have assisted in fund raising, and to the voluntary members of Swarthmore's Management Committee (Swarthmore Council). Their names are listed on the first page of the accounts. We give thanks to Swarthmore's Management Team, support staff and tutors for their dedication and continuous support through-out the year.

Financial review

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

The attached audited financial statements show a surplus on general funds of £84,799 before transfers.

In preparing the balance sheet as at 31 July 2014, the freehold land and buildings are included at their deemed estimated value to the Centre less depreciation of £1,060,277. The balance on the balance sheet for Improvements to Leasehold Property at 31 July 2014 is £135,128. There have been no major improvements to the fabric of the building. However, fixtures and fittings of the building includes £24,678 additions in relation to redecoration of the attic area and other decorating activities. It is encouraging that, now that the building is water tight, we can confidently invest in the interior of the building, both in terms of redecoration and also facilities we can offer such as IT.

The Centre's 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 (Council) 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 and Risk Management

The Management Committee recognises that there is a need to maintain freely available funds (that is those not tied up in fixed assets or designated or restricted funds). In order to assess the required level of free reserves the Management Committee has been undertaking a process of "Risk Mapping" - identifying the risks to which the organisation is exposed and seeking to invest either in mitigating those risks and reducing their likelihood or carrying enough freely available funds to satisfy those risks should they occur. This process is currently on going.

The delayed payment from Leeds City Council continued to be a challenge to our reserves. Added to this that the SFA contract (managed by Open Door as the Lead Provider) has changed how we are funded and how cash is paid, there is now significant pressure on Swarthmore's cash flow resources.

The Management Committee have calculated the level of free reserves (working capital) as at 31st July 2014 to be £293,545. The Management Committee feels that at this time this represents an acceptable balance until the full Risk Mapping exercise is completed.

Public benefit guidance

The trustees confirm that they have referred to the guidance on public benefit issued by the Charity Commission when reviewing the aims and objectives of the charity. The Trustees consider that its activities and achievements carried out during the financial year, and described in this Trustees' Report, have been carried out for the public benefit and satisfy the Charity Commission's requirements.

Trustees annual report *(continued)*

year ended 31 July 2014

Plans for future periods

Swarthmore continues to monitor the impact of the new Government policies on funding. There is real concern that changes to the SFA (Adult Skills Budget) and ESF 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 continue 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. Continue to identify capital funding to refurbish and carry out essential repairs
5. Consider any necessary restructure to provide a more efficient organisation

Present Action carried out or being considered:

1. Keep student fees in 2014/15 similar to 2013/14 and add 1% to all fees except LCC provision.
2. Process of increasing fees by small amounts to be continued but must be mindful of the impact on economically disadvantaged people.
3. New bids made to different funding bodies to continue. This is to be done in partnership with other similar voluntary or statutory organisations.
4. Increase our 16-18 (19-24) work with young people especially NEET and LLDD.
5. Increase our English and Maths provision as this is a Government priority.
6. Increase our Leisure programmes in all appropriate areas.
7. Cut courses that are not cost effective.

Trustees' responsibilities statement

The trustees (who are also the directors of Swarthmore Education Centre for the purposes of company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 charity and the income and expenditure 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;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting 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 adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Trustees annual report *(continued)*

year ended 31 July 2014

Auditor

Sagars Accountants Ltd are deemed to be re-appointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Charities Act 2011.

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

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

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

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

Signed by order of the trustees



M Butterworth
Charity Secretary

10 November 2014

Independent auditor's report to the trustees of Swarthmore Education Centre for the year ended 31 July 2014

We have audited the financial statements of Swarthmore Education Centre for the year ended 31 July 2014 on pages 10 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees Annual Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

We read all the information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Independent auditor's report to the trustees of Swarthmore Education Centre (continued)
for the year ended 31 July 2014**

Opinion on financial statements

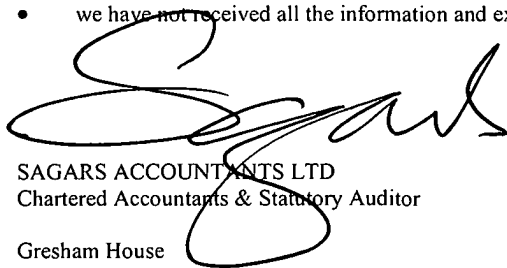
In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2014 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees Annual Report is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; 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.



SAGARS ACCOUNTANTS LTD
Chartered Accountants & Statutory Auditor

Gresham House
5-7 St Paul's Street
Leeds
LS1 2JG

10 November 2014

Sagars Accountants Ltd is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities (incorporating the income and expenditure account)

year ended 31 July 2014

		Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
	Note				
Incoming resources					
Incoming resources from generating funds:					
Voluntary income	2	317	3,701	4,018	56,707
Activities for generating funds	3	135,264	909	136,173	130,326
Investment income	4	453	—	453	2,493
Incoming resources from charitable activities	5	950,820	650	951,470	857,977
Other incoming resources	6	17,472	13,184	30,656	4,905
Total incoming resources		1,104,326	18,444	1,122,770	1,052,408
Resources expended					
Costs of generating funds:					
Fundraising trading: cost of goods sold and other costs	7	(92,004)	—	(92,004)	(82,280)
Charitable activities	8	(887,001)	(24,107)	(911,108)	(831,220)
Governance costs	9	(34,859)	—	(34,859)	(36,284)
Total resources expended		(1,013,864)	(24,107)	(1,037,971)	(949,784)
Net incoming resources for the year/net income for the year	10	90,462	(5,663)	84,799	102,624
Reconciliation of funds					
Total funds brought forward		1,383,218	179,467	1,562,685	1,460,061
Total funds carried forward		1,473,680	173,804	1,647,484	1,562,685

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 12 to 18 form part of these financial statements.

**Balance sheet
as at 31 July 2014**

	Note	2014 £	2013 £
Fixed assets			
Tangible assets	12	1,341,873	1,363,446
Current assets			
Debtors	13	157,729	175,924
Cash at bank and in hand		304,816	211,541
		<u>462,545</u>	<u>387,465</u>
Creditors: Amounts falling due within one year	14	<u>(156,934)</u>	<u>(188,226)</u>
Net current assets		305,611	199,239
Total assets less current liabilities		<u>1,647,484</u>	<u>1,562,685</u>
Net assets		<u>1,647,484</u>	<u>1,562,685</u>
Funds			
Restricted income funds	16	173,804	179,467
Unrestricted income funds	17	1,473,680	1,383,218
Total funds		<u>1,647,484</u>	<u>1,562,685</u>

For the year ended 31 July 2014 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies but as this company is a charity, it is subject to audit under the Charities Act 2011.

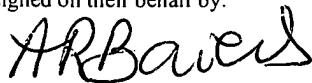
Trustees' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

These financial statements were approved by the members of the committee and authorised for issue on the 10 November 2014 and are signed on their behalf by:

A Bowers
Director



Company Registration Number: 04527579

The notes on pages 12 to 18 form part of these financial statements.

Notes to the financial statements

for the year ended 31 July 2014

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 and the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005).

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. The allocation of expenditure has been amended in the year and the comparative figures have been restated to more fairly reflect the activities undertaken by the charity.

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 directly attributable to the management of the charity's assets and dealing with all Trustee and committee meetings.

Notes to the financial statements

for the year ended 31 July 2014

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
Fixtures & Fittings	-	25% straight line / 15% reducing balance
Leasehold Property Improvements	-	Remaining life of lease

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

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 £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Donations				
Donations	<u>317</u>	<u>3,701</u>	<u>4,018</u>	<u>56,707</u>

3. Incoming resources from activities for generating funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Cafe income	52,938	909	53,847	52,872
Rental income	<u>82,326</u>	<u>—</u>	<u>82,326</u>	<u>77,454</u>
	<u>135,264</u>	<u>909</u>	<u>136,173</u>	<u>130,326</u>

4. Investment income

	Unrestricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Bank interest receivable	<u>453</u>	<u>453</u>	<u>2,493</u>

**Notes to the financial statements
for the year ended 31 July 2014**

5. Incoming resources from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Skills Funding Agency (via Open Door)	252,159	—	252,159	289,889
Leeds City Council	228,072	—	228,072	240,094
Other Grants	(100)	—	(100)	13,009
Student fees	149,162	—	149,162	181,717
Membership fees	17,938	—	17,938	15,096
Sale of educational materials	4,427	—	4,427	4,508
Contract income	—	650	650	3,940
Childcare	—	—	—	17,074
Education Funding Agency	241,347	—	241,347	33,445
IGEN	18,975	—	18,975	15,925
Careers West Yorkshire	38,840	—	38,840	43,280
	<u>950,820</u>	<u>650</u>	<u>951,470</u>	<u>857,977</u>

6. Other incoming resources

	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Miscellaneous income	<u>17,472</u>	<u>13,184</u>	<u>30,656</u>	<u>4,905</u>

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

	Unrestricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Cafe expenses	66,340	66,340	60,699
Rental expenses	25,572	25,572	21,581
Centenary celebrations	92	92	—
	<u>92,004</u>	<u>92,004</u>	<u>82,280</u>

8. Costs of charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total Funds 2014 £	Total Funds 2013 £
Courses	613,085	286,130	899,215	814,304
Creche	8,688	3,208	11,896	16,916
	<u>621,773</u>	<u>289,338</u>	<u>911,111</u>	<u>831,220</u>

**Notes to the financial statements
for the year ended 31 July 2014**

9. Governance costs

	Unrestricted Funds	Total Funds 2014	Total Funds 2013
	£	£	£
Salaries and wages	25,057	25,057	24,897
Audit fees	7,200	7,200	9,420
Legal fees	1,922	1,922	1,579
Sundry expenses	680	680	388
	<u>34,859</u>	<u>34,859</u>	<u>36,284</u>

10. Net incoming resources for the year

This is stated after charging:

	2014	2013
	£	£
Depreciation	71,709	67,592
Auditors' fees	<u>7,197</u>	<u>9,420</u>

11. Staff costs and emoluments

Total staff costs were as follows:

	2014	2013
	£	£
Wages and salaries	564,092	515,140
Social security costs	135,599	124,906
Other pension costs	4,997	1,779
	<u>704,688</u>	<u>641,825</u>

Particulars of employees:

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

	2014	2013
	No	No
Tutors	12	8
Management and administration	6	6
Other staff	11	11
	<u>29</u>	<u>25</u>

The average number of employees employed during the year was 71 (2013 - 68).

No employee received remuneration of more than £60,000 during the year (2013 - Nil).

No remuneration or expenses was paid to the Trustees during the current and prior years.

**Notes to the financial statements
for the year ended 31 July 2014**

12. Tangible fixed assets

	Freehold property £	Fixtures & Fittings £	Leasehold Property Improvements £	Total £
Cost				
At 1 August 2013	1,318,339	299,251	140,059	1,757,649
Additions	5,585	44,550	—	50,135
At 31 July 2014	1,323,924	343,801	140,059	1,807,784
Depreciation				
At 1 August 2013	236,798	156,143	1,262	394,203
Charge for the year	26,849	41,190	3,669	71,708
At 31 July 2014	263,647	197,333	4,931	465,911
Net book value				
At 31 July 2014	1,060,277	146,468	135,128	1,341,873
At 31 July 2013	1,081,541	143,108	138,797	1,363,446

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 £223,924 of improvements to the property.

All fixed assets are used for charitable purposes.

Capital commitments

	2014 £	2013 £
Contracted but not provided for in the financial statements	19,800	30,487

13. Debtors

	2014 £	2013 £
Trade debtors	105,113	137,586
Other debtors	—	513
Prepayments	52,616	37,825
	157,729	175,924

14. Creditors: Amounts falling due within one year

	2014 £	2013 £
Trade creditors	62,318	73,703
PAYE and social security	15,855	12,721
Accruals	78,761	101,802
	156,934	188,226

**Notes to the financial statements
for the year ended 31 July 2014**

15. Commitments under operating leases

At 31 July 2014 the charity had annual commitments under non-cancellable operating leases as set out below.

	Assets other than Land and buildings	
	2014 £	2013 £
Operating leases which expire:		
Within 1 year	944	944
Within 2 to 5 years	2,595	2,595
	<u>3,539</u>	<u>3,539</u>

16. Restricted income funds

	Balance at 1 Aug 2013 £	Incoming resources £	Outgoing resources £	Balance at 31 Jul 2014 £
Capital improvement grants	8,434	—	(2,754)	5,680
Lloyds TSB course grants	2,580	11,933	(10,743)	3,770
UK Online course grants	9,467	1,900	(3,071)	8,296
Roof fund	158,986	4,611	(7,539)	156,058
	<u>179,467</u>	<u>18,444</u>	<u>(24,107)</u>	<u>173,804</u>

17. Unrestricted income funds

	Balance at 1 Aug 2013 £	Incoming resources £	Outgoing resources £	Balance at 31 Jul 2014 £
Unrestricted Property Fund	1,061,352	—	(22,008)	1,039,344
General Funds	321,866	1,104,326	(991,856)	434,336
	<u>1,383,218</u>	<u>1,104,326</u>	<u>(1,013,864)</u>	<u>1,473,680</u>

18. Analysis of net assets between funds

	Tangible fixed assets £	Net current assets £	Total £
Restricted Income Funds:			
Capital improvement grants	5,680	—	5,680
Lloyds TSB course grants	—	3,770	3,770
UK Online course grants	—	8,296	8,296
Roof fund	156,058	—	156,058
	<u>161,738</u>	<u>12,066</u>	<u>173,804</u>
Unrestricted Income Funds	<u>1,180,135</u>	<u>293,545</u>	<u>1,473,680</u>
Total Funds	<u>1,341,873</u>	<u>305,611</u>	<u>1,647,484</u>

Notes to the financial statements

for the year ended 31 July 2014

19. Related party transactions

The charity is under the control of the Trustees as set out on page 1 of the Trustees' Annual Report.

There are no related party transactions which require disclosure under the requirements of Financial Reporting Standards.

20. Company limited by guarantee

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